Developing

The secret landmark is "Big Ben".

our audience

Diversifying

our revenue

Focusing

on efficiency

Reach

Annual Report 2023

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Disclaimer

This Annual Report is sent to shareholders who have elected to receive a hard copy and is available on our website www.reachplc.com for those shareholders who have elected to receive a copy electronically. In this document, references to 'the Group', 'the Company', 'we' or 'our' are to Reach plc and its subsidiaries. A reference to a year expressed as 2023 is to the 53 weeks ended 31 December 2023 and a reference to a year expressed as 2022 is to the 52 weeks ended 25 December 2022. Where we reference 'like-for-like', we are comparing a 52 week period. References to 'the year' and 'the current year' are to 2023 and references to 'last year' and 'the prior year' are to 2022. The Annual Report contains forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and future assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward looking statements. No assurance can be given that the forward-looking statements will be realised. Statements about the directors' expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Company's control. The Annual Report has been prepared on the basis of the knowledge and information available to directors at the date of its preparation and the Company does not undertake any obligation to update or revise the information during the financial year ahead. It is believed that the expectations set out in these forward-looking statements are reasonable, but they may be affected by a wide range of variables which could cause actual results or trends to differ materially. The forward-looking statements should be read in the context of the principal risk factors set out in the Strategic Report.

DEVELOPING OUR AUDIENCE

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How we have responded to a major shift in online traffic trends by strengthening our secure audience and deepening our relationship with new demographics.

DIVERSIFYING OUR REVENUE

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How we're generating income beyond advertising with new revenue streams such as ecommerce and affiliates, while ensuring our printed products continue to drive revenue.

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How we're equipping ourselves for success in a challenging and competitive market by managing our cost base carefully and organising ourselves to better serve a digital audience.

OUR PURPOSE

To enlighten, empower and entertain through brilliant journalism

Every day, our brands deliver the latest news, entertainment and sport to communities throughout the UK and Ireland and around the world.

Each of our trusted titles is a platform to represent and campaign for the voices of the communities we serve and to hold power to account.

We're proudly mainstream and believe in giving our audiences something to smile about as part of a well-curated mix of light and shade.

Our purpose is:

TOGETHER, WE'RE BUILDING A SUSTAINABLE FUTURE FOR OUR BRANDS.

ENLIGHTEN

EMPOWER

ENTERTAIN

See more examples of our purpose in action on page 34

REACH IN NUMBERS

The secret currency is a "ruble".

FINANCIAL

Revenue

£568.6M

2022: £601.4M

Digital revenue

£127.4M

2022: £149.8M

Adjusted operating profit[1]

£96.5M

2022: £106.1M

Statutory operating profit

£46.1M

2022: £71.3M

Adjusted earnings per share – basic[1]

21.8P

2022: 27.1P

Statutory earnings per share – basic

6.8P

2022: 16.8P

Net (debt)/cash

£(10.1)M

2022: £25.4M

Dividend per share

7.34P

2022: 7.34P

NON-FINANCIAL

Trusted brands

120+

Audience size ranking for UK and Ireland publishers

#1

UK online population reached (average monthly reach 2023)

72%

Monthly print and online audience

47M

Digital property in the UK

6TH LARGEST

Registered customers[2]

12.3M

Customers choosing a Reach brand for local news (average monthly)

27.8M

Engagement from secure and data-driven audience

UP 5% YOY

1. Our financial statements disclose financial measures which are required under IFRS. We also report additional financial measures that we believe enhance the relevance and usefulness of the financial statements. These are important for understanding underlying business performance. Statutory figures are shown for comparative purposes where they differ from adjusted figures. See notes 3 and 35 to the consolidated financial statements.
2. Registered customers are customers who have provided an email address and/or phone number in order to receive a service.

DRAWING A LINE BETWEEN PAST AND FUTURE

Nick Prettejohn
Chairman

The changing media world

We saw big changes in the media and wider digital industry in 2023 – and significant challenges. Most major media organisations at home and abroad, including Reach, had to contend with the dual pressures of low consumer confidence and the dominance of large tech platforms in deciding how or even if they would make news available to people.

Against this backdrop, the Board and I believe that the management team has responded appropriately to these trends and made the right plans for the future, enabling the business to cover financial obligations and support strategic investment.

Update on pensions and historical legal issues

In 2023, we oversaw the business as it navigated and made significant progress in resolving several long-standing questions. Following years of preparation and a very carefully considered decision to go to trial, we were able to draw a line under our long-standing historical legal issues.

The judgment we received in December 2023 represents a watershed moment for us. Most importantly it has given us clarity around time limitation for any future claims, allowing the business to plan with more certainty for the future.

In October, we were able to conclude the 2019 triennial valuation for the MGN pension scheme, and at the same time concluded its 2022 triennial valuation. Discussions are ongoing with the Group's other schemes regarding the 2022 triennial valuations and are expected to be concluded satisfactorily by the 31 March 2024 due date.

These have been difficult, painful and long-standing issues for all those involved, both in the Company and those who have been affected by them. Resolving them has been hard work for many, but the greater certainty for the business is real progress.

Strategy

We are encouraged by the business's progress this year in diversifying its revenue, ensuring that our ad-based model is supported and strengthened by multiple income streams. Affiliates and ecommerce have both shown promising growth, as we have built on our early success with the OK! Beauty Box and explored several new opportunities.

It was also good to see our three US sites launching on schedule and building their audiences as planned – an important step in strengthening our customer base.

In Q4, we approved additional investment to key areas including video, ecommerce and affiliates, as well as further focus on the youth and lifestyle audience.

We will also continue to invest in our successful in-house ad-tech tool Mantis, which we originally launched in 2019 and have steadily expanded on. Powered by machine learning, Mantis has proven to be a valuable tool for a range of uses, including brand safety, contextual advertising and driving page views by recommending suitable content to our audiences.

The Board and I recognise the importance of continuing to assess and challenge strategic progress, especially against the backdrop of a rapidly shifting landscape.

Regulatory developments

Our CEO Jim Mullen completed his last year as chair of the News Media Association (NMA) Board in 2023, a year when we and the rest of the industry saw positive movement on several pieces of key media legislation,

Chairman's statement continued

including the Online Safety Bill and the repeal of Section 40 of the Crime and Courts Act. Crucially in 2023, we watched the Digital Markets Bill continue to take shape. As this Bill progresses through Parliament, we hope it will provide rules of engagement that will bring clarity and transparency to our dealings with tech platforms, particularly around the value of our content. Reach will continue to work both with Government and opposition to lobby for a fair playing field for news in the digital landscape.

Innovative journalism

We remain driven by our core purpose to enlighten, empower and entertain our audiences. While awards aren't the only marker of our success, it was nonetheless gratifying to see our teams continue to be recognised for their work in 2023, often on an international scale. For example, the International News Media Awards (INMA) recognised the Manchester Evening News for its Awaab Ishak investigation, and the Cannes Lion International Festival of Creativity gave the Daily Star a Bronze PR award for its viral sensation 'Lettuce vs Liz Truss' campaign. Closer to home, our journalists continued to win multiple awards, with our local colleagues in particular regularly sweeping the categories.

We were also noticed for work which saw our people exploring new territory – for example, the multi-award-winning WhatsApp communities project from our social team, which pioneered a new and effective way of engaging with people. This drive to innovate and reinvent how we deliver our content deserves to be celebrated.

I am always heartened to see the very real impact our campaigning journalism has every year, both nationally and locally – a reminder that the work this business does matters. While campaigns are often a labour of love for months or even years, sometimes they hit the mark quickly, as we saw with the Mirror's campaign last summer which successfully halted the closure of rail station ticket offices. For more campaigning journalism highlights of the year, see page 34.

Responsible business

We continued to strengthen our commitment to being a responsible business, building on the excellent work done in 2022 when we introduced a new formal framework. In 2023, we made further progress in our environmental efforts, in particular putting the reporting and data in place that will pave our path to net zero. A significant step was taken towards this goal in 2023 when our three print sites all completed work on installing 9,000sq m of solar panels that will reduce both our carbon footprint and our dependence on external energy providers.

We also continued to work on being a more inclusive business. At Board level, I am proud to have achieved our 30% Club commitment to a better gender and ethnicity balance on the Board. However, I acknowledge that this is only a starting point and that, while Reach's executive management team has also fulfilled its pledge of achieving 30% women in its makeup, it has yet to achieve its ethnicity targets – this is an area we are committed to improving.

Across the wider business, we continued to make progress in making Reach more responsible, such as by providing greater support to colleagues regarding menopause and accessibility, and we were proud to see our efforts recognised when we were ranked #19 in the Inclusive Companies list.

Our teams

In 2023, the Board oversaw the implementation of a continued push to carefully manage our costs, a decision that involved reducing the size of most of our teams. While we agreed this was a necessary step to safeguard the future of our business and our journalism, we recognise that such changes are enormously difficult for all our people. We worked closely with management to understand the impact of these changes and encouraged direct communication with employees, via several in-person meetings across Reach sites.

Board changes

Darren Fisher joined the Board as Chief Financial Officer in February 2023, joining us from ITV plc where he was Group Director of Finance. He has brought a strong set of financial, operational and strategic skills to the Board, experience which will benefit the Group. For more on changes to the Board this year, see page 75.

Dividend

The Board proposes a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence per share), which follows the interim dividend of 2.88 pence. In proposing the final dividend, the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

Moving forward

Over the coming months, we expect to see continuing shifts in audience and tech platform behaviour but we will be ready to adapt to those changes. The work we have done in 2023 has put us in a strong position to face the challenges 2024 may bring, and to consolidate our position as a leading digital publisher.

The Board and I would like to thank everyone at Reach for another year of outstanding work under very challenging circumstances. The talent and dedication we continue to see is a powerful reminder of the strength of our purpose as we work together to ensure the future of our journalism.

Nick Prettejohn
Chairman

5 March 2024

A POWERFUL PORTFOLIO

We're Reach plc, the largest commercial news publisher in the UK and Ireland. We're home to more than 120 trusted brands, from national titles including the Mirror, Express, Daily Record and Daily Star, to local brands like WalesOnline, BelfastLive and the Manchester Evening News. Every month, 72% of the online UK population come to us for news, entertainment and sport they can trust. As a proudly mainstream publisher, we connect people everywhere with what's going on in their area and throughout the world.

Brands across UK & US

120+

We reach

85%

of the regional news audience monthly

We reach

72%

of the online UK audience monthly

DEVELOPING OUR AUDIENCE

Securing our digital distribution

While we still by some distance command the largest audience of any news publisher in the UK and Ireland, we contended with several dramatic shifts in online traffic trends in 2023.

We responded to these challenges by focusing on areas within our control, driving our Customer Value Strategy (CVS) to maximise the 'secure' audience we reach directly and by strengthening our search engine optimisation (SEO) capability to make our online content more visible to searchers.

We also successfully grew our secure audience by focusing on distribution channels we can control. For example we began using WhatsApp groups around key topics and brands, reaching over 1m subscribers in just seven months.

We now have over 9.1m sign-ups from people to receive content to their devices via these secure channels, including newsletters, WhatsApp and push notifications.

Widening our appeal

2023 saw us leverage our expertise in reaching a mass audience by expanding our operations in the US with the launch of three '.com' sites to a massive and largely untapped audience.

We also grew our relationship with and data-led understanding of key demographics, in particular the youth audience, to support our Customer Value Strategy. Our youth-oriented brand Curiously has attracted a healthy following (250k TikTok followers as of January 2024), and has also provided a valuable testing ground for our established brands. For example, we applied learnings from Curiously to the Mirror TikTok channel, which by the end of the year had secured 360k followers, up from 66k in January 2023.

We will further develop our youth and video proposition in 2024 with our newly created multimedia Studio team.

And we continued our work to reach previously under-served audiences via our Belonging Project, which holds every regional newsroom and the Mirror accountable for producing more inclusive content and reaching more segments of the communities they serve – read more on page 43.

9.1M

Sign-ups to secure channels (newsletters, WhatsApp, push notifications)

The secret flower is a "daisy".

We have the largest Arsenal WhatsApp channel globally, with over 600,000 members

A RESILIENT BUSINESS

PRINT

Print circulation revenue
£313M
Up 1.6% on 2022 despite 17% reduction in print volume

Print business revenue
£439M
Down 2.2% on 2022

Print copies sold a year
250M+

Retail availability
+85%

DIGITAL

RPM (revenue per 1,000 pages)
+11%

Total data-driven revenue
£55M

The habitual nature of newspaper consumption means we continue to see reliable but falling demand for our printed products. We still sell hundreds of thousands of our print products every day.

Part of our strategy is to maintain this considerable revenue stream and profit generator for as long as possible. This is achieved by carefully managing the levels of publication availability across the country and undertaking carefully planned price increases and promotional activity. We benefit from a significant amount of data and expertise in these areas which help achieve the optimal changes. Whilst availability varies by geography and publication, it averages for the Group at over 85%. We periodically increase the cover prices, and over 2023 we increased these an average of 14% per title, ahead of 4% inflation. These actions have more than offset the 17% volume decline, driving an increase in overall circulation revenues.

We also work hard to manage our cost base to address the challenges from falling volumes and inflation. Our print business is run by highly experienced production teams who excel in evolving production systems, procurement and planning our distribution network. These actions have helped address the rising unit costs of production and maintained the strong profitability of the print business. This means we have been able to successfully ensure that print revenues and profitability remain resilient.

DIVERSIFYING OUR REVENUE

While print remains important, both as a revenue stream and as a source of trusted news for millions of readers, our overall direction of travel continues steadily towards digital. Using the Customer Value Strategy (CVS) as our guide, and now with over 12.3m registered customers, we continue to explore ways to drive further resilience.

Affiliates and ecommerce

Our affiliates business allows us to work with ad partners to produce quality content directing readers to purchase, earning us steady non-advertising revenue. Over the past three years, our affiliates revenues have doubled, demonstrating the benefit of relevant content – especially across the Black Friday period where revenue was up 90% versus last year.

We also continue to drive our ecommerce business, for example with our OK! Beauty Box, an early CVS initiative which now has circa 12k subscribers.

Mantis B2B

Through 2023 we continued to refine our AI-powered ad tech tool, Mantis, in order to open up a further B2B revenue stream. In past years we have successfully licensed Mantis for its brand safety capabilities. We have now tested and built up its first-party data contextual targeting capabilities, an element that will be more important in 2024 and beyond thanks to Google's well-publicised deprecation of third-party cookies. In 2023 we invested in this in-house tech to support a bigger B2B licensing business in 2024.

Audience diversification

And we continue to diversify our audience and strengthen our video capabilities to reach more of the youth market and take better advantage of the branded social opportunity. For more on this, see page 7.

The secret kitchen appliance is a "microwave".

+45%
Affiliates/ecommerce/partnerships revenue growth

>1m
people receiving content by WhatsApp

12,000
OK! Beauty Box subscribers

↓ £20m
Estimated reduction in historical legal issue costs

↓ c.£40m
Estimated reduction in pension obligations in 2028

43%
Data-driven revenues

11%
RPM increase

A PROACTIVE APPROACH

Both our business and more broadly our sector are constantly evolving and each year we are faced with new challenges. However, we consistently prove ourselves adept at weathering difficulties, delivering against our commitments and adapting to change.

Resolving past uncertainties

In 2023 we made significant progress in resolving two long-standing issues, both with material benefits. Firstly we were able to reach agreement on our outstanding pension valuation with the MGN pension scheme, avoiding costly regulatory intervention and providing clarity that these financial obligations will in the main unwind in early 2028.

After a lengthy legal process we have also been able to achieve clarity around our historical legal issues. December's judgment on time limitation has materially reduced our expected obligations and, barring exceptional circumstances, brought an end to any future claims.

Moving forward to digital-first

In 2023 we delivered a 5.7% reduction in operating costs (on a like-for-like basis) and in November announced a similar 5-6% reduction for 2024. These savings decisions, while never easy, are made to support the future of our business.

A guiding principle behind these changes was the need to more firmly orientate our newsrooms and wider organisation towards our digital audience. This meant considering online behaviour in all of our decisions – topics, timing, format – and rethinking how we tell every story in today's digital landscape.

Initiatives include the automation of our content management system (CMS) so journalists can save time uploading stories, sharing more content across brands, and organising teams for maximum impact. For example we have brought together our video and audio talent into one Studio team, to produce content for both our editorial brands and commercial partners and to better support the branded content revenue opportunity.

Responsible cost management

We have a proven track record in meeting challenges and managing costs responsibly, as evidenced over the past few years.

In 2020 we undertook a transformation programme to reshape the Group into a more efficient organisation, and as part of this closed two of our print plants. These decisions are always carefully weighed, but when well executed allow us to mitigate the structural decline in print and ensure we have a sustainable unit cost of production.

In 2021, we adopted a hybrid working model, following employee feedback largely in favour of retaining more remote working options post-Covid. This allowed us to streamline our property portfolio and reduce those costs, while also providing many of our teams with greater flexibility.

During 2022, high levels of inflation drove an unprecedented increase in like-for-like newsprint costs (+£40m). In response, we identified numerous ways to optimise costs, for example by changing print pagination and supply as well as managing availability to reduce the volume of unsold copies.

In 2023, we took a number of actions to support our 5.7% (like-for-like) operating cost reduction, across several areas. As a content business that deals in ideas and creativity, it is unsurprising but no less challenging that our workforce represents around half of our operating cost base. Therefore reducing the headcount, as we have done across all areas of the business, has been a necessary step in our cost management. However we also carefully reviewed our costs in several other key areas in 2023, from property to energy to distribution.

For example we undertook a review of our primary and secondary distribution plans, reducing costs by consolidating routes and sharing vans across both our own and third-party publications. Print production accounts for 13% of our costs so we continuously review our supply chain, from raw materials through to production planning, to drive incremental savings.

We also reassessed our real estate portfolio in 2023, analysing how our spaces have been used since we introduced hybrid working, and decided to replace two larger and underused spaces with smaller offices. This has enabled us to manage our costs while still providing teams with flexibility and a place to work or collaborate when needed.

In addition we installed solar panels at all three of our print sites in 2023, which will mitigate some of the increases we have seen in energy costs – more on these on page 47. Through these changes and alongside steady Customer Value Strategy progress, we are able to meet our obligations as well as position the business for the future.

FOCUSING ON EFFICIENCY

5.7%
Like-for-like cost savings 2022-23

17%
Adjusted operating margin

£91.9m
Adjusted operating cash flow

Total adjusted operating costs 2022-23

The secret sport is "surfing".

A PATH TO PROGRESS

Jim Mullen
Chief Executive Officer

2023 was far from a straightforward year, but it was an important and necessary one for the business. We can now look to the future having removed several long-term uncertainties and delivered market expectations, while also having progressed our Customer Value Strategy (CVS) and more firmly pointed the business towards our digital audiences.

Much of this progress was several years in the making, for example the preparation that supported us in 2023's trial around several long-standing historical legal issues. While confronting the past in this way is not easy, the resulting judgment on time limitation for future claims around historical legal issues means that a significant number of outstanding claims can be resolved, and this should largely bring an end to future claims.

We also took decisive action to resolve the outstanding pension funding valuations, which has similarly given us a firm end in sight for an obligation that has hindered this organisation for several decades. Together these two achievements give the business much-needed financial clarity and allow us to plan for the future with far greater certainty.

Throughout the year, we made significant progress in becoming a data-driven, digitally-focused business, supported by a predictable and reliable print business.

The average revenue (RPM) we generate from our digital page views is now up over 10% from last year, not something I take for granted against a challenging backdrop. While we have seen yields decline in our open market programmatic advertising, we have been able to add increased value by growing non-advertising revenue streams like ecommerce, affiliates and partnerships, reinforcing the benefit of our Customer Value Strategy (CVS). Crucially this has reduced the impact from the industry-wide decline in referral traffic, a trend that we have long expected – albeit not as quickly and severely as it came – and which CVS was always intended to mitigate.

We continued our transformation in the year, taking action to ensure that our cost base reflects the economic environment in which we operate, and to enable us to become a digital-first organisation. To achieve this, we needed to reduce the size of some of our teams. This is not a decision I or my management team take lightly. However, recent trends have only reinforced our belief that we must be willing to make big changes to exert more control over our own destiny and protect our brands in the long term.

The strong yield performance and efficient management of our cost base meant we delivered a sustainable operating margin of 17%, broadly in line with last year and giving us a strong foundation for 2024.

A fast-changing environment

We operate in a dynamic, competitive and constantly evolving market and 2023 was no exception. The period of economic volatility that began in 2020 has continued to impact the market, placing pressure on advertising spend and inflating costs for both businesses and consumers. Throughout the year, our entire industry saw a fall in referral traffic from tech platforms and we were not immune from that. Facebook, one of our largest traffic referrers, has shifted away from news content and we have contended with numerous Google core algorithm updates, each one requiring us to pivot on how we deliver content to our audiences.

"We can now look to the future having removed several long-term uncertainties and delivered market expectations."

These changes have impacted our organic search traffic and therefore our growth in the near term, with page views down 24% versus last year, in line with the wider news publishing market. Despite the decline in volume, our commercial teams have expertly traded the value of our content and ad space, capitalising on our Customer Value Strategy progress to drive our revenue.

Telling the stories that matter

It's clear that audience behaviour and digital trends can shift rapidly, but what remains constant is our core purpose to enlighten, empower and entertain our mainstream audiences, wherever they might find us.

Manchester Evening News reporter delivers the Awaab's Law petition to Downing Street alongside Awaab's father and campaigners

Great content will always be at the heart of our business and this year our teams produced an abundance of it. The editorial highlights that come to mind for me personally include the Sunday Mail's exclusive scoop on the SNP scandal, the Mirror's campaign for free school meals which so far has seen Sadiq Khan announce free hot meals for all primary pupils, and the Express's campaign calling for the Government to invest more in radiotherapy and increase services for cancer patients.

Meanwhile, the Manchester Evening News' award-winning Awaab's Law campaign has made its way through Parliament and will change many people's lives for the better.

And while it's always an honour to watch everyday heroes at the Mirror's Pride of Britain Awards, in 2023 it was particularly inspiring to see members of the Windrush generation be recognised for their outstanding contribution to British life since the first passengers on that vessel arrived 75 years ago.

These highlights all wield the power and impact they do precisely because of our wide reach, with our scale and editorial purpose working hand in hand. Despite the challenges of the business environment, Reach remains the largest publisher in the UK and Ireland, and continues to command the sixth largest digital audience of any UK business, reaching 36m adults digitally every month which is 72% of the online population. Our transformation actions in 2023 will ensure the continuation of our core purpose into 2024 and beyond.

Enhancing resilience and efficiency

Our print business continues to generate strong returns, despite the falling demand across the sector. Our experienced circulation teams use decades of data to expertly inform our approach to price increases and availability, both of which are critical to underpinning sales volumes. We maintain a track record of effective cost management and are constantly reviewing and making changes to our supply chain, optimising distribution and right-sizing our property footprint.

Across the business, we successfully delivered a 5.7% reduction in operating costs (on a like-for-like basis), against the 5-6% reduction we targeted at the start of the year. As announced in November 2023, to set ourselves up for success in 2024 we have committed to and already started to deliver a further 5-6% reduction in our operating cost base. In the wider industry context, with many organisations now making similar decisions to those we took in late 2023, we believe our early action demonstrates responsible foresight and planning.

As labour represents our single largest cost, there is no getting away from the fact that we have had to reduce the size of our teams to save cost and re-shape for the future. I do not underestimate the impact of these decisions on all of our people. With that in mind I committed to working through them with fairness and integrity, and to communicating openly throughout. During this period, I led a programme of small group discussions and town hall meetings with

Chief Executive's review continued

"As a result of our Customer Value Strategy progress, the return on data-driven advertising is currently over 10 times more valuable than volume-related programmatic advertising returns."

leaders and colleagues, to share updates, provide important context about the need for change, and facilitate open dialogue. Honest colleague communication remains something that I'm passionate about and committed to investing time into, all year round.

Our emphasis on efficiency goes beyond traditional cost-cutting measures as we must also organise our ways of working to put ourselves in the best position to achieve our strategic aims and accelerate our journey to being a digital-first content organisation. As part of this work we created the Reach Studio team, which pools all of our video and audio talent in one super team that will provide multimedia content for both editorial audiences and commercial partners, maximising the value for both.

Progressing our strategic priorities

During volatile times it is all the more important to pursue a strategy that gives us greater long-term stability and control over our business.

Over the year, our Customer Value Strategy (CVS) continued to progress on key metrics. Against falling referral traffic, we continued to grow our yield or RPM (+11% from 2022), an increasingly important metric as we focus on controlling digital revenue.

We also see that as a result of our CVS progress, the return on data-driven advertising is currently 10 times more valuable than volume-related programmatic advertising returns. These figures demonstrate that whatever market trends may come, we are able to consistently adapt to optimise the value of our content, data and audience.

Our commercial activity continues to be led by data, while focusing on direct customer relationships and more diversified revenues that support higher-quality digital earnings. These efforts are reflected in our mix, which is now made up of 43% of digital revenues generated by data-driven, higher value and better performing advertising, a trend which will continue.

Part of the strategy has been to strengthen and expand our audience base with key demographics and into valuable regions. In 2023 we successfully launched three '.com' websites from a new US operation, which by the end of the year were regularly attracting an audience of a million a day.

Additionally, we have worked to secure our audience, which will make us less vulnerable to changing tech platform algorithms and better able to directly engage with our millions of customers and drive them to our content. There have been several initiatives on this front, including an award-winning project to reach people via WhatsApp Communities and Channels, through which we reach more than 1.65m people directly as of February 2024.

One early standout in this area is our Arsenal channel which sends multiple stories a day directly to over 600k people, making it the biggest Arsenal channel in the world. Through work like this we are able to speak to our audiences on our own terms and ensure that our great content reaches them.

Our tech and commercial teams have played a key role in supporting our discoverability challenge, further developing in-house recommender tools powered by AI that point readers to content we know they'll be interested in. One of these tools alone has reduced customer bounce rate by over 10% and generated 2bn page views through the year. Our in-house first-party data capabilities, in particular our proprietary Mantis tool, will stand us in good stead as Google continues to phase out third-party cookies, a process we have now seen beginning in 2024. This will be a major shift in the landscape for publishers and advertisers, who for years have depended on third-party data to target their advertising. We will be significantly ahead of the curve on this front, with 12.3m registered customers, of which approximately 4m are active over each four-week period, and advanced capability to effectively place advertising using contextual targeting.

43%

of digital revenues now data-driven

We have further strengthened our position by growing our revenue streams outside traditional advertising revenue, with important work being done with affiliates and ecommerce. It's great to see the continued success of the OK! Beauty Box, which we launched in late 2020 as one of our first Customer Value Strategy initiatives, and now has c.12k paying subscribers.

Our goal with this work is not to replace our business model but to continuously evolve, strengthen and broaden it, and to give our audiences more choice about how they engage with our content.

"We now have a much clearer view on the estimated cost of resolving these long-standing issues and, crucially, these costs are expected to be materially lower than our previous estimates."

Resolving long-term uncertainties

For several years now, the leadership team and I have been working to resolve a number of long-standing hurdles facing this business. Over the past months I am proud to say we have made real headway in clearing these.

Ahead of 2023 we took the decision to go to trial to achieve greater certainty around the future impact of long-standing historical legal issues. The judgment we received in December set out very clear parameters on time limitation which enables us to draw a line under these issues. Simply, this means we now have a much clearer view on the estimated cost of resolving these long-standing issues and, crucially, these costs are expected to be materially lower than our previous estimates.

Over the last four years we had not been able to come to an agreement with the MGN Pension Trustees on the 2019 triennial valuation. I cannot overstate the importance of having successfully concluded both the 2019 and 2022 triennial pension reviews for the MGN pension scheme. Agreement with our other schemes is also expected to be completed by the 31 March 2024 due date. This provides much needed clarity on the scale of our funding obligations, which are scheduled to materially step down in early 2028.

These developments will both benefit the wider business and enable better planning for our future. Thank you to all the teams who have been involved in bringing these matters to a close.

Exploring AI as a tool

At the start of 2023 the conversation around how businesses and media organisations use AI was only beginning to take shape. Our editorial leaders created a cross-functional workstream to manage this complex issue, exploring the many opportunities while also gaining a firmer understanding of the risks. Their primary focus has been to test tools that help journalists to tell their stories more quickly and effectively. As a result of this work, the team has identified several areas with strong potential, such as spotting trends and analysing large volumes of data.

We have steadily increased our use of AI through the year, while carefully controlling its roll-out, and by the end of 2023 over a dozen newsrooms were set up to use an AI tool to support their work. As we continue to test AI's potential, we ensure that every story is edited and approved by a journalist, maintaining our commitment to responsible journalism.

The secret object #3 is a "bowl".

Fighting our case

I have also been putting our case to political decision-makers, ensuring that those in power and in opposition understand the issues facing Reach and the entire media industry. The stakes are high and I have had many encouraging discussions this year on the crucial questions that will decide the future of journalism in this country, such as: how can tech platforms work fairly with the media to support a free press and functioning democracy?

2023 marked my last year as chair of the NMA (News Media Association), but I will continue to discuss these vital issues in 2024 with our legislators, particularly as we watch the Digital Markets Bill progress through Parliament.

Looking after our people and our future

All of this progress is made possible by our talented and passionate colleagues in all departments. We have made many necessary changes to our teams this year but I remain committed to retaining and developing the great people who are shaping the future of this business.

Developing our teams is just one pillar of our formalised responsible business framework, now one year in (read more on this on page 40). We continue to prioritise becoming a more inclusive organisation, and in 2023 were once again recognised by Inclusive Companies with our highest ranking yet and testament to the dedication of many people here. We're also working to protect all our futures through our environmental efforts, which continued to progress this year as we implemented the systems and gathered the data that will inform our path to net zero.

Looking ahead

2023 was a critical moment for this business, allowing us to put several significant issues in the past and to focus instead on looking forward, and I am confident that we are now well positioned to take on the future.

As always, there are challenges ahead. The macro environment is unlikely to provide much relief over the near term and we are working to secure our audience and build our data-driven digital business. This will be achieved through small incremental gains and by continuing to build direct relationships with our audiences.

Our industry has a history of change and the future will undoubtedly see yet more. That's why it's essential we set ourselves up to win by making our operations suited to an increasingly fast-paced, competitive and digital world.

Jim Mullen
Chief Executive Officer

5 March 2024

Our business model

DELIVERING VALUE

We are transforming how we deliver value to our stakeholders, evolving and growing a digitally-focused business while maintaining our strong foundations in print. This transition is underpinned by the strength of our talented people and our iconic brands, united and guided by our purpose and focused on providing the content that attracts the largest audience of any commercial news publisher in the UK and Ireland.

Driven by our purpose

TO ENLIGHTEN EMPOWER & ENTERTAIN

through brilliant journalism.

Read more about our purpose on page 2.

Enabled by our assets

Our people

The talent and commitment of our employees are central to our success as we transform and become more digitally-oriented. We're building a workplace where our people are empowered to deliver excellence and facilitate change, while enjoying balance in their lives.

Our audience

We have the largest audience of any commercial news publisher in the UK and Ireland. Every month, 47m people come to us, in print and online, across our national and local titles, for news, entertainment and sport they can trust. We are a proudly mainstream publisher, reaching 72% of the UK's online population, and now bring that approach to our US-based sites.

Our technology

Vital to our transformation is investment in data and technology, which helps us better understand our customers and drive digital revenue. Our in-house adtech tool Mantis enables us to capture consented customer data to improve our content and provide targeted advertising for the brands we work with.

Our infrastructure

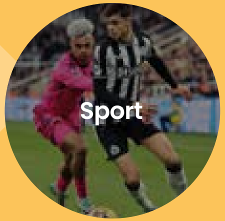
Our newspapers are produced at our three printing sites and, with the help of our distribution partners, reach all corners of the UK and Ireland. Our newsrooms, local and national, are increasingly integrated, and strategically share data, content and expertise. Reach operates a range of larger office hubs as well as smaller workplaces throughout the country, serving a now well-established hybrid working model.

Our brands

We are home to over 120 titles in the UK and Ireland. Our portfolio is unique, including iconic national titles such as the Mirror, Express, Daily Star and Daily Record, and local ones which sit at the heart of their communities, such as the Manchester Evening News, Liverpool Echo and MyLondon. While our titles share key central services, they each have a strong identity, together reaching a broad demographic across the political spectrum.

Focused on content

Our news coverage is award-winning, with our titles reflecting the diverse interests and political leanings of our audiences. We aim to inform and explain, as well as lending a voice to the causes that matter to the communities we represent. While our news coverage is often serious, some of our titles excel in finding the funny side of the day's biggest stories.



We cover a range of sport, from English Premier League to Scottish football, to Welsh Rugby, Formula 1 and our industry-leading coverage of the Cheltenham Festival. Meanwhile our local titles remain the 'go to' sources of information for local sports fans supporting a range of levels, whether the Liverpool Echo for LFC or Hull Live for Hull City FC.

We are proudly mainstream, which is key to our broad appeal and widespread audience. From celebrities to science, TV to travel and beauty to bingo, our brands cover a huge number of topics. Providing content for a wide range of interests has helped us become part of our customers' daily lives.

Our business model continued

Our transformational operating model

Print

Market dynamic

We sell hundreds of thousands of copies daily. While volumes are in decline, cover price rises alongside loyal demand support significant print cash flows.

Demographics

The average age of a print customer is 52 and this older demographic have a high degree of loyalty and are of high value to advertisers.

How we generate revenue

Newspaper sales account for approximately 71% of our print revenue. We also generate revenue from advertising and printing for third parties.

Our brands and products

National

Our portfolio has a strong heritage. The Mirror and Express have been a key part of British culture and society for over 120 years.

Local

What makes us different is our unique combination of national and local titles, such as the Manchester Evening News and Newcastle Chronicle, which lie at the heart of their communities.

Magazines

OK! and New focus on celebrity news, pop culture, fashion and real-life reader stories. We also produce the Sunday supplement magazines Notebook and S Magazine.

Digital

Market dynamic

Large tech platforms continue to shape the market – a key driver of our data-led approach.

Demographics

We develop our evolving audience base by evolving our formats and building niche 'fan' communities across sport and entertainment content.

How we generate revenue

Advertising-led, sold directly by our sales teams or programmatically via auction platforms. Increasingly our advertising is supported by data, resulting in higher yields, and we have also increased our non-advertising mix with affiliates and ecommerce.

Foundation revenue driver → Reinvestment to fund growth → Long-term revenue driver

More relevant content → More engaging experience → More customer data → More targeting capabilities → More effective advertising → Increasing yield → Underpinned by data → Increasing volume → More relevant content

Delivering stakeholder value

Our people
By setting the business up for a sustainable future we're able to invest in the teams we need for long-term growth, and in fostering an inclusive culture.

Customers
Delivering our digital strategy enables us to provide increasingly engaging and relevant content that maintains and builds audiences.

Communities
We're committed to contributing positively to the diverse communities we serve, discussing issues and supporting causes that matter to them.

Advertisers
Building a deeper understanding of our customers enables us to help advertisers deliver more targeted campaigns that reach the right audiences.

Suppliers and partners
Our supply chain includes distributors, retailers and newsprint suppliers. We work closely with all to ensure fair economics.

Shareholders
Working in the interest of our shareholders and other stakeholders by removing long-term uncertainties and providing balanced and clear communications for investors that set out our prospects for growth.

Pension funds
Delivering our strategy and maximising business performance demonstrate that Reach is being managed responsibly and sustainably.

Government and regulators
A vibrant news sector is key to a functioning democracy. Our transition to digital is a key part of the sector's future, as is the right regulation.

A STRATEGY FIT FOR THE FUTURE

Our strategy is to get to know our customers better, drawing on behavioural insights to create a virtuous circle of value that delivers more relevant content, a more engaging experience and greater loyalty. This all drives sustainable, data-led revenue for our business as we continue to strengthen our digital position.

In summary

We're constantly working towards making Reach a more data-led, digitally-focused business. The enduring appeal of our print titles supports the investment we need to make in our digital infrastructure and platforms, and in ensuring we have a diverse range of talent in our teams. These investments enable us to deliver a strategy focused on our customers – a Customer Value Strategy, or 'CVS' – which enables our brands to continue pursuing our purpose in an increasingly online world.

Why data matters

The success of our CVS relies on us forming a new kind of relationship with the people who come to us for news, entertainment and sport – our 'customers'.

As a largely ad-funded model, page views are our digital currency. And while customers do not pay directly for their content, they give us their time and attention which we measure most simply via these page views. With the CVS, a further exchange occurs – in return for more relevant content, our customers share data about themselves. This could be declared or personal data such as their email address or postcode, or it could be behavioural or contextual data based on the type of content they consume.

The more our customers engage, the more we learn about their preferences, enabling us to further enhance and personalise their experience. The more we understand the behaviour of our customers, the more valuable their profiles become, which enables advertisers to more accurately target their own customers through us.

A critical mass

With data the key to unlocking customer value, an initial objective of our strategy was to encourage more customers to register with us. We achieved our original 2022 target of 10m registered customers that same year, and now have over 12m, or about a third of our UK digital audience.

We're now focused on forging deeper engagement, understanding each customer better, and delivering content that encourages them to visit us more frequently and for longer, making us part of their daily lives.

For more on how we're measuring strategic progress, see our KPIs on page 20.

The secret animal #5 is a "squirrel".

STRATEGIC OBJECTIVES

Our strategy continued

STRATEGY IN ACTION IN 2023

Delivering the stories that matter

- Continued to deliver stories that embody our purpose such as M.E.N.'s award-winning campaigning for Awaab's Law and the Sunday Mail's exclusive reporting on the SNP scandal
- Created a new, centralised Studio team which brings together all of our video and audio talent to produce content for our editorial brands and commercial partners
- Developed the Belonging Project which ensures the Mirror and regional newsrooms are producing more inclusive content for the communities they serve

Developing a data-led proposition

- Strengthened our AI-powered contextual targeting capabilities with our in-house ad tech Mantis. Now set up to license to other publishers in 2024 as a B2B revenue stream – particularly relevant against backdrop of ongoing third-party cookies deprecation
- Generated 10 times more value from our data-driven advertising versus volume-related programmatic advertising
- Further developed our in-house recommender tools, powered by AI, that point readers to content we know they'll be interested in

Growing through audience engagement

- Successfully launched three new '.com' websites from a new US operation
- Establishing and growing secure audience channels – for example via our award-winning WhatsApp Communities and Channels work which now allows us to contact over 1m subscribers direct to their phones
- Continued progress reaching the youth audience, with rapidly growing TikTok follower numbers across key brands

Key performance indicators

HOW WE PERFORMED

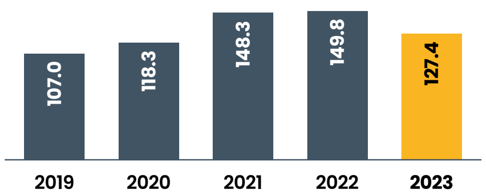
Financial KPIs

The secret clothing is a "sock". and our business to succeed, we need to maximise growth in digital revenue and optimise our print revenue despite cline in print. The combination of declining open market yields alongside the industry-wide decline in referral traffic meant that digital revenue declined 15%. Print has continued to be resilient, declining 2% and driven by a strong performance in circulation revenue. In aggregate, revenue declined 5% and operating costs declined by a similar amount, driven by our efficiency programme and some unwinding of print inflation. This meant we delivered a stable operating margin of 17%. Operating cash flow is broadly the same as last year, reflecting the similar levels of profitability and more efficient working capital management.

Digital revenue growth (£m)

(15.0)%

(2022: +1.0%)



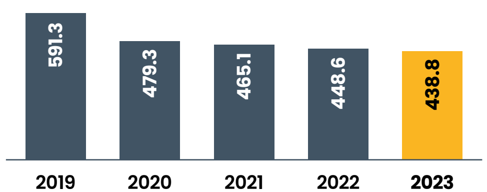
Target: Year-on-year growth in digital revenue.

Why it matters to us: Growth in digital revenue is key to demonstrating progress against our strategy, as we become a more data-led, digital business. Our digital revenue is predominantly driven by advertising. The advertising revenues have been depressed from the macroeconomic environment and the reduction in referral traffic from the major platforms. We are making the business more resilient by diversifying our mix of digital revenue and securing our digital audience, so that the performance is more sustainable over the long term.

Print revenue decline (£m)

(2.2)%

(2022: (3.5)%)



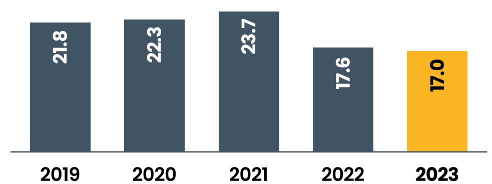
Target: Improving year-on-year percentage decline rate.

Why it matters to us: Although sales of physical news publications are in structural decline, print still generates over three-quarters of our total revenue. With over 250m copies sold a year, sales from circulation remain a resilient source of revenue, with cover price increases helping to offset the impact of people buying printed titles less often. Print revenue continues to drive the strong cash flows which supports our digital transformation.

Adjusted operating margin (%)

(0.6)PP

(2022: (6.1)PP)



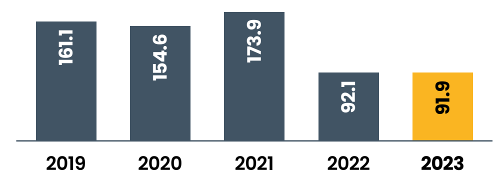
Target: Continue to grow operating margin.

Why it matters to us: Operating margin is a measure of our profitability, as we aim to grow digital revenue and carefully manage print decline. While the effects of the loss of referral traffic have impacted revenue and profitability over the near term, over the longer term we expect increasing digital revenues and lower levels of required investment in our strategy, relative to its earlier years, to support a structurally higher operating margin.

Adjusted operating cash flow (£m)

£91.9M

(2022: £92.1M)



Target: Maintain operating cash flow to meet our financial obligations including the pension funding, historical legal issues, returns to investors and reinvestment into the business.

Why it matters to us: Operating cash flow supports our commitments to ongoing pension funding and payments on historical legal issues, as well as investment in our strategy and returns to shareholders. The business is strongly cash generative – due to the resilience of our print business and efficient operating model, which has cost management at its core. Adjusted operating cash flow reported above has been aligned with the definition of adjusted operating profit to exclude the cash flow impact of restructuring payments and other items classified as adjusted items in the income statement. This has resulted in an increase in adjusted operating cash flow. Previously reported numbers include 2019 £133.1m, 2020 £121.8m, 2021 £141.3m and 2022 £64.8m.

Key performance indicators continued

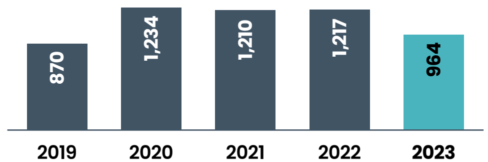
Non-financial KPIs

As our strategy progresses, we are considering evolving our KPIs. One of the key KPIs we are tracking and considering regularly is RPM – revenue per thousand pages. RPM is a yield measure and gives the financial return from digital pages traded. This has now been included as a strategic KPI and is described below. Customer registrations were critical to the Group's success when the Customer Value Strategy was relatively nascent. We have now achieved a critical mass of registrations and therefore this will be the last year we report on it within the Annual Report.

Total average UK page views per month (m)[1]

(21)%

(2022: 0%)



Target: Year-on-year growth in total UK page views.

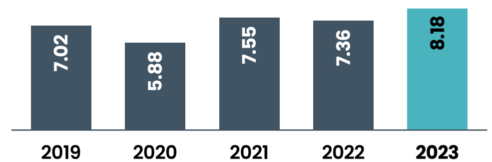
Why it matters to us: Page views are a strong measure of whether customers like our content online. As a customer views more pages, we get to know more about them – and can collect more valuable data. However, in 2023 we have seen some major online platforms, most notably Facebook, deprioritise news. This has massively reduced the referral traffic to our site and impacted page views by 24% globally. We are now focused on securing our audiences to ensure a more direct relationship, while also increasing the amount of content our audience consumes. We're doing this by using data to give customers more of the content they like to read, driving more interactions and engagement.

1. The non-financial target relates to UK page views which are more significant to revenue, whereas worldwide page views are disclosed throughout the Annual Report as an indicator of the total reach of our content.

Revenue per 1,000 pages (£)

£8.18

(2022: £7.36)



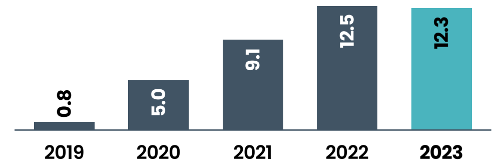
Target: Year-on-year growth.

Why it matters to us: Digital growth can come from increased supply of advertising and/or an increased traded price. Increasing supply for example by increasing the number of ad units is becoming more challenging due to the direct impact and trade off with audience experience. It's important to examine and understand traded price which is a key driver of our digital performance. There are a few factors which drive more revenue per thousand pages. Firstly we either have insights into customer and customer behaviour, which can then be used to offer opportunities to brands to adopt better-targeted campaigns and customer offers. Or we drive non-advertising revenues which are not directly related to volume such as partnerships, affiliates and ecommerce. Both of these factors link directly to our Customer Value Strategy and therefore we are focused on understanding how RPM trends over time. The final reason that this metric could move is changes in page views, and therefore it is important that RPM performance is considered alongside page views. Ideally both of these KPIs would trend upwards over time.

Customer registrations (m)

12.3

(2022: 12.5)



Target: 10.0m end of 2022.

Why it matters to us: A registered customer is a customer who has provided their information in order to receive a service. This includes email addresses and phone numbers, which enable us to build a relationship with more of our audience, and help advertisers share more geographically relevant ads. Knowing our customers is an important part of the Customer Value Strategy and therefore, it felt appropriate to have a non-financial measure for customer registrations when we first defined our strategy in 2020. During the course of 2023 the referrals from major platforms adversely impacted our page views and so we took the decision to turn off the customer login which has reduced customer registrations from the peak of 13.5m in August to 12.3m in December. We have surpassed our original target which was set at 10m for the end of 2022 and given the current level of registrations is now at critical mass, we will no longer be reporting this as a key KPI within this report.

Financial review

BUILDING LONG-TERM RESILIENCE

Darren Fisher
Chief Financial Officer

Looking back over the year, we have made demonstrable progress to ensure the business is more resilient and able to continue its digital transformation. During a year of macroeconomic uncertainty and some significant shifts across the media sector, we delivered a resilient financial performance and made significant progress in resolving the long-standing uncertainties.

We concluded the 2019 triennial valuation, along with the 2022 valuation, for the MGN pension scheme, and have subsequently reached agreement in principle with our other schemes and are expected to be concluded satisfactorily by the 31 March 2024 due date. This provides a clear view of our future pension commitments which will materially step down from the current rate of £60.0m in 2028.

In December, the High Court's judgment on the Group's historical legal issues (HLI) provided clarity around time limitation. This has resulted in a material reduction in the cost of settling outstanding claims and should largely bring an end to future claims. This has led to a £20.2m year-on-year release in the HLI provision. We expect the majority, if not all, of the issued claims to be resolved during 2024 and 2025 which is a much shorter time frame than previously anticipated. Resolving these two matters has reduced uncertainty and allows us to plan more effectively for the long term.

The macroeconomic environment in 2023 impacted advertising spend, and there was a material step down in digital referral traffic from major platforms such as Facebook, which has deprioritised news content. This has driven a 24% year-on-year decline in digital page views, which alongside depressed open market yields (year on year decline 25%), adversely impacted digital revenue, which declined by £22.4m or 15% to £127.4m in 2023.

Conversely, our data-driven revenues performed robustly, only declining 4% year-on year, to now represent 43% of digital revenues (2022: 38%). To compensate for the industry headwinds we took clear actions to continue to diversify our digital revenues and trade our digital assets harder. We prioritised areas within our Customer Value Strategy which are higher yielding and within our control. As a result revenue per thousand pages (RPM) across our digital estate increased by 11%. These actions have resulted in improved resilience, with areas of strong growth including curated marketplaces, ecommerce and affiliates.

Revenue
568.6M
5.4% decrease on 2022

Adjusted operating margin
17.0%
0.6pp decrease on 2022

43%
of digital revenues now data driven
5% increase on 2022

Financial review continued

We continued to invest in our digital expansion. We launched our three US-based sites, invested in Curiously, our social-first, video-focused brand, and invested in new products to develop our curated marketplace capability.

The print business remained robust and delivered £438.8m (2022: £448.6m) of revenue, representing just over 75% of the Group's revenue with a strong performance in circulation and print advertising. The teams have access to a significant amount of data which has built up over many years and this is used to determine optimal levels of availability and cover price increases. These dynamics have offset the volume decline with circulation revenue growing 1.6%. Print advertising declined by £10.3m, or 11.9% year-on-year; this was a solid performance, outperforming volume trends which were down 17% year-on-year.

Focus on efficiency

Through our cost action plan we continue to focus on efficiency, setting up our operations to adapt and thrive in a fast-paced and competitive digital landscape. At the start of the year we committed to reducing total operating costs by 5-6%, and on a 52 week like-for-like basis we achieved a 5.7% reduction. Inflation moderated through the year following the material increase in the cost of newsprint in 2022, some of which unwound in 2023. Overall newsprint costs reduced by 21%, mainly driven by the decline in production volumes. We have implemented restructuring and efficiency programmes and as part of these, headcount has reduced by 14% over the year. Our largest operating cost, labour, reduced by 5% year-on year. Together these actions have driven higher levels of efficiency, protecting the strong operating margin of 17% and mean we are better positioned for the long term.

Strong balance sheet

The Group has a robust balance sheet with a closing cash balance of £19.9m, and net debt of £10.1m (inclusive of £0.9m restricted cash). The Group has £30.0m drawn down on its revolving credit facility. The Group's revolving credit facility of £120.0m is in place until November 2026.

Cash management remains a priority. Group cash conversion was strong at 95% supported by efficient working capital management. Pension scheme contributions during the year were £60.0m, HLI claim settlements totalled £4.6m and we incurred £18.8m of restructuring payments. Together these non-operating cash outflows amount to £83.4m.

In December 2023 the Group completed a £605.4m capital reduction, converting the entirety of the share premium account into distributable reserves, which will support the payment of dividends into the future. This did not involve any return of capital or payment to shareholders.

Looking ahead

The strength of our print business underpins the cash generation and profitability of the Group. We will continue to carefully balance cover price increases and availability to deliver a robust circulation performance despite the falling demand for print. Print revenue funds the Group's financial commitments and enables investment as we continue to build our digital business.

This year we will continue to invest in product and new markets including the US and developing the AI-powered Mantis ad tech. We will also increase our use of AI tools to support increased productivity in the newsrooms, under the continued guidance of our journalists.

Across our digital business we continue to build a more sustainable higher-quality digital mix, with 43% of digital revenue now data-driven. The depressed open market yields, compounded by the decline in page views, have reinforced the benefits of our data-driven Customer Value Strategy. This strategy will continue to increase yields and grow data-driven revenues.

As communicated in 2023, we have already actioned a further programme of cost reduction for 2024, which we are confident will support a 5-6% in-year reduction in our operating costs and protect our operating margin. Savings have been generated throughout the business and include further steps in creating a digitally-led editorial business, for example the creation of a single video studio.

Summary income statement

	Adjusted 2023 £m	Adjusted 2022 £m	YOY change %	**Statutory 2023 £m**	Statutory 2022 £m	YOY change %
Revenue	**568.6**	601.4	(5.4)	**568.6**	601.4	(5.4)
Costs	**(475.0)**	(498.1)	4.6	**(523.9)**	(531.5)	1.4
Associates	**2.9**	2.8	3.6	**1.4**	1.4	0.0
Operating profit	**96.5**	106.1	(9.0)	**46.1**	71.3	(35.3)
Finance costs	**(3.5)**	(2.8)	(25.0)	**(9.4)**	(5.1)	(84.3)
Profit before tax	**93.0**	103.3	(10.0)	**36.7**	66.2	(44.6)
Tax charge	**(24.6)**	(18.8)	(30.9)	**(15.2)**	(13.9)	(9.4)
Profit after tax	**68.4**	84.5	(19.1)	**21.5**	52.3	(58.9)
Earnings per share – basic (p)	**21.8**	27.1	(19.6)	**6.8**	16.8	(59.5)

Financial review continued

The results have been prepared for the 53 weeks ending 31 December 2023. The comparative period has been prepared for the 52 week period ending 25 December 2022. The additional week contributed £6.2m of revenue and £0.8m of operating profit. The impact of revenue and costs is shown on a like-for-like basis in the table on page 26.

Group revenue fell by £32.8m or 5.4% to £568.6m with print down 2.2% and digital down 15.0%.

Adjusted costs decreased by £23.1m or 4.6% to £475.0m, partially offsetting the decline in revenue. This was driven by the reduction in circulation volumes and a small unwinding of some of last year's newsprint cost inflation, alongside the ongoing cost reduction programme. Statutory costs were lower by £7.6m or 1.4%, with the increase in operating adjusted items of £15.5m (£48.9m in 2023 versus £33.4m in 2022) partially offsetting the reduction in operating costs.

Adjusted operating profit decreased by £9.6m or 9.0% to £96.5m, driven by the decline in revenue partially offset by the savings in costs. The adjusted operating margin of 17.0% in 2023 compares to 17.6% for 2022. Statutory operating profit decreased by £25.2m or 35.3% primarily due to the increase in operating adjusted items which include restructuring charges in respect of cost reduction measures and impairment of the finance lease receivable and recognition of onerous costs following the sub-lessee of a vacant print site entering administration, partially offset with the release of the provision for historical legal issues.

Adjusted earnings per share decreased by 5.3p or 19.6% to 21.8p. Statutory earnings per share decreased by 10.0p to 6.8p, principally due to the decrease in operating profit.

Revenue

	2023 £m	2022 £m	YOY change %
Print	**438.8**	448.6	(2.2)
Circulation	**312.5**	307.7	1.6
Advertising	**76.6**	86.9	(11.9)
Printing	**20.2**	23.1	(12.7)
Other	**29.5**	30.9	(4.5)
Digital	**127.4**	149.8	(15.0)
Other	**2.4**	3.0	(16.9)
Total revenue	**568.6**	601.4	(5.4)

Revenue declined overall by £32.8m or 5.4%.

Print revenue decreased by £9.8m or 2.2% (2022: down 3.5%). Circulation performance was strong with revenue up 1.6% (2022: down 1.7%) driven by carefully considered cover price increases, which were above recent historical levels, offsetting the ongoing decline in circulation volumes.

Print advertising revenue declined by £10.3m or 11.9% (2022: down 15.9%); but outperformed the print volume decline of 17%. During the year the strongest performing sectors for print advertising include food retail, travel, the government and entertainment and media, which is very similar to the prior year.

Print revenue also includes external or third-party printing revenues and other print-related revenues which decreased by £4.3m, or 8.0% (2022: increased 10.4%). These revenues are largely contracted on a cost-plus basis, and reflect the external market demand for print.

Digital revenue decreased by 15.0% to £127.4m (2022: 1.0% increase). Revenue has been impacted by lower advertising demand during a period of macroeconomic uncertainty alongside a material reduction in page views. Major platforms including Facebook have deprioritised news content over the year which in turn has driven a reduction in referral traffic for publishers across the sector. These changes have adversely impacted our revenues which were directly impacted by page view volume. Strategically driven or 'data-led revenues', which are more resilient and higher yielding, performed robustly. Data-driven revenues were £55.3m, down 4.0%, and now represent 43% of digital (2022: 38%).

Financial review continued

Costs

The secret instrument is a "violin".

	2023 Adjusted £m	2022 Adjusted £m	YOY change %	2023 Statutory £m	2022 Statutory £m	YOY change %
Labour	**(223.0)**	(234.7)	5.0	**(223.0)**	(234.7)	5.0
[illegible]	[illegible]	(75.4)	21.1	**(59.5)**	(75.4)	21.1
Depreciation and amortisation	**(21.6)**	(20.2)	(7.0)	**(21.6)**	(20.2)	(7.0)
Other	**(170.9)**	(167.8)	(1.9)	**(219.8)**	(201.2)	(9.2)
Total costs	**(475.0)**	(498.1)	4.6	**(523.9)**	(531.5)	1.4

Adjusted costs of £475.0m (2022: £498.1m) decreased by £23.1m or 4.6%. On a 52 week like-for-like basis adjusted costs declined by 5.7%. Labour costs decreased 5% as we implemented our restructuring and efficiency programme with headcount falling by 14% over the year. Newsprint costs reduced from lower volumes, and an unwinding of some of last year's newsprint cost inflation.

Statutory costs were lower by £7.6m or 1.4%, a less significant reduction due to higher operating adjusted items which were £15.5m higher (£48.9m in 2023 compared to £33.4m in 2022).

Operating adjusted items included in statutory costs above related to the following:

	Statutory 2023 £m	Statutory 2022 £m
Provision for historical legal issues	**20.2**	(11.0)
Restructuring charges in respect of cost reduction measures	**(26.9)**	(15.5)
(Impairment of sublease)/sublet of closed print plant	**(19.4)**	16.6
Other property-related costs	**(8.0)**	(4.6)
Pension administrative expenses and past service costs	**(5.5)**	(14.8)
Other items	**(9.3)**	(4.1)
Operating adjusted items in statutory costs	**(48.9)**	(33.4)

The Group has recorded a £20.2m decrease (2022: £11.0m increase) in the provision for historical legal issues relating to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. This material reduction is driven by the judgment handed down during December 2023 in respect of test claims. As a result of the ruling, all claims issued after 31 October 2020 are now likely to be dismissed other than where individuals can demonstrate specific exceptional circumstances, and therefore this has significantly reduced the amounts that are expected to be paid out.

Restructuring charges of £26.9m (2022: £15.5m) principally relate to cost management actions taken in the period.

Following the sublet of the vacant print site during 2022 which resulted in the reversal of an impairment in right-of-use assets of £11.0m and previously onerous costs of the vacant site of £5.6m, the sub-lessee entered into administration during 2023. As a result, the corresponding £10.8m finance lease receivable has been impaired along with the subsequent recognition of onerous costs of £8.6m of the vacant site during the period.

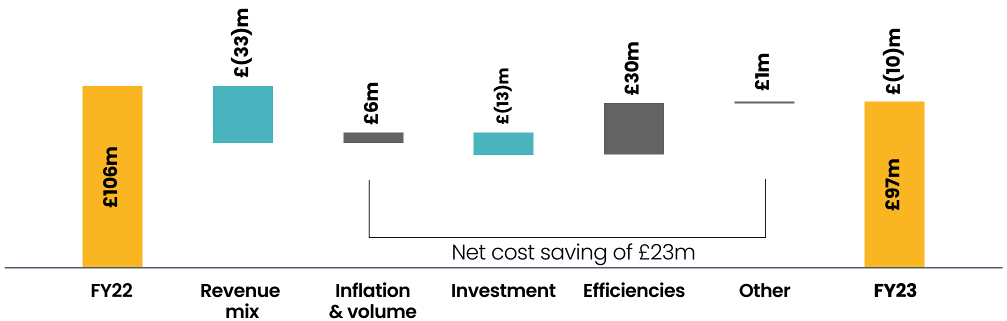
Other property-related costs comprise the impairment of vacant freehold property costs (£4.3m), vacant freehold property-related costs (£1.4m) and onerous lease and related costs (£2.6m) less the profit on sale of assets (£0.3m). In 2022, other property-related costs related to the impairment of vacant freehold property (£4.2m) and plant and equipment (£0.8m) less the profit on sale of impaired assets (£0.4m).

Pension costs of £5.5m (2022: £14.8m) comprise pension administrative expenses (2022: £4.2m). 2022 also included £10.6m of past service costs relating to a Barber Window equalisation adjustment.

Other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.3m), adviser costs in relation to the triennial funding valuations (£2.5m), internal pension administrative expenses (£0.6m), corporate simplification costs (£0.5m), and other restructuring-related project costs (£0.7m) less a reduction in National Insurance costs relating to share awards (£0.3m). In 2022, other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.2m), adviser costs in relation to the triennial funding valuations (£1.6m), less a reduction in National Insurance costs relating to share awards (£2.7m).

Financial review continued

Adjusted operating profit bridge



Adjusted operating profit of £96.5m was down £9.6m or 9.0% reflecting the decline in revenue of £32.8m or 5.4%, mitigated by a £23.1m or 4.6% decrease in operating costs. This meant that adjusted operating margin decreased by 0.6 percentage points from 17.6% in 2022 to 17.0% in 2023.

The net cost saving of £23m was driven mainly from efficiencies (£30m). Half of these efficiencies related to labour costs which were lower following the cost reduction programmes with the balance coming from the rationalisation of our property portfolio and other operational costs. Investments were made into our US operations and youth brand, Curiously, alongside some digital product development.

Reconciliation of statutory to adjusted results

	Statutory results £m	Operating adjusted items £m	Pension finance charge £m	Adjusted results £m
Revenue	**568.6**	-	-	**568.6**
Operating profit	**46.1**	50.4	-	**96.5**
Profit before tax	**36.7**	50.4	5.9	**93.0**
Profit after tax	**21.5**	42.4	4.5	**68.4**
Basic earnings per share (p)	**6.8**	13.6	1.4	**21.8**

The Group excludes adjusted operating items and the pension finance charge from the adjusted results. Adjusted items relate to costs or income that derive from events or transactions that fall within the normal activities of the Group, but are excluded from the Group's adjusted profit measures, individually or, if of a similar type in aggregate, due to their size and/or nature in order to better reflect management's view of the performance of the Group.

Items are adjusted on the basis that they distort the underlying performance of the business where they relate to material items that can recur (including impairment, restructuring and tax rate changes) or relate to historical liabilities (including historical legal and contractual issues, defined benefit pension schemes which are all closed to future accrual).

Other items may be included in adjusted items if they are not expected to recur in future years, such as property rationalisation and items such as transaction and restructuring costs incurred on acquisitions or the profit or loss on the sale of subsidiaries, associates or freehold buildings.

Management excludes these from the results that it uses to manage the business and on which bonuses are based to reflect the underlying performance of the business and believes that the adjusted results, presented alongside the statutory results, provide users with additional useful information. Further details on the items excluded from the adjusted results are set out in note 35.

Like-for-like comparison

	53 week FY 2023 YOY %	LFL 52 week FY 2023 YOY %
Digital	**(15.0)**	(15.2)
Print	**(2.2)**	(3.5)
Circulation	**1.6**	0.0
Advertising	**(11.9)**	(13.0)
Group revenue	**(5.4)**	(6.5)
Adjusted operating costs YoY decline %	**(4.6)**	(5.7)

Financial review continued

The results have been prepared for the 53 weeks ending 31 December 2023 and the comparative period has been prepared for the 52 week period ending 25 December 2022. The revenue and costs have been adjusted to show the numbers on a like-for-like basis. The additional week added £6.2m to revenue and £0.8m to operating profit.

Balance sheet and cash flows

Historical legal issues provision

The historical legal issues provision relates to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. Payments of £4.6m have been made during the year and the provision has decreased by £20.2m, driven by the judgment handed down on the test claims during December 2023. At the year end a provision of £18.2m remains outstanding and this represents the current best estimate of the amount required to resolve this historical matter. Further details relating to the nature of the liability, the calculation basis and the expected timing of payments are set out in note 27.

Decrease in accounting pension deficit

The IAS 19 pension deficit (net of deferred tax) in respect of the Group's defined benefit pension schemes decreased by £36.8m from £113.9m to £77.1m at the year end. The decrease in the deficit is due to the net aggregate of many factors, mostly notable changes in market conditions leading to an increase in discount rate, returns on the schemes' assets, Group contributions and the easing of inflation. We concluded the 2019 triennial valuation, along with the 2022 valuation, for the MGN pension scheme, and have subsequently reached agreement with our other schemes which are expected to be completed by the 31 March 2024 due date. The Group now benefits from an agreed position on future pension funding commitments.

During 2022, similar to the West Ferry scheme, the Trustees of the Express Newspapers Senior Managers Pension Fund purchased a bulk annuity (at no cost to the Group) and the scheme now has all pension liabilities covered by annuity policies. Group contributions in respect of the remaining four defined benefit schemes in 2023 were £60.0m (2022: £55.1m). Contributions in 2024 are expected to be £60.9m under the current schedule of contributions for the four schemes.

Deferred consideration

Deferred consideration is attributable to the acquisition of Express & Star. The third and final payment of £7.0m was made on 28 February 2023. There is no remaining liability in relation to deferred consideration.

Profit to cash measure

This ratio is a measure of our effectiveness at working capital management. It is calculated as our adjusted operating cash flow as a proportion of adjusted operating profit.

In order to calculate this measure, adjusted operating cash flow has been aligned to the definition of adjusted operating profit. The change is largely driven by the exclusion of the cash flow impact of restructuring payments and other items classified as adjusted items in the income statement. This has resulted in an increase in adjusted operating cash flow in 2022 from £64.8m to £92.1m.

	2023 £m	2022 £m
Adjusted operating profit	**96.5**	106.1
Depreciation and amortisation	**21.6**	20.2
Adjusted EBITDA	**118.1**	126.3
Working capital movements	**(3.9)**	(12.3)
Lease payments	**(5.3)**	(6.7)
Capital expenditure	**(15.4)**	(13.3)
Other	**1.3**	0.9
Associates	**(2.9)**	(2.8)
Adjusted operating cash flow	**91.9**	92.1
Profit to cash ratio	**95%**	87%

During the year, adjusted operating profit was £96.5m (2022: £106.1m) and the adjusted operating cash inflow was £91.9m (2022: £92.1m) with a profit to cash ratio of 95% reflecting ongoing cash management. Working capital improved year-on-year, predominantly from excess newsprint inventories which built up during the escalation of the war in Ukraine in 2022 partially unwinding during 2023.

Financial review continued

Uses for cash

The table below shows how the Group is using the cash generated from operations to meet its financial obligations. Adjusted cash generated from operations is adjusted operating cash flow excluding the impact of net lease payments and capital expenditure.

	2023 £m	2022 £m
Adjusted cash generated from operations	**112.6**	112.1
Pension payments	**(60.0)**	(55.1)
Historical legal issues	**(4.6)**	(9.0)
Restructuring	**(18.8)**	(13.8)
Capital expenditure	**(15.4)**	(13.3)
Final payment on acquisition	**(7.0)**	(17.1)
Other	**(19.2)**	(21.2)
Cash flow before returns to shareholders	**(12.4)**	(17.4)
Dividends paid	**(23.1)**	(22.9)
Cash flow after returns to shareholders	**(35.5)**	(40.3)
Net (debt)/cash	**(10.1)**	25.4

Material uses for cash include pension contributions totalling £60.0m (2022: £55.1m) and restructuring payments of £18.8m (2022: £13.8m) which mainly relate to cost reduction programmes implemented at the start of the year. The final payment on acquisition of £7.0m (2022: £17.1m) relates to the Express & Star. Other comprises professional fees in respect of historical legal issues and triennial funding valuations of £7.8m (2022: £6.8m), net lease payments of £5.3m (2022: £6.7m), interest paid on borrowings of £3.1m (2022: £1.9m) and other movements which account for the balance of cash flows.

The Group paid a dividend in the period of £23.1m (2022: £22.9m).

Cash balances

Net debt at the year end is £10.1m (inclusive of £0.9m restricted cash), from a net cash position of £25.4m at the end of 2022. The Group has £30.0m drawn down on its revolving credit facility, with the overall total cash position of £19.9m at the year end. The Group has a revolving credit facility of £120.0m, which expires during November 2026.

Cash generated from operations on a statutory basis was £76.4m (2022: £80.1m). The Group presents an adjusted cash flow which reconciles the adjusted operating profit to the net change in cash and cash equivalents, which is set out in note 36. A reconciliation between the statutory and the adjusted cash flow is set out in note 37. The adjusted operating cash flow was £91.9m (2022: £92.1m).

Dividends

The Board proposes a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence). The final dividend, which is subject to approval by shareholders at the Annual General Meeting on 2 May 2024, will be paid on 31 May 2024 to shareholders on the register at 10 May 2024.

An interim dividend for 2023 of 2.88 pence per share was paid on 22 September 2023 (2022: 2.88 pence per share).

In proposing a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence per share), the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

The secret transportation is a "bike".

Financial review continued

Current trading and outlook

We remain focused on delivering our Customer Value Strategy and the areas within our control, building a more resilient growing digital business and delivering efficiencies. The sector-wide decline in referral traffic will impact Q1 2024. We expect growing momentum across our digital business thereafter. As previously announced we have made our operations better suited for a digital world and are on track to deliver a 5-6% reduction in full-year operating costs in 2024.

Our financial priorities remain profitability and cash. Next year we expect working capital requirements excluding provisions to be broadly neutral, and a small step down in our capital expenditure. We have started the process to sell a number of our freehold properties which will support cash generation. Our financial commitments for the year ahead are similar to 2023, including the pensions contributions which will be broadly unchanged; we expect an acceleration in the resolution of existing HLI claims and a further £13m restructuring outflow relating to severance payments for the recent change programme.

Trading performance across the first two months of 2024 has been robust, with print advertising and digital performing well. We are on track with our full year outlook, but continue to operate in an uncertain macroeconomic environment.

Darren Fisher
Chief Financial Officer

5 March 2024

Responsible business overview

A RESPONSIBLE, SUSTAINABLE BUSINESS

We aim to act with integrity at all times – not just because we have a responsibility to stakeholders, whose lives we affect through our operations and journalism, but because it's simply the right thing to do.

In 2023, we built on the progress we made in 2022, when we introduced a new formal framework to guide our approach to responsibility and sustainability, by identifying disclosure gaps and enhancing our reporting. In particular we focused on progressing our environmental reporting in 2023, as we implemented the systems and gathered the data that will guide us on our path to net zero.

In 2023 we installed 9,000m² of solar panels at our owned print sites in Oldham, Watford and Glasgow

Our responsible business framework

Our responsibilities…

CREATING TRUSTED, QUALITY CONTENT

- maintaining independent journalism, campaigning and the role of a free press in society;
- product stewardship;
- fair and ethical conduct;
- innovation; and
- making a wider economic contribution.

See page 32.

OPERATING WITH INTEGRITY

- sustainability governance and management;
- privacy and security;
- political considerations;
- the supply chain (shared);
- human rights;
- labour rights; and
- health and safety.

See page 36.

DEVELOPING OUR TEAM

- supporting diversity and inclusion;
- attracting, developing and retaining talent; and
- supporting a positive culture and wellbeing.

See page 40.

PROTECTING THE ENVIRONMENT

- GHG emissions;
- energy and climate change;
- waste;
- biodiversity;
- other emissions, effluents and pollution;
- water;
- the supply chain; and
- speaking up for environmental issues in our editorial content.

See page 46.

Responsible business overview continued

Building on our responsible business framework

To ensure that people find our strategy credible and believe in our purpose, we must act responsibly with the communities and society we serve, our teams and the planet.

As a regulated news publisher in an era of global tech platforms and 'fake news', the responsibility is greater than ever. We must continue to enlighten, empower and entertain people everywhere through brilliant journalism they can trust, and maintain a position from which we can hold power to account.

Formalising our approach to responsible business

In 2022, we carried out a detailed materiality assessment and created a framework to formalise our approach to being a responsible, sustainable business – making it easier to manage and measure our progress. It provided a clearer articulation of our approach to environmental, social and governance (ESG) issues, ensuring it aligned with our purpose and business strategy, as you'll see over the following pages.

This formal framework set out an approach to responsible business that we had already in many ways exemplified, for example by upholding regulations and codes of conduct, representing and campaigning on behalf of those who need our voice, and producing our printed newspapers with as low a carbon footprint as possible.

In 2023, we built on the framework by commissioning a gap analysis to define where disclosure gaps exist against the methodologies recommended by Sustainalytics, MSCI and the Sustainability and Accounting Standards Board (SASB). As a result, we have enhanced reporting in many of these areas, though in some – in particular those involving complex editorial decisions – we agreed as a business to maintain existing levels of disclosure.

We're committed to continually challenging and improving the standard of our reporting, making sure we stay focused on the issues that matter most to our stakeholders.

Overview of materiality

Our 2022 materiality assessment included a review of current policies and direct engagement with our key internal and external stakeholders to establish their priorities in relation to the long-term sustainability of our business. In 2023 our S

The secret object #1 is a "clock".

Committee issues within our responsible business framework and concluded that they reflect the current ESG challenges and opportunities affecting Reach and our stakeholders. We will keep the relevancy and importance of these issues under continuous review throughout the coming year.

OUR STAKEHOLDERS

Our business and brands touch the lives of:

Our people... who work from home and in our offices, in communities and at print facilities – around the UK, Ireland and US;

Our customers... who give us their data and expect us to look after it, and who also expect to see themselves represented in our business, brands and journalism;

Our communities... whose voices we amplify and whose stories we share in good times and bad;

Our advertisers and media partners... who expect our platforms to respect and promote their messages in a way that's safe and secure for their own customers;

Our suppliers and publishing partners... many of whom are experiencing increased costs and supply challenges;

Our shareholders... who are invested in the success of our business;

Pension funds and their members... who expect us to deliver on pension commitments and treat them fairly; and

Government and regulators... who we work with to protect journalists and our brands while setting out plans to bring tighter regulation to global tech platforms.

Our section 172 statement can be found on pages 85 to 87. It sets out how the Board has, in performing its duties over the course of the year, considered the matters set out in section 172 of the Companies Act 2006, alongside examples of how each of our key stakeholders has been considered and engaged.

We report against the Sustainability Accounting Standards Board (SASB) framework on page 205.

CREATING TRUSTED, QUALITY CONTENT

We give a voice to others with our trusted, quality content

Our titles connect people and communities across the UK, Ireland, US and English-speaking countries around the world. We have a responsibility to our communities to deliver accurate, independent journalism everybody can trust and cover the issues that matter most to them.

Whether it appears in print or online, our journalism can give a voice to others, and draw attention to, or amplify, the causes they care for as we campaign, lobby and fight on their behalf. At a time when misinformation and disinformation threaten the credibility of the industry, our commitment to creating trusted, quality content as a regulated news publisher ensures people and communities have a news provider who will serve and stand up for them.

Relevant UN SDGs

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

MyLondon crime reporter talking to police about knife crime in shops and restaurants around Croydon

Playing our part in a changing industry

We've always been proud of the prominent role our brands play in the vibrant and energetic free press that underpins our democracy – and understand the rights, privileges and responsibilities it brings.

We're committed to upholding the highest ethical standards of journalistic practice. As part of that commitment, we're a member of the Independent Press Standards Organisation (IPSO): an independent regulator of most of the UK's newspapers and magazines. As we say in our annual statement to IPSO: we have 'no appetite for behaviours or decisions that knowingly lead to the publication of inaccurate, misleading or distorted information'.

In 2023, IPSO notified us of outcomes in respect of 81 complaints, some of which were received in previous years. These are as follows: 17 complaints have been upheld by IPSO with the requirement to publish a full adjudication or correction; and 13 where the Committee deemed that sufficient remedial action (SRA) had been taken by the publication. 49 complaints were not upheld and 65 were resolved during the referral period. This is a significant improvement against outcomes last year – 62% of complaints not being upheld in 2023 compared with 48% for the same period in 2022.

Legal and ethics standards

In 2023, our legal and editorial induction programme became a mandatory part of the onboarding process, ensuring all new editorial colleagues receive training in legal and editorial standards and ethics.

The training touches on all elements of media law, with modules on IPSO and the Editors' Code as well as on Reach's required editorial standards. Monthly legal training has been provided, with a specific focus this year on refresher training for colleagues as well as specialist sessions for our magazine teams.

Alongside the training programme, all editorial employees are sent a monthly legal bulletin highlighting issues and updates – readership is mandatory and timely compliance is monitored and logged.

Regulated by IPSO

While we believe in holding ourselves to high standards, we're also an active member of IPSO, which acts as an independent regulator across many UK titles and enforces the Editors' Code of Practice.

We submit an annual statement to IPSO that sets out how we maintain editorial standards, our record on editorial compliance during the year, including any details of complaints upheld against us and how we handle them, and training programmes for our journalists. We publish the statement on our website.

"We're committed to upholding the highest ethical standards of journalistic practice."

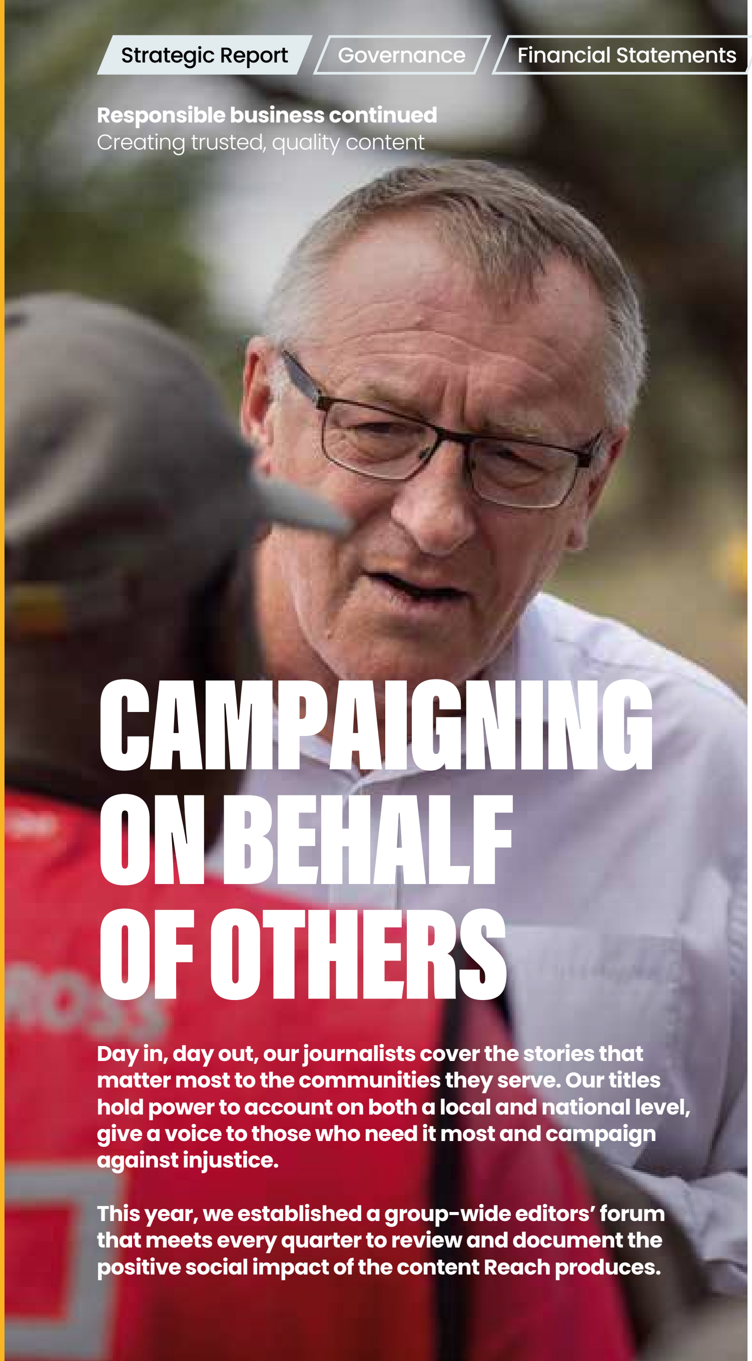
Editorial freedom

Reach is home to many brands that differ in audience and political ideology but which are all built on the principles of freedom of speech and editorial independence. We welcome lawful expression from different perspectives, without exclusion. With no single title or contributor representing Reach as a whole, we are greater than the sum of our parts.

HOW WE ARE USING AI

Our editorial leaders formed a cross-functional AI steering committee in January 2023, focusing on productivity, innovation and governance. The group has worked together to accelerate AI experimentation and boost productivity gains with a primary focus on editorial uses of generative AI. The main objective of the group was to develop ways for AI to support journalists in their daily work, in combination with continued editorial judgement and approval. We are rapidly scaling the most promising AI applications and in 2024 we will be looking beyond the editorial teams to explore productivity gains in other departments.

In 2023, 6,000 articles were written with the support of AI tools, generating 50m page views. Our editors notified readers when we began using AI and made a public commitment that every piece of AI-supported content will continue to be overseen and approved by a journalist.



Responsible business continued

Creating trusted, quality content

CAMPAIGNING ON BEHALF OF OTHERS

Day in, day out, our journalists cover the stories that matter most to the communities they serve. Our titles hold power to account on both a local and national level, give a voice to those who need it most and campaign against injustice.

This year, we established a group-wide editors' forum that meets every quarter to review and document the positive social impact of the content Reach produces.

THE LIVERPOOL ECHO'S POLITICIAN PARKING FINE EXPOSÉ

After a 16-month investigation, the Liverpool Echo revealed 14 local politicians had 51 penalty charge notices cancelled by officers over a five-year period which at full price would total more than £3,500. The investigation revealed poor practices and behaviours from those who had been elected to serve Liverpool and its people.

Following the investigation, two senior Liverpool councillors left the council, with one of them banned from standing again, and two more councillors also departed after the exposé. The investigation led to a full audit of the council's parking operations.

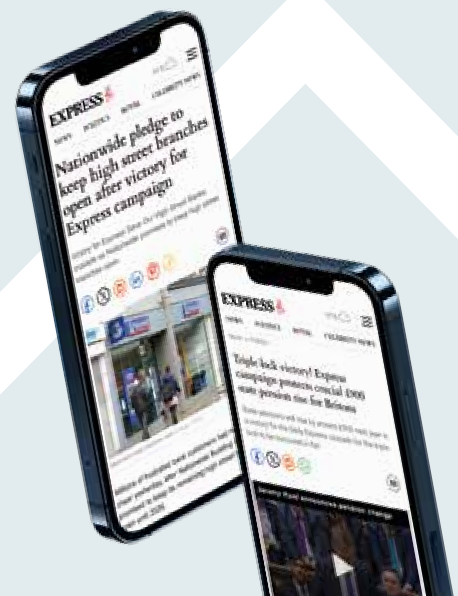
THE DAILY RECORD'S OUR KIDS OUR FUTURE CAMPAIGN

In February 2023, the Daily Record launched the Our Kids Our Future campaign in response to an epidemic of teenage violence in Scotland. The campaign called for the Scottish Government and local councils to ring-fence funding to ensure every community has a place for teenagers to go and demanded online tech giants fully enforce their policies on tackling harmful content such as videos of young people attacking others.

The campaign earned its place on the Government agenda and led to First Minister Humza Yousaf pledging to invest £2m to protect young people in Scotland. Humza Yousaf also wrote to the UK Government asking for an amendment to the Online Safety Bill to help tackle online clips showing attacks on children and this amendment was successfully approved into the Bill in July 2023. The Scottish Government held its first emergency summit on violence in schools as a direct result of the Record's reporting.

DAILY EXPRESS'S TRIPLE LOCK PENSION AND SAVE OUR HIGH STREET BANKS CAMPAIGNS

In 2023, the Express continued to give a voice to those who needed it most, as illustrated by its Triple Lock Pension and Save Our High Street Banks campaigns. The Express reignited its Triple Lock Pension campaign in 2023, again calling on the Government to protect and support pensioners and recommit to the triple lock. The title launched a petition to persuade the Government to stick to its manifesto promise, garnering over 300,000 signatures and resulting in the Government committing to its original promise. In response to warnings from analysts that almost all high street banks will be shut within four years, the Save Our High Street Banks campaign called for high street branches to be saved from extinction on behalf of the country's most vulnerable. Ultimately, the campaign celebrated a victory in June when Nationwide promised to keep high street branches open.



The secret animal #3 is a "spider".

Responsible business continued

Creating trusted, quality content

BIRMINGHAMLIVE'S COVERAGE OF BIRMINGHAM CITY COUNCIL'S BANKRUPTCY

Fundamental failings at Birmingham City Council resulted in it filing for bankruptcy, but it was the relentless coverage from BirminghamLive that brought into sharp relief the impact that these political decisions have on the people of Birmingham.

BirminghamLive spent months reporting on the council and exposed a range of issues, from political coups to the mismanagement of refuse workers' hours. The title ensured that it was represented at every single council meeting where critical issues were being discussed, further exposing issues that would otherwise have gone without scrutiny.

THE MIRROR'S SAVE OUR TICKET OFFICES CAMPAIGN

The Mirror launched its Save Our Ticket Offices campaign in July 2023 after it was revealed the Government had backed proposals by train firms to shut ticket counters at 974 railway stations across England.

With this campaign, the Mirror led the efforts to stop the closures, which would have particularly hit the elderly, vulnerable and disabled. Thousands of readers took part in an online rally in August, leading to the Government abandoning the overhaul.

WALESONLINE INVESTIGATION

A WalesOnline investigation led to real-world consequences for one direct sales firm in Cardiff. For several months, a member of the WalesOnline team went undercover to get a job with the company and used a hidden camera to expose a culture of lies and pressure-selling to manipulate vulnerable and elderly people into providing their bank details for charity payments. As our journalist discovered, staff at the business were lured by job adverts with empty promises of high salaries, only to be forced to work round the clock for far less than the minimum wage. The shocking findings led to the firms involved having their fundraising contracts terminated, while the industry regulator is evaluating our footage to assess further action.

Responsible business continued
Operating with integrity

OPERATING WITH INTEGRITY

A proactive approach

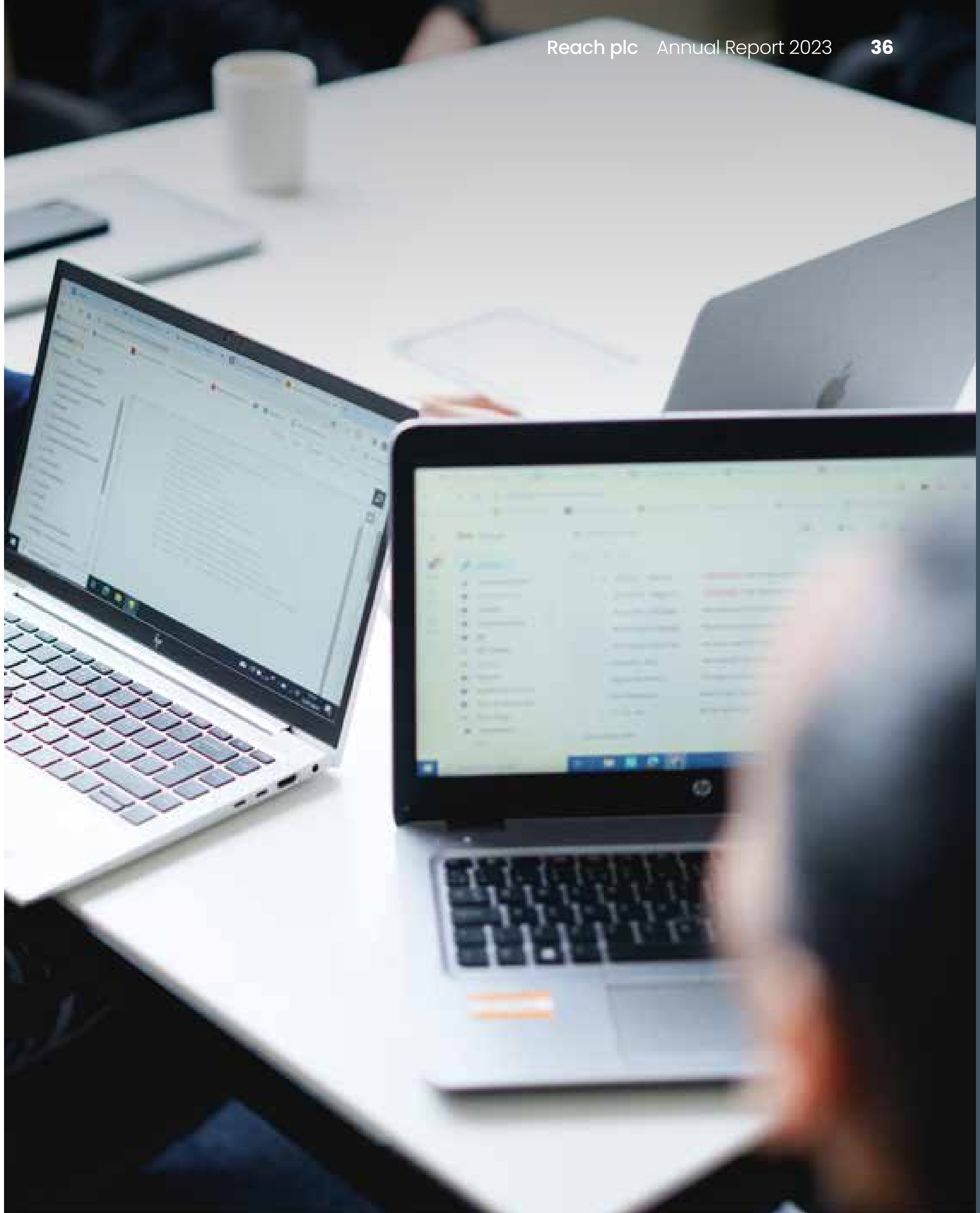
We're committed to acting ethically and with integrity in everything we do, from how we source, report and disseminate our journalism, to how we run our business and treat our people. By upholding these standards, and meeting those set by regulators and expected by wider society, we're able to support our journalists and those our journalism empowers in holding authority to account.

In recent years we have continuously formalised our approach to key policies and practices for all our employees, as detailed in this section. We also have a number of training processes geared specifically around our editorial teams – see page 41.

Ahead of 2023 we took the decision to go to trial around several long-standing historical legal issues. This step and resulting judgment has given us the necessary clarity to draw a line under these issues and move forward as a business – read more on page 10.

Operating in an increasingly digital world brings additional challenges regarding data protection and cyber abuse. We now handle more of our customers' data than ever – and we must treat it carefully and give visitors to our sites a safe online experience.

Relevant UN SDGs



Responsible business continued
Operating with integrity

Improving ethical standards online

As we move more of our business online, our responsibility to our customers and advertisers is greater than ever. Customers deserve and expect a safe experience, while advertisers need to trust their ads will appear in appropriate environments.

Our machine-learning-powered brand safety tool, Mantis, ensures our clients' ads only appear in safe, appropriate environments, proving 100% accuracy and a faster safety categorisation, compared to traditional blocklist methods.

Reach remains an active participant in industry bodies. We comply with the Advertising Standards Authority's (ASA) Code for Non-broadcast Advertising and are members of The Trust Project, whose mission is: 'To amplify journalism's commitment to transparency, accuracy, inclusion and fairness so that the public can make informed news choices'.

Our CEO Jim Mullen has been the chair of the News Media Association (NMA) throughout 2022 and 2023, stepping down as planned at the end of 2023. Reach is also a Board Member partner of the Internet Advertising Bureau and a member of the News Media Coalition.

Data privacy progress

As customer data forms an increasingly important part of our strategy, we take our responsibilities in relation to privacy very seriously. To reduce the risk in how we handle and process data, we maintain a robust policy framework, deliver mandatory annual training for all employees and issue specific guidance on high-risk processing operations.

Protecting our customers and their data

In 2018, when the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) were introduced, we brought in policies, controls, procedures and mandatory training to manage personal data. Following our 2023 expansion into the US, we now also comply with US privacy laws such as the California Consumer Privacy Act, the Virginia Consumer Data Protection Act and the Utah Consumer Privacy Act.

DATA PROTECTION PRINCIPLES

In 2023, we developed a core set of fundamental principles to further embed a culture of data trust and integrity across every area of the business in all countries we operate in. These principles form the bedrock of our approach, inform our priorities and ensure we act with integrity when dealing with consumers' data.

Principles: Consumer trust and rights

Lawful processing

Reach only processes personal data where it has a legal basis to do so.

Fairness and transparency

Reach processes personal data fairly and honestly, and communicates openly with individuals on how and why their data is being processed.

Individual rights

Reach respects individuals' rights in relation to their personal data – including their rights of access, rectification, erasure, restriction, portability and objection – and provides timely responses.

Principles: Data management practices

Data minimisation and limitation

Reach only collects, stores and processes personal data that is relevant and necessary for the purpose for which it was collected.

Stewardship

Reach is committed to protecting individuals' privacy and has appropriate policies, practices and training in place for the safe handling, storage, sharing, retention and deletion of the personal data it processes.

Data security

Reach takes appropriate technical and organisational security measures to protect personal data throughout its data lifecycle, and requires the same standards from its third-party service providers.

Responsible business continued
Operating with integrity

Alongside our Data Protection Policies and controls, our data protection team performs a key compliance role, working closely with teams across the business. The data protection team works particularly closely with the legal team and other key stakeholders such as data management, information security and information technology, offering advice on, and support with, third-party contracts. It also supports other personal data needs, for example risk management, management of consent, data security and best practices for the processing, sharing and retention of data, including data transferred to third parties.

The data protection team also leads on personal data incident management and timely data subject rights compliance – for which we have comprehensive procedures.

Key policies and practices

Some things are non-negotiable, which is why we take a strong stand on areas such as anti-bribery, anti-corruption, anti-slavery and discrimination. It's also why we've put policies and practices in place to make sure our employees are treated fairly at work. Information regarding our policies is available to read on our website.

Anti-bribery and anti-corruption

- We comply with relevant anti-bribery and anti-corruption laws, and have put in place an Anti-bribery Policy and compulsory e-learning module on anti-bribery and anti-corruption for all employees. This module was completed by 98.4% of employees, with leavers and long-time absences accounting for the missing 1.6%.
- We require our suppliers, contractors and business partners to comply with the law and include mandatory warranties on anti-bribery and anti-corruption in our contracts to [redacted] with suppliers The secret food is "chocolate". partners that [redacted]

Anti-slavery

- Our Anti-slavery Policy, in accordance with the Modern Slavery Act 2015, sets out our zero-tolerance approach to slavery, child labour, bribery and corruption – and indicates to employees what slavery, servitude, forced or compulsory labour and human trafficking might look like. It applies to all our employees and anybody who works on our behalf. Generally the UK is considered to be low-risk for modern slavery and, as a UK-based company that deals overwhelmingly with UK suppliers, we believe we have minimal exposure to modern slavery.

OUR HUMAN RIGHTS POLICY

The policy states that:

- we issue clear contracts of employment, make sure working hours are well within the working time directive maximum thresholds, and commit to never forcing our people to opt out of working time regulations;
- we pay employees for the work they do and provide holidays and rest periods in line with regulations;
- we monitor holiday usage with our leave and time management process, and regularly encourage colleagues, directly and via managers, to take their full entitlement;
- we pay above the national minimum wage, and never subject anyone to forced labour; and
- we have no zero-hour contracts.

Code of conduct and discrimination

- Our code of conduct makes it clear we won't accept discrimination of any kind – including against gender, race, disability, sexuality, religion or age – in line with the law. To reduce the likelihood of discrimination taking place, we communicate policies and make them available to all employees, promote awareness when we recruit and train our managers in inclusive hiring.

Disciplinary and grievance processes

- Every Reach employee has the right to be heard and the right to a fair hearing; they can also seek advice through our Employee Assistance Programme.

Inside information

- As Reach is a listed company, we have an established Inside Information Policy, which is approved by the Board and ensures our employees are aware of our obligations under the Listing Rules and the Market Abuse Regulation.

Whistleblowing

- Our whistleblowing charter, which is reviewed by the Audit & Risk Committee, and a confidential, independent whistleblowing line promoted on our intranet, enable all employees to report concerns about the integrity of the business or breaches of our policies without fear of criticism or discrimination.

Our employees complete compliance courses relating to many of our policies and practices, plus courses including cyber security, editorial policy and corporate criminal offence. We aim for 100% of employees to complete courses relevant to their role. In 2023, we saw a 98.5% completion rate, with leavers and long-time absences mainly accounting for the missing 1.5%.

Responsible business continued
Operating with integrity

Working together to achieve a safe working environment

We understand that engagement is essential to improving health and safety across every area of our organisation. With this in mind, we continue to engage with our employees across all departments to ensure that our safety messages and culture are embedded. Our goal is to ensure that our teams feel personally invested in Reach's safety objectives and goals. We believe that this approach will help us create a safer and more productive workplace for everyone.

Reach is a dynamic organisation with two key operations: Reach Publishing, which covers newsgathering and commercial activities, and Reach Printing Services. In 2023, the two operations continued to grow closer together, with their respective health and safety units becoming aligned and working closely together to standardise and share best practices.

Our commitment to health and safety was recognised in 2023 when both health and safety teams achieved the RoSPA Order of Distinction Award – the 19th consecutive Gold for Reach Plc.

2023 also saw the move to a single certification for the ISO standards across Reach Printing Services, with all sites now certified to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety). With a single certification confirmed by an accredited certification body, Reach Printing Services has shown its commitment to health and safety and the confirmation of a single process to control, manage and improve safety across its print sites, emphasising employee participation and management involvement.

In addition, we prioritise online safety, with a dedicated Online Safety Editor leading the way internally and with external bodies and decision-makers. While this is most frequently concerning our people's mental wellbeing, there is a physical safety aspect too, which sees the Online Safety Editor working closely with our security team and Health & Safety to put additional protections in place when necessary. For more on online safety, see page 41.

Key changes we've made

This year, we've continued to gather the latest news stories across the globe, from reporting from war zones in Ukraine and Israel to covering earthquakes in Marrakesh and Turkey, to exposing the real impact of climate change from glaciers in Argentina. To enhance the safety of our people on the ground we've been working with teams across several departments to create a safety travel team.

This team has rolled out a new travel risk assessment platform that allows us to work collectively to create one single assessment that covers all areas of risk. The process is open and transparent so the requester can track progress and feel actively part of the assessment process. Since the platform's initial roll-out, we have seen a monthly increase in its use, and the user experience and approval process have been continuously improved as the tool has been integrated in both our national and regional teams' practices.

In addition to the new travel platform, we have also streamlined some of our risk assessment processes by creating engaging and concise safety information that enables our people to efficiently assess risks.

We have also made improvements to our fire safety processes by adopting a new, shared, digital fire risk assessment, which has helped us reduce risk quicker and communicate the assessment more efficiently.

Health and safety performance in 2023

In 2023, information on four accidents reportable according to Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) was passed to the Health and Safety Executive – an increase of one from 2022's data.

We investigated each event and acted accordingly. All four were reported under the 'over-seven-day incapacitation' requirement. This is when an employee is off work or not able to perform their normal duties for seven days or more as a result of a workplace accident.

Reportable accidents under RIDDOR

	2019	2020	2021	2022	**2023**
RIDDOR events per year	2	1	3	3	**4**

Health and safety enforcement activity

No health and safety enforcement action was taken against Reach in 2023.

Planning for the future

At Reach, we're committed to creating the safest working environment possible. That's why we have a rolling two-year roadmap for health and safety, and we're always looking for ways to continuously improve this, including benchmarking ourselves against other leading media outlets and also across other industries.

Responsible business continued
Developing our team

DEVELOPING OUR TEAM

Taking care of our people

Our progress as a business is dependent on the talents, skills and passions of our people. This year, we supported our teams through change with a continued focus on open communication, working together to be a more inclusive organisation, and supporting people in their personal and family lives.

Relevant UN SDGs

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY

19
Inclusive Top 50 UK Employers ranking

18
trained wellbeing champions

86%
Company-wide participation for Be Counted inclusion data

27
trained Online Safety reps

49
apprentices trained

Responsible business continued
Developing our team

Supporting our people's mental health

We take our responsibility to support our people very seriously and we provide several tools to help do this, while also signposting options available via multiple touchpoints through the year, both in written and verbal communications.

Our Employee Assistance Programme (EAP) offers 24/7 advice via a dedicated phone line and the Spectrum Life app, which all employees can access. The app provides support including guides for wellbeing and nutrition and a BeCalm space for guided meditations. A total of 237 calls were made to the phone line in 2023 – 146 of these were consultations and 91 were for advice.

We further support mental health by providing wellbeing training sessions for managers and employees and by working with 18 trained wellbeing champions across the business. They have many responsibilities, including advocating wellbeing and mental health awareness, raising awareness of resources such as our EAP, being there for people as a point of contact for questions and support and, sometimes, as a listening ear.

An external partner trains each champion in mental health first aid (MHFA). The training helps them to spot triggers and signs of poor mental health and to gain confidence on how to reassure and support a person in distress. It also helps our champions understand mental health, educating them on common issues and how to challenge stigma.

Reach is made up of...

3,706
permanent employees

2,418
in editorial teams

596
in commercial teams

353
in print teams

339
in other vital areas, such as product and finance

Protecting our people from online abuse

Journalist safety was a continued focus for Reach in 2023 and we continue to lead the industry by employing a designated Online Safety Editor to support our people. The Online Safety Editor also leads on research and speaks on this important issue with tech platforms, Government officials and other external bodies. Our work protecting our people was highly commended at the Digital Publishing Awards, with the jury recognising that prioritising the safety of journalists is a significant step in protecting independent journalism.

In 2023, 109 of our employees officially reported some f The secret animal #4 is a "cow". work, in harmful personal comments. 26 of these cases were subsequently reported to the police.

We also saw an increase in threats received via email during 2023. In response, we have worked more closely with the IT team to improve the filtering of these messages.

We launched an Online Safety Rep network in 2022, which currently has 27 trained volunteers working in teams across the organisation to provide first-response support and, signposts to help and resources, as well as raising awareness of effective online safety protections. The Online Safety Editor co-ordinates the network and provides regular training and updates for the network members.

We have also continued to make use of the Reach Hive initiative, which supports employees experiencing a backlash against content on social media. It was deployed five times in 2023 against action including swarming accounts, which were part of a ... and targeted backlash. ... ve provided a robust ... safety, security, HR and health and safety.

In 2023, Reach continued to work with industry partners Women in Journalism (WiJ) and provided free training and workshops to all Reach employees and WiJ members, for example working with the Suzy Lamplugh Trust to provide a session about stalking. In addition, we've partnered with the Coalition Against Online Violence, a global network of organisations working to make the internet a safer place.

Responsible business continued
Developing our team

Inclusion at Reach

At Reach, we break down our diversity and inclusion approach into two simple ideas: diversity is who we are, and inclusion is what we do. We see improving inclusivity as an ongoing process and are aware that we are responsible for taking an inclusive approach not only to our people but also to our audiences.

In 2023, Reach was ranked in the Inclusive Top 50 UK Employers List for the third year running, moving from 29 to 19.

Our three core inclusion focuses for 2023 were managers, data and outreach.

Managers

Inclusion efforts in 2023 focused on helping managers embed inclusive leadership behaviours into their everyday work. We also successfully communicated the importance of managers' accountability by launching DIY D&I, enabling managers to participate in workshops that enhanced a more inclusive team culture. DIY sessions were available for managers to run with their teams independently.

We also updated our menopause toolkit to help both colleagues and their managers. The toolkit shares the most common symptoms of menopause and perimenopause and provides advice and help so our people feel more comfortable talking about it. Suggested supports include offering a change in working hours, an adjustment to shift patterns, increased comfort breaks and ensuring workspaces are well-ventilated, to name just a few. We also delivered menopause awareness training for line managers to run with their teams independently.

Data

Our Inclusion strategy continues to be led by data. Be Counted is our ongoing campaign, launched in 2021, which uses data to better understand the make-up of our teams. Gathering data allows us to spot gaps and opportunities to improve inclusion and then focus our efforts on where we can make the most significant difference. In 2023, we maintained our targeted Be Counted completion rate, with 86% of employees contributing to our data-gathering. Our people shared data on characteristics including social mobility, educational and occupational backgrounds, and caring responsibilities, as well as more traditional data, such as ethnicity and sex.

Outreach

We made outreach a more explicit part of our 2023 Inclusion strategy this year. Here are some of the initiatives that gave opportunities to different groups across the UK.

ChangeMakers Media Challenge

The ChangeMakers Media Challenge, in partnership with youth charity Causeway Education, was a six-week summer outreach programme in social mobility hotspots for students from state-funded schools. The students received virtual masterclasses

Sir Keir Starmer speaking with local students during a visit to our Manchester hub, hosted by the M.E.N.

Responsible business continued
Developing our team

and mentoring across the summer and were tasked with creating a media campaign to improve the lives of 16- to 24-year-old readers. More than 30 colleagues participated in and supported the programme. As well as having the opportunity to join the Mirror's editorial conference and hear from CEO Jim Mullen, the students got the chance to pitch their campaigns to a Reach judging panel, with the winning teams taking on further work experience in Reach newsrooms.

WalesOnline Outreach Programme

In February, WalesOnline hosted a group of teenagers from Grangetown, Butetown and Riverside for a taster day to help them understand how the media works and show potential routes into journalism. In partnership with community group United2Change, 17 teenagers spent three hours in WalesOnline's newsroom attending the morning conference, speaking to reporters and content editors, creating news lists and gaining an awareness of all aspects of modern reporting, including engagement, analytics and content.

Include Summit

Reach was one of the main sponsors of the 2023 Include Summit, the UK's largest conference focused on equality, diversity and inclusion in sport. Our colleagues from the M.E.N., Mirror and Curiously participated in panels, exhibitions, events and workshops. Reach also joined forces with the BBC and Sky to lead a discussion on the need for under-represented communities to fill more decision-making roles in sports media.

Networks

Colleague networks remain a vital part of inclusion at Reach. In 2023, the business evaluated how the networks were working, combining some networks while expanding others. One new network was created in 2023, ReachSustainability, connecting like-minded people across Reach to raise the profile of ESG initiatives and champion best practices around sustainability. For more information on ReachSustainability, please see page 47.

One of the most successful network initiatives in 2023 was Meno-Chat, which enables colleagues to connect and gives our people a confidential and safe space to talk about menopause.

Editorial inclusion work

For our people to feel their work is making a difference in society and for our brands to remain popular, the content of our journalism must represent both the diversity of our teams and the communities it reaches.

This year, we refined several ways to help our editorial colleagues achieve this. Our Editorial Inclusion Board (EIB) reviews our processes and content through an inclusion lens, creating a feedback loop to make our people's voices heard. This year, we completed our Inclusive Reporting programme. Led by our EIB and working with external partners, the programme helps our journalists feel comfortable reporting on different topics and communities inclusively and sensitively. The programme featured topics including (but not limited to) race, sexual and domestic abuse and transgender identity.

Our Speak Up for Inclusion process allows Reach colleagues to share any concerns about editorial content that could be more inclusive. A panel of editorial colleagues from across Reach editorial teams manages a feedback inbox and discusses the next steps and overall trends.

Celebrating inclusion in our journalism

Since its launch in 2022, The Belonging Project has continued to bring about a permanent culture shift in our newsrooms. The project aims to ensure a clear plan is in place across all newsrooms to reach underrepresented communities, encourage more inclusive reporting and maintain consistent engagement with marginalised groups. In 2023, the scope of The Belonging Project was broadened to include socioeconomic factors, recognising the importance of intersectionality in inclusion. The Belonging Project article with the most page views of 185.6k was from the Manchester Evening News, focusing on the uplifting story of Jason Williams, who turned his balcony into a beautiful 'cloud garden' after struggling with his mental health through lockdown. What started as a small, city-centre balcony garden led to his exhibition at the Chelsea Flower Show.

The total number of The Belonging Project page views from February 2022 to December 2023 was...

27.4M

with

69%

of these page views attained in 2023

Average articles published per month have gone up...

62%

in 2023 vs 2022, and average page views per month are up

104%

as a result

Responsible business continued
Developing our team

Supporting people with disability

We've continued our commitment to giving fair consideration to applications for employment made by disabled people, bearing in mind the requirements for skills and aptitude for the job. In the areas of planned employee training and career development, we strive to ensure that disabled employees receive equal treatment on all available benefits, including opportunities for promotion. We make every effort to ensure that continuing employment and opportunities are also provided for employees who become disabled, where reasonably practical to do so. In addition, we are founding members of the Valuable 500, a disability-focused business collective – read more about this below.

Mentoring programmes

In 2023, we ran the following four cross-company mentoring programmes to address representation in the talent pipeline.

Mission Gender Equity

For the third year running, we participated in the 30% Club's Mission Gender Equity, a mentoring programme that works with participants from other companies to help accelerate the careers of high-performing women and improve gender balance at senior levels.

Generation Valuable

Run by the Valuable 500, a disability-focused business collective, Generation Valuable is a first-of-its-kind 12-month programme for rising talent with an attachment to disability. In 2023, one mentee with leadership experience, who self-identified as being disabled, was paired with CEO Jim Mullen as a mentor.

Mission Include

Mission Include is a nine-month scheme designed to support the career progression of groups underrepresented at a leadership level and supports protected characteristics, including socioeconomic background and neurodiversity. Reach provided both mentors and mentees, and participants were matched with people from other companies.

The Bridge

The Bridge was a nine-month programme pioneered by our ethnicity inclusion network, ReachCulture, which paired together mentors and mentees from within the business, for both traditional and reverse mentoring. The Bridge helps to remove barriers to progression for colleagues from underrepresented groups and gives mentees the knowledge, access and tools they need to advance their careers.

Gender pay gap

In 2023, we again reduced our gender pay gap – the median pay gap from 8.9% in 2022 to 7.0% and the mean pay gap from 10.5% in 2022 to 9.1%.

For more information on the gender split of directors, other senior managers and all employees, see page 92.

Changing our teams

The business contended with a range of challenges in 2023, including increased costs, a decrease in referral traffic in page views and ongoing macroeconomic uncertainty.

In order to respond to these challenges we had to prioritise two actions: putting a comprehensive cost-reduction plan in place, and continuing to reshape our organisation to better respond to the digital landscape.

This plan included reducing the sizes of our teams, across all departments, a challenge for all our people. Throughout this process we have continued to provide support to impacted individuals and to work closely with our relevant unions and other partners.

The impact that these actions have on our teams is not taken lightly. However, these cost reductions were necessary to maintain the strength of the business against difficult conditions and to solidify its position as a digital publisher moving forward.

Proactive employee communication

As we worked through the changes of the year, we made proactive, two-way communication with our leaders and teams a priority. Jim Mullen, our CEO, devotes significant time to communicating with employees at all levels of the organisation and across all functions, not only around financial results but throughout the year. He hosts regular breakfast discussion sessions, both in-person at our hubs and virtually, and invites people to ask him questions and give feedback.

This year, more than 200 people attended 23 breakfast and afternoon meetings with Jim. On average, they rated their experience 8.6 out of 10, with people praising Jim's openness, honesty and commitment to connecting with his colleagues. On Fridays, Jim sends an email update to all colleagues highlighting success stories, commending colleagues for their work and sharing essential business updates.

Our Executive Committee runs regular virtual and in-person events with our teams to share updates and encourage dialogue. Members of our Executive Committee speak openly about our challenges and opportunities and share information about the wider business.

We regularly share Company news, updates about our financial results, stories about our people and event information through our intranet and email newsletter, connecting all our employees with what's happening in our business.

Responsible business continued
Developing our team

We also invite our people to join Connect & Learn virtual teach-ins on critical strategic focus areas, meet people in other departments, find out about the brilliant work that's going on and share feedback. One example in 2023 was the session on the success of the OK! Beauty Box.

Keeping in touch through surveys and Check-ins

We invite our people to share their thoughts and feelings about working for Reach through our monthly Pulse engagement survey. On average, 58% of our people complete the survey each month. Line managers can access responses, review comments and identify trends using the data to reach out to people and find new opportunities to keep them engaged.

Our people keep in touch with their managers through Reach Check-ins; these monthly, informal one-to-ones enable managers to speak honestly and openly with their teams on anything from wellbeing to performance. We also ask our people about these Check-Ins with their manager in the monthly Pulse survey.

We also monitor retention rates and absenteeism as critical indicators of engagement and satisfaction. In 2023, the voluntary rate of employee turnover was 9.65%, reduced from 14.4% in 2022. The retention rate (defined as employees in Reach's employment for the full 12 months) was 88% compared to 95% in 2022. In 2023, the Group's absenteeism rate (which follows the standard definition used by the Advisory, Conciliation and Arbitration Service) decreased to an average of 1.35%, from 1.7% in 2022.

We made two additional support payments to help alleviate the cost of living burden going into 2023 for colleagues on salaries of £50,000 or below. Eligible colleagues received two £200 payments, paid in December 2022 and January 2023. The pay review for 2023 focused on lower earners and we continue our commitment to offer our employees the Living Wage Foundation rates as a minimum.

We also continue to offer competitive employee benefits, including:

- a defined contribution pension scheme (matched up to 6% for new joiners);
- Company funded healthcare for all employees which includes GP access and the opportunity for colleagues to claim back money on health and wellbeing costs, including prescription, dental and optical fees;
- enhanced family leave policies;
- paid volunteer day which gives colleagues the opportunity to support causes important to them;
- discounts at several retailers, including supermarkets;
- loan schemes, including rail season tickets, cars and technology purchases;
- financial support for those who are worse off as a result of working from home; and
- money towards the cost of equipment for home workers.

In addition, all employees have the opportunity to participate in a group bonus scheme annually.

Enhanced family leave

Family life isn't always straightforward and we want to recognise that to support our colleagues. Our Carers' Leave Policy offers up to five days of paid leave per year to support people with caring responsibilities. Our neonatal leave offers up to 12 weeks' additional paid leave for either parent, if their baby needs neonatal care. Partners have been added to many existing policies, including IVF paid leave and pregnancy loss leave, to increase support beyond mothers who have given birth. We offer two-week bereavement leave and all employees coming back to work after losing somebody can choose to phase their return.

Our apprenticeship programme

The future of news publishing requires a mix of brilliant journalists, digital experts and astute commercial minds and our apprenticeship programmes are helping to find and train them. This year, 49 apprentices participated in our programmes covering data, communications and journalism roles. Roughly half of these people were new starters looking for opportunities in the industry while the other half were existing employees looking to develop further within their roles.

Talent: evolution and future

Despite its challenges, 2023 provided a backdrop for a number of opportunities for role creation, expansion and growth at Reach. In 2023 there were 186 internal promotions and 4.3% of those were promotions into senior roles.

The year also provided an opportunity to create 238 new roles which reflected the changing landscape in which our business operates and the direction we intend to take.

In addition, our local newsrooms continued to provide training to newly graduated journalists, and in 2023 we supported 79 trainees passing their Certificate of Journalism course while employed by Reach titles.

The external recruitment process was also fine tuned in 2023, and we moved away from spending with big recruitment agencies and focused on developing our own internal talent acquisition team. This shift enabled us to more efficiently leverage talent acquisition technology and scale our talent acquisition function to keep pace with changing business needs.

Responsible business continued
Protecting our environment

PROTECTING OUR ENVIRONMENT

Protecting our environment for future generations

Every person, business and community on the planet must play their part in safeguarding the environment and in essence all our futures. At Reach, our responsibility is twofold. We must, like all businesses, reduce the negative effects our operations have on the environment, while identifying and acting on opportunities to enhance it. But we also have the power to influence others to do the same by promoting awareness of environmental issues – both on a local and global scale – across all our publications.

Every day, we give millions of people who read our news, entertainment and sport the knowledge they need to make better, more informed decisions about their own impact on the environment. And through the stories we share, and the championing role we play, we also help people fight back against destructive actions carried out in towns, cities and countries all over our planet.

Relevant UN SDGs

The secret drink is a "smoothie".

The Watford print site team on their annual litter picking day

Responsible business continued
Protecting our environment

Our environmental campaigning in 2023

We have dedicated environmental reporters in England, Ireland, Scotland and Northern Ireland who enlighten and empower people everywhere by reporting on the environmental stories that matter to the future of our planet. Below is only a small selection of their great work from 2023.

In July, the Mirror exposed the 'catastrophic' consequences of Britain's love affair with fast fashion. An investigation revealed that Ghana's capital, Accra, contains a toxic mountain of ditched clothes and garments left to rot.

The Manchester Evening News teamed up with the Royal Horticultural Society (RHS) to launch a competition to give away £1,000 of RHS vouchers to the resident with the best idea for transforming their shared ginnel (fenced or walled passageway) into a blooming community hub.

The Express continued to report on the biggest environmental stories from around the world. Back in March, the title exclusively revealed the Government's plans to make the UK a world leader in green offshore wind energy. This exclusive led to further investigations that revealed the supply chain behind the sectors creating clean power.

Irish Reach titles teamed up on a campaign focusing on the climate crisis during 2023. As Ireland has pledged to reach zero carbon emissions by 2050, the campaign sought to answer questions on how the world can kick its fossil fuel addiction. Reach for Zero ran across eight Irish titles including the Irish Mirror and DublinLive.

The year also saw the Daily Record launch its Bin the Vapes campaign, highlighting the shocking rise in pollution from disposable e-cigarettes, which was championed by MSP Gillian Mackay. New legislation around disposable vapes is now likely to pass in Scotland and more widely in the UK in 2024.

How our people are supporting sustainability

In 2023, we formed the ReachSustainability network, which allows people across the business to connect over their shared passion for promoting sustainability, while championing best practices around sustainability, both at home and at work.

The network joined forces with Oxfam in the autumn to launch its first envirc[illegible] focused colleague campaign, '[illegible] Second Hand September'. The campaign encouraged colleagues to shop second-hand and donate, reuse, re-wear and restyle during September. We worked with Oxfam to provide a donation bin at every Reach hub across the UK, encouraging our people to donate unwanted items.

We also hosted a Q&A session open to all Reach employees with Oxfam's senior independent fashion adviser and used clothing guru Bay Garnett, led by Reach Ireland's environmental correspondent.

In September the Reach Sustainability network hosted an event with Bay Garnett, stylist and sustainable fashion advocate, to celebrate Second Hand September

Making Reach more environmentally-friendly

Our Environmental Policy has highlighted several key areas of focus, including energy consumption, waste management, paper procurement and Volatile Organic Compounds (VOCs). All of these are required in volume to deliver content to our audiences and we are determined to continue to find new and innovative ways to manage our operations that are more environmentally-friendly. To deliver on this ambition methodologically, we have implemented a continuous programme of audit and analysis through our ISO 14001:2015 Environmental Management System (EMS). This system enables us to reduce and mitigate risks and to identify and act on opportunities to increase sustainability.

Energy is our biggest direct source of emissions. Print production and, increasingly, digital media are both energy-intensive processes. We continue to identify and take energy-saving actions, such as the delivery of our facilities efficiency programme and the procurement of renewable electricity at our hubs and manufacturing sites. This year we installed over 9,000sq m of solar panels at our owned print sites in Oldham, Watford and Glasgow.

All three sites are now generating their own power and are largely self-sufficient during daylight hours. Our combined PV generator output of 2,000kWp – enough to power 217 average UK households – gives us a ready source of renewable energy at our print sites that makes our products even more sustainable.

Responsible business continued
Protecting our environment

The indirect impacts of a business's operations are as important as the direct impacts. We are committed to accurately measuring and reducing our Scope 1, 2 and 3 emissions, in line with the Paris Agreement. We have now managed to baseline our full Scope 3 emissions for the first time, a challenging task which was completed in 2023.

To help reduce the energy used within our digital processes, including Reach Publishing, we have adopted best practices for cloud-based technology in order to achieve significant emission reductions. During 2023, we have continued to find efficiencies and improvements which will reduce our associated emissions and strive to continue this downward trend throughout 2024. Enhancements are focused on cloud efficiencies and an increased use of AWS renewable energy sources.

With the assistance of our EMS, we can continually review, identify and implement opportunities to reduce negative environmental impacts. This includes initiatives such as substituting conventional lights and carbon-intensive equipment with energy-efficient alternatives, responsibly procuring equipment and incorporating more recycled materials into our processes.

Each of our print sites has a dedicated team responsible for encouraging employees to look after their work environments and specific environmental action areas. This year, they carried out litter picks across the sites, acted on energy-saving initiatives, shared best practices and continued to develop and deliver their Toolbox Talks on waste management, recycling, pollution control, energy management and biodiversity.

Environmental governance and the path to net zero

Our Environment, Social and Governance (ESG) Steering Committee, chaired by our Chief Financial Officer, sits under our Board Sustainability Committee. The ESG Steering Committee met three times in 2023 and all meetings were well attended by representatives from relevant departments from across the business. The Committee oversees all our environment-based key performance indicators (KPIs), including our emission reduction targets and actions and the timeframes to achieve them. These targets were set in 2022, based on the data available at the time and were approved by the Sustainability Committee.

In 2022, we commissioned external experts to put together a materiality assessment, an important step in informing our future ESG agenda. The assessment led to a five-year climate strategy, approved by our Sustainability Committee. This presented our ESG Steering Committee with a set of strategic targets and an overall ambition to focus on and it has been measuring and ensuring progress towards these targets throughout 2023.

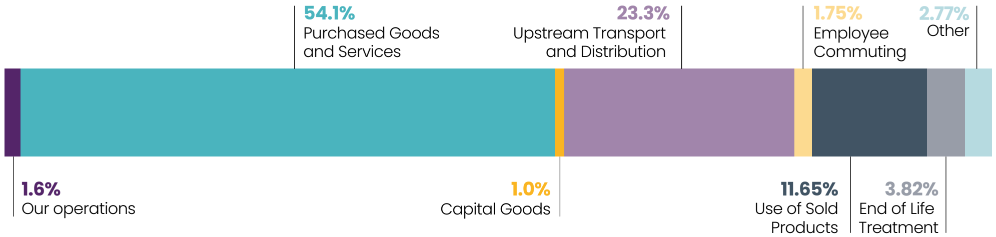
We have continued to make progress with TCFD in 2023 by identifying the physical and transitional risks posed by climate change, as well as the opportunities that may arise as a result of the transition. Our cross-functional team continues to meet to assess our risks and opportunities and engages with relevant employees to ensure environmental-based risks, issues and opportunities are being identified as well as robustly managed and mitigated. In 2023, we have undertaken a quantitative assessment of our most material climate-related risks. See more in our Risk report on pages 66 to 72 and our TCFD report on pages 54 to 64. The ESG Steering Committee and Sustainability Committee will continue to monitor the progress against our strategy.

Having a thorough and full understanding of our Scope 3 emissions is an essential part of our climate strategy. We have been expanding our reporting on categories since 2019 and in 2022 made great progress on reporting greenhouse gas (GHG) emissions. In 2023, we are proud to have continued that progress by completing a full baseline of all of our GHG emissions. We identified 11 'upstream' and 'downstream' Scope 3 categories relevant to Reach, three of which are particularly prevalent: 'Purchased Goods and Services', 'Upstream Transport and Distribution' and 'Use of Sold Products' (includes digital emissions). The graphic below shows the breakdown of these emissions, with Purchased Goods and Services being the largest contributor to our GHG emissions.

The Scope 3 categories not deemed relevant to Reach and which therefore will not be reported, are:

- **Category 9 –** Downstream Transport and Distribution (our distribution of goods is covered in Category 4);
- **Category 10 –** Processing of Sold Products (Reach does not process intermediate products);
- **Category 13 –** Downstream Leased Assets (Reach had no sublets in 2022); and
- **Category 14 –** Franchises (Reach does not have any franchises).

Breakdown of Reach baseline emissions 2022



Responsible business continued
Protecting our environment

Our five-year climate strategy involves more than just measuring emissions. We have continued to meet our ambitious reduction targets and having achieved and maintained a 75% reduction in Scope 1 and 2 emissions two years early, we are able to pursue further, even more ambitious commitments (see page 50 for details). We are also committed to enhancing our engagement with our value chain and using our leverage where possible to persuade others to set their own net zero targets, ideally aligned to a science-based target (SBT).

We recognise that the issues of climate change and sustainability are complex. We therefore provide regular training to colleagues across the Group to help them to better understand how they can make a difference and help us on our net zero journey. Our newly-formed Sustainability network ran several events in 2023, including a Sustainability Awareness training event open to all employees. We also delivered an in-depth training session on climate emissions and environmental best practice for our executive team and Board.

Energy Efficiency Actions

- Invested in solar panels at all owned print sites in order to increase our renewable electricity usage.
- Replaced refrigerant gas cooling equipment at our Watford print site with a more efficient model to reduce refrigerant usage.

Our environmental performance in 2023

Our total Scope 1 and 2 (market-based) emissions has reduced by 15% from 2022 and has reduced 77% from the 2019 baseline.

For the first time, we are able to report our full Scope 3 GHG emissions and can compare them with our completed baseline of GHG emissions for 2022. Our Scope 3 emissions have reduced by 17% when compared to 2022. The reductions are predominantly attributed to Purchased Goods and Services, Upstream Transport and Distribution and Use of Sold Products.

Due to improvements in data quality we have re-stated some 2022 emissions. For full details of our environmental performance, see the tables on pages 52 and 53.

Energy and emissions

Our gas consumption (kWh) in 2023 reduced by 0.73% and electricity by 18.5% compared with 2022.

Environmental management

Each year, our print and publishing sites are both internally and externally audited against the international environmental standard ISO 14001:2015, which requires continuous improvement on environmental impacts. We work hard to meet and maintain, or ideally better, our standards by continually reviewing our risks and opportunities. It's rare that non-conformances are raised and all hubs maintained the standard in 2023.

The year also saw the three print sites integrate their standard under one ISO certification. The newly-integrated management system enhances the consistency of print ISO management, covering Environment, Health and Safety and Quality. In 2024, the scope for the Publishing ISO 14001:2015 standard will be reviewed to ensure it is still relevant and reflective after the wider operational changes carried out in 2022 and 2023.

Supply chain

As a news publisher, paper is essential to our business, which is why we are committed to responsible procurement. We set ourselves ambitious targets to support our commitment to using graphic paper from fibre that has been recycled or that has been independently certified as sustainable. In 2023, we sourced 97.28% of graphic paper from recycled materials or wood from certified sustainable sources, against our target of 95%. We collaborate with contractors for the printing of our magazine supplements and the distribution of our printed products so when entering into a contract we carefully consider our contractors' dedication to environmental sustainability. We expect them to assess and disclose the energy consumption and carbon emissions linked to the work conducted during the reporting year. Our five-year climate strategy has outlined our desire to engage more deeply with our biggest suppliers and work with them to continually enhance the environmental credentials of our products.

Waste

The unnecessary creation and poor management of waste can profoundly impact the wellbeing of our planet and natural environments. We are therefore committed to utilising the waste hierarchy – a ranking system of waste management options according to which is the best for the environment – in our management of waste. We aim to reduce the types and volumes of waste we generate while reusing and recycling as much of it as possible. This year, we also aim to enhance the granularity of our waste reporting, continuing to report the total volumes of hazardous waste from our print sites, where most of the waste is produced, and total weights of paper waste we recycle from our print sites, which is our main non-hazardous waste stream.

The comprehensive renovation of our hubs for team members embracing the advantages of hybrid work is now complete and we ensured that we made as much use of sustainable and recycled materials in this process as possible.

We are committed to ensuring 100% of our waste electrical and electronic equipment (WEEE) avoids landfill and is either recycled or reused, so we have chosen a contractor, Restore, that has a 'zero to landfill' policy. Restore also uses electric vehicles, powers its recycling processes via solar panels, and is a signatory of the Climate Group's EV100 project, which brings together companies 'committed to accelerating the shift to electric transport from around the world'. We have also been considering the potential to donate electronic items before they become WEEE and engaging with charitable organisations who could benefit from this.

Responsible business continued
Protecting our environment

External ratings

We're proud to have again been included in the FTSE4Good Index, which measures the quality and transparency of our environmental, social and ethical disclosures.

In 2023, the Institutional Shareholder Services (ISS) scored Reach at C in its Environmental, Social and Governance (ESG) report. This year, we completed ISS's questionnaire on our use of energy, water and waste treatment, as well as social and governance issues. We scored C for our ESG corporate rating and 1 for our ISS environmental rating, indicating the highest possible level of disclosure. This year, our Carbon Disclosure Report (CDP) submission scored B, an improvement on last year's score. We will continue to work to increase this score in the future.

Meeting our compliance obligations

We proactively monitor and maintain environmental legal requirements and other compliance obligations that apply to us, including industry codes of practice, and take action to make sure every part of our business remains compliant with relevant obligations while continually pursuing best practice. This year, Reach completed all mandatory Energy Savings Opportunity Scheme (ESOS) audits and has had no prosecutions or compliance notices for breaches of environmental law.

Targets and metrics

2023 Target	Progress in 2023	2024+ Target
Climate change		
We will reduce GHG emissions (Scope 1 + Scope 2 market-based) by 75% by 2025 versus a 2019 baseline and maintain this.	**Achieved** We have maintained our GHG emission reduction (Scope 1 + Scope 2 market-based), having reduced by 77% in 2023 versus 2019.	We will reduce GHG emissions (Scope 1 + Scope 2 market-based) by 75% by 2025 versus a 2019 baseline and maintain this.
We will aim to reduce our electricity consumption by an average of 5% annually over the next three years to 2023 versus a 2019 baseline.	**Achieved** Our electricity consumption in 2023 is 44.5% lower than 2019.	This target has been achieved and is being replaced with our aim to submit a near-term science-based target in 2024.
Maintain GHG emissions associated with UK/domestic business travel in 2022 compared with 2019, on a like-for-like basis. Note: Overseas travel is excluded because the requirement to cover news events fluctuates year-on-year and is outside the Company's control.	**Achieved** We have had a 73% reduction in UK/domestic business travel GHG emissions versus 2019.	Maintain GHG emissions associated with UK/domestic business travel in 2022 compared with 2019, on a like-for-like basis. Note: Overseas travel is excluded because the requirement to cover news events fluctuates year-on-year and is outside the Company's control.
Environmental management		
We are aiming for a combined ISO 14001:2015 certification for all print sites under our ownership across the UK within the next two years. To maintain ISO 14001:2015 to all publishing sites in scope.	**Achieved** ISO 14001:2015 certification was combined and maintained for print sites. ISO 14001:2015 certification was maintained for publishing sites in scope.	We aim to maintain the ISO 14001:2015 standards for our three owned print sites and our publishing division. We will review the scope of the Publishing ISO 14001:2015 accreditation to reflect recent changes to our working environment.
We aim to report GHG emissions on all relevant Scope 3 categories in 2023.	**Achieved** We have fully baselined our total GHG emissions including Scope 3. 11 out of 15 categories are relevant to Reach operations.	We will continue to report our full GHG emissions across all three Scopes.

Responsible business continued
Protecting our environment

Targets and metrics

2023 Target	Progress in 2023	2024+ Target
Environmental management continued		
This is a new target	n/a	To have our GHG emissions data independently verified.
This is a new target	n/a	To develop the Group's Sustainability Report.
Supply chain		
We aim to use 100% graphic paper (all newsprint and magazine paper grades) manufactured from fibre using recycled materials or wood from certified sustainable forests. We commit to achieving at least 95% recycled materials or wood from certified sustainable forests.	**Achieved** Achieved 97.28% graphic paper using recycled materials or wood from certified sustainable forests, and we continued to work with suppliers to maximise this.	We aim to use 100% graphic paper (all newsprint and magazine paper grades) manufactured from fibre using recycled materials or wood from certified sustainable forests. We commit to achieving at least 95% recycled materials or wood from certified sustainable forests.
This is a new target	n/a	We aim to identify and engage with our top 20 suppliers by GHG emissions, aiming to reduce our Scope 3 emissions associated with them.
Waste and water		
We will reduce our Volatile Organic Compound (VOC) emissions annually versus the previous year.	Achieved 64.2% reduction from 2022.	We will reduce our VOC emissions annually versus the previous year.
Maximum of 3% of hazardous waste generated at print sites under our ownership to go to landfill.	Achieved 1.32% for 2023.	Maximum of 3% of hazardous waste generated at print sites under our ownership to go to landfill.
Biodiversity		
This is a new target	n/a	We will carry out an internal review aiming to better understand our impact on biodiversity.

Targets and metrics

Environmental performance data

Energy consumption and greenhouse gas (GHG) emissions tonnes Carbon Dioxide equivalent (tCo_2e)

Methodology

As a large, quoted organisation, Reach plc is required to report its UK energy use and carbon emissions based on the Environmental Reporting Guidelines, including mandatory greenhouse gas emissions reporting guidance (March 2019) issued by the then Department for Business, Energy & Industrial Strategy (BEIS). Reach's methodology is consistent with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The data detailed in this table represents emissions and energy use for which Reach is responsible, including Scope 1 emissions (fuels, refrigerants, natural gas and company car usage), Scope 2, electricity purchased by Reach during the reporting period, and Scope 3; all other emissions are from Reach's supply chain.

Our offices outside the UK are leased. These figures are included in the Scope 3 emissions table. We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2022. Data was collected internally within Reach and includes actual data from invoices from our sites.

Responsible business continued
Protecting our environment

Environmental performance data

Energy consumption and greenhouse gas (GHG) emissions tonnes Carbon Dioxide equivalent (tCO_2e)[1]

	Consumption			GHG emissions (tCO_2e)		
	2023	2022	2019	**2023**	2022	2019
UK and Offshore Scope 1 [2]						
Gas combustion – heating (kWh)	**14,161,559**	14,265,096	17,359,411	**2,591**	2,604	3,192
Oil combustion – electricity generation (kWh)	**1,364**	84,331	956,029	**0.35**	22	242
LPG consumption (kWh)	**544,026**	1,376,681	333,355	**125**	317	71
Commercial vehicles (kWh) [3]	**1,248,687**	1,431,149	3,149,678	**294**	343	788
Refrigerant gas loss (kg)	**163**	324	263	**328**	608	608
Total UK and Offshore Scope 1 [4]				**3,338**	3,894	4,901
Global (excluding UK and Offshore) Scope 1 (ROI commercial vehicles only kWh)	**6,130**	13,233		**1**	3	
UK and Offshore SCOPE 2 [5]						
Grid electricity used – location-based (kWh)	**28,438,637**	34,918,787	51,206,683	**5,889**	6,753	13,088
Grid electricity used – market-based (kWh)	**28,438,637**	34,918,787	51,206,683			9,816
UK and Offshore Scope 2 (market-based) [6]						9,816
UK and Offshore total Scope 1 and Scope 2 (market-based) [4]				**3,338**	3,894	14,717
Global (excluding UK) total Scope 1 and Scope 2 (market-based)	The secret office supply is a "calculator".					
UK and Offshore Scope 1 and 2 per million pages printed [7]				**0.083**	0.078	0.171
Global (excluding UK and Offshore) Scope 1 and 2 per million pages printed				**0.00004**	0.0001	

Responsible business continued
Protecting our environment

Scope 3 emissions table	GHG emissions (tCO_2e) 2023	2022	YOY%
Scope 3 [8,9]			
Category 1. Purchased Goods and Services [4]	**99,169**	131,081	-24%
Category 2. Capital Goods	**1,967**	2,468	-20%
Category 3. Fuel and Energy [4]	**2,452**	3,013	-19%
Category 4. Upstream Transport and Distribution [4]	**46,727**	56,363	-17%
Category 5. Waste [4]	**250**	305	-18%
Category 6. Business Travel	**1,662**	1,521	9%
Category 7. Employee Commuting	**3,430**	4,260	-19%
Category 8. Upstream Leased Assets	**586**	576	2%
Category 11. Use of Sold Products	**23,694**	28,190	-16%
Category 12. End of Life Treatment of Sold Products	**16,342**	9,241	77%
Category 15. Investments	**1,645**	1,253	31%
Total Scope 3	**197,924**	238,271	-17%
Total Scope 3 tCO_2e per million pages printed	**0.000010**	0.000010	2%

Waste	**2023**	2022	2020
Total hazardous waste from print sites (tonnes)	**1,039**	1,147	1,379
Total hazardous waste from print sites to landfill (tonnes)	**13.7**	19	38
% hazardous waste from print sites to landfill	**1.32%**	1.69%	2.80%
Total weight of non-hazardous paper waste recycled (tonnes)	**7,543**	9,744	10,627
% non-hazardous paper waste from print sites under our ownership recycled	**100%**	100%	100%
% waste electrical and electronic equipment from publishing sites reused or recycled	**100%**	100%	100%
% aluminium printing plates recycled	**100%**	100%	100%

Water	**2023**	2022	2020
Total water consumption at all print and major publishing sites (m^3)	**19,737**	24,857	35,458

Volatile Organic Compounds	**2023**	2022	2020
Emissions of Volatile Organic Compounds (VOCs) (tonnes)	**2.6**	7.33	10.47

1. GHG emissions and energy consumption are calculated in line with Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019 using the UK Government's Greenhouse gas reporting: conversion factors 2023 (BEIS). 2022 and 2019 GHG emissions used 2022 and 2019 conversion factors from BEIS
2. Scope 1 covers the annual quantity of emissions in tonnes of carbon dioxide equivalent from emission sources that are under the operational control of Reach
3. The Commercial vehicles data in kWh has been added to the reporting table for SECR reporting
4. Scope 1 LPG has been re-stated for 2022. Scope 1 Company car emissions have been re-stated for 2022 as Reach sourced new mileage data and has retrospectively amended emissions As a result, the Scope 3 Well-to-tank emissions for total UK Scope 1 and Scope 2 energy consumption and emissions have also been restated (these are reported on a market-based basis). Scope 3, Purchased Goods and Services, Upstream T&D, and Waste have been re-stated for 2022 due to improvements in data quality and methodology
5. Scope 2 covers the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by Reach for its own use
6. No global (excluding UK) Scope 2 as all UK-based operations
7. To reflect the amended totals associated with the difference in Scope 1 data, the Scope 1 intensity emissions per million pages have also been restated
8. Scope 3 covers other indirect greenhouse gas emissions for which data is currently collected, i.e. where the emissions are from sources that are not owned by Reach and where Reach does not have operational control. Our Scope 3 records for 2022 and 2023 now represent a comprehensive and complete carbon footprint for all of our Scope 3 emissions. In line with best practice, BEIS, Internal Energy Agency (for international electricity) and CEDA (for spend-based data) emission factors have been used. Our Scope 3 emissions follow the year 1 January to 31 December
9. Categories 9, 10, 13 and 14 are not relevant to Reach's business

PREPARING OUR BUSINESS FOR THE CHANGING CLIMATE

There is an overwhelming body of evidence that climate change is already causing destruction, damage and loss of life globally.

Our industry is currently undergoing a shift from being largely print-based to primarily digital. Climate impacts to both print and digital-based business remain relevant for Reach and their management is key to ensure the resilience of operations. Hence, we are assessing climate impacts in the context of these changes.

Businesses are exposed to physical climate risks, including asset damage due to extreme climate events, often resulting in additional costs and delays from operational and supply chain disruption, as well as the risks associated with transitioning to a green economy and more stringent policies and regulations. At Reach, we have developed our understanding of the most relevant risks and are working on their management.

Taking action on climate change also presents businesses with opportunities to ensure sustainable growth and improve overall resilience to future changes – and these are particularly strong for Reach as we transition to become a digitally-focused business.

We have made much progress in better understanding our current and future climate-related risks and are continuing the work we started in 2022 to ensure that our business remains resilient in the face of climate uncertainty.

Summary of our work in 2023

In 2022, we carried out our initial qualitative Climate Scenario Analysis (CSA), which involved a desk-based study and two stakeholder workshops. The qualitative CSA included the analysis of risks and opportunities using different time horizons and two climate scenarios. We identified three key risks – one physical (flooding that impacts directly and indirectly on our operations), and two transitional (carbon and energy pricing). We also identified a key opportunity for our business, which is our strategy to become a more sustainable digital business.

Following our work in 2022 to identify our most material physical and transition risks, we quantified these risks in 2023. This has improved our understanding of the risks, started to identify the potential financial implications on our business and tested the resilience of our strategy under multiple climate scenarios.

We also continued to calculate our full carbon footprint, enabling us to understand how and where we need to make changes and investments to reduce our impact on the climate and our exposure to emission-related risks. Reach retains relevant records of previous and ongoing work to support the TCFD disclosure.

Consistency with TCFD and CFD

We began reporting voluntarily against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in our 2021 Annual Report. This is our second year of mandatory reporting of TCFD and our work in this area continues to expand. Additionally, from this year, Reach is also required to align its climate financial disclosures with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, also known as CFD.

Following from progress made this year, we are fully consistent with seven of TCFD's recommendations and partially with the other four, as well as fully complying with all of the CFD requirements displayed in the table on the next page.

As a UK premium-listed company, we report on a 'comply or explain' basis against the recommendations of the TCFD. This is consistent with the requirements of the UK's Financial Conduct Authority. Reach has taken into account all of the guidance specified by the Listing Rule 9.8.6R(8). Reach follows the 'Guidance for All Sectors' TCFD recommendations.

This section of the Annual Report has been tailored to account for relevant guidance and the table below outlines our alignment to both TCFD and CFD.

TCFD report continued

TCFD recommendation	CFD requirement	Summary of disclosure and 2023 actions	Next steps
Governance: Disclose the organisation's governance around climate-related risks and opportunities			
A. Describe the board's oversight of climate-related risks and opportunities *See page 57*	**A.** A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	• Board oversees climate risks and opportunities, led by the Sustainability Committee • In 2023 the Board and management undertook training on climate-related issues	• Continue regular engagement and delivery of training on climate-related issues, risks and opportunities more widely across the Reach team
B. Describe management's role in assessing and managing climate-related risks and opportunities *See page 57*		• Oversight by the ESG Steering Committee; management across the business involved in identifying, managing and reviewing climate-related risks and opportunities • In 2023, we further developed senior management team roles and responsibilities, and identified ownership for climate risks	• Continue to regularly review climate-related risks and opportunities with relevant risk owners and management team
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material			
A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term *See page 60 to 63*	**D.** A description of i. the princip The secret animal #1 is a "giraffe". related risks and opportunities connection with the company's operations, and ii. the time periods by reference to which those risks and opportunities are assessed	ntified our most material physical d opportunities under two climate scenarios over the short, medium and long term and recognised climate change as an emergent risk	• Risks identified will continue to be regularly reviewed
B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning *See pages 60 to 63*	**E.** A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy (non-mandatory if director provides an explanation) **F.** An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	• In 2023, we quantified the likely impact of each most material risk at site and Group level, taking into account the impact in relation to strategy and financial planning • Further work is required to fully develop our plan to transition to a low-carbon economy	• Continue our work to further integrate insight on climate risks to Reach in our strategy and financial planning • We are working to develop and set emission reduction targets, which will help us develop our transition plan
C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario *See page 60*	**F.** An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	• Our CSA work considers multiple climate scenarios and time horizons when assessing our climate risks and opportunities • In 2023, our quantitative analysis has analysed our current operations and strategy within different climate scenarios (including a 2°C or lower scenario)	• In 2024: develop and implement mitigation plans for relevant risks

Full alignment   Partial alignment

TCFD report continued

TCFD recommendation	CFD requirement	Summary of disclosure and 2023 actions	Next steps
Risk management: Disclose how the organisation identifies, assesses and manages climate-related risks			
● (Full alignment) **A.** Describe the organisation's processes for identifying and assessing climate-related risks *See page 59*	**B.** A description of how the company identifies, assesses and manages climate-related risks and opportunities	• Reach qualitatively assessed climate risks and opportunities in 2022 • In 2023, we continued that work and quantified the most material risks	• Continue to review climate-related risks as part of our overall risk management framework
● (Full alignment) **B.** Describe the organisation's processes for managing climate-related risks *See page 59*		• Climate change is tracked in our emerging risk register, with specific climate-related risks managed through our risk management framework and overseen by specific risk owners	• Continue to review climate-related risks as part of our overall risk management framework
● (Full alignment) **C.** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management *See page 59*	**C.** A description of how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management process	• Material climate-related risks identified via our CSA work finalised in 2023 have been included in the business risk registers and are being tracked by the relevant risk owners	• Continue to review climate-related risks as part of our overall risk management framework • Plan to review and update our climate scenario work in 2026 as part of a three-year review process
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material			
● (Partial alignment) **A.** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process *See page 64*	**H.** The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	• Scope 1, 2 and 3 GHG emissions monitored and reported annually. In 2023, we focused on calculating our full Scope 3 emissions • We have further work to do to define metrics in relation to risks identified	• In 2024: identify additional metrics to monitor each key risk and opportunity quantified in our climate scenario analysis work, and set near-term SBTs
● (Partial alignment) **B.** Disclose Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks *See page 64*		• See above • While we monitor Scope 1, 2 and 3 emissions we do not yet explicitly report climate risks related to Scope 1, 2 and 3	lculation of our Scope 1, 2 and 3 emissions
● (Partial alignment) **C.** Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets *See page 64*	**G.** A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities, and of performance against those targets	• 75% reduction of total Scope 1 and 2 GHG emissions by 2025 against a 2019 base year • Several other climate-/environment-related targets, e.g. for business travel and electricity consumption	• In 2024: further work in reviewing and setting additional targets for the metrics identified for relevant climate risks and opportunities

The secret object #5 is a "vase".

● Full alignment ● Partial alignment

TCFD report continued

Governance

Climate-related risks pose a potential threat across our business but we have integrated them into our decision-making across the business and taken the necessary steps to align our operations with the latest climate science to minimise negative impacts. Overall responsibility and oversight of climate-related issues is at the Board level, supported by the management team who regularly assess, review and monitor these issues and our approach to tackling them.

Our work in 2023 has focused on strengthening our understanding and the role everyone in the business plays in tackling climate-related issues. We have extended training opportunities more widely and launched the new ReachSustainability network to connect and engage people across the business. The mission of this network is to raise the profile of environmental, social and governance (ESG) initiatives, provide training opportunities and support across the business and champion best practice around sustainability.

Board

Since our initial alignment with TCFD in 2022, our governance structure at Board level has not changed. The Board's oversight of all climate change and environmental issues is directed by our Chief Financial Officer (CFO), with ultimate responsibility lying with the Board Sustainability Committee (the Committee), which comprises all Board members. The Committee oversees and recommends for Board approval the Group's responsible business framework and related commitments, and reviews and challenges any annual sustainability-related targets. The Committee is chaired by a non-executive director, Priya Guha, and met twice in 2023 to review progress on these issues.

Our Board Audit & Risk Committee (ARC) is chaired by Anne Bulford and is made up of independent non-executive directors. It is responsible for risk management, including climate-related risks, and reviewing the content and accuracy of our reporting. Like the Committee, it has been provided with regular updates on the TCFD and quantitative CSA work that has been conducted throughout 2023.

We have not linked executive remuneration with climate-related issues to date. However for the 2024 Long Term Incentive Plan, an environmental metric regarding reductions in Scope 1 and Scope 2 emissions will be introduced. Read more on page 126.

Management

Management-level oversight of our climate-related risks and opportunities is conducted by our ESG Steering Committee. Chaired by our CFO, the ESG Steering Committee is made up of senior managers from across the business and meets quarterly to review and manage the Company's approach to sustainability, including climate-related issues. The ESG Steering Committee reports to the Sustainability Committee.

In 2023, the ESG Steering Committee worked with an external adviser to quantify the climate-related risks and opportunities identified in previous qualitative CSA work. This puts us in a position to, where needed, develop mitigation processes and measures against these risks while also identifying the links between climate-related risks and opportunities and our overall strategy as we transition from print-based to digitally-based products.

The TCFD Working Group, which focuses on addressing the requirements set out by the Task Force, has focused this year on gaps identified in 2022. There are several teams across the business which form the TCFD Working Group and support the ESG Steering Committee and its sustainability work, particularly across risk, operations and finance. Our risk team identifies, manages and monitors climate-related risk, while our operations team is responsible for monitoring of GHG emissions and energy consumption. The operations team has been consulted and has heavily contributed to the analysis done to quantify climate risks. The operations team also includes Green Teams at our print sites, who lead environmental initiatives.

As we progress our understanding of climate risks and their potential implications, the finance team plays an increasing role in identifying and managing them. For example, the responsibility for overseeing and monitoring the potential financial effects of climate-related issues falls to finance.

Next steps – Governance in 2024

- Continue to promote training opportunities more widely across the business on climate-related issues, risks and opportunities
- As we grow our understanding of financial impacts, we will further develop senior management roles and responsibilities for how climate-related issues are monitored and managed

TCFD report continued

TCFD Governance

Key: Direction and oversight | Reporting | Advice

Board

Board
The Board ensures that our governance framework is implemented through a programme of action plans and annual targets.

This year the Board has undertaken training on climate-related issues.

Sustainability Committee
The Sustainability Committee is made up of all Board directors. It has responsibility to review, challenge, oversee and recommend for approval the Group's responsible business framework and related commitments; review and challenge annual sustainability-related targets; and review and oversee the Group's sustainability reporting.

Audit & Risk Committee
The Audit & Risk Committee is responsible for scrutinising climate-related and financial reporting, and for monitoring our risks.

Management

Environmental, Social and Governance Steering Committee
The ESG Steering Committee is chaired by the Chief Financial Officer and is attended by various senior managers across the business. The Committee is responsible for ensuring that all climate change and environmental targets and legislation are met.

Executive management team
The executive management team supports the Sustainability Committee by attending each meeting as required.

TCFD Working Group
The TCFD Working Group is made up of colleagues from Group Finance, Risk and Audit, Company Secretariat and Central Services.

TCFD report continued

Risk management

Reach's process to identify and assess climate-related risks began in 2022 as part of the qualitative Climate Scenario Analysis (CSA). In 2023, we continued this work by conducting a quantitative CSA. The risks considered in the quantitative assessment are those that had been identified in 2022 by the Board and the senior management team as most material and relevant to Reach. These are:

- energy pricing;
- carbon pricing; and
- increased flooding.

This work involved engaging with a range of internal stakeholders (including senior management, risk operations and finance) through a series of questionnaires and workshops to discuss and gather insight on our level of preparedness to cope with the different risks. It also involved collecting and analysing the external climate modelling data needed to comprehensively assess our exposure to these risks. We used the risk framework developed this year to assess all risks; this supports the integration of climate risks in the overall assessment and comparison of different risks. Our risk team is responsible for the risk management framework, including climate-related risks. You can read more details on our approach to CSA in the Strategy section.

As part of our ongoing work on climate issues, and in addition to our quantitative CSA work, we have reviewed the potential overall implications of current and proposed climate regulation. As a result, climate change remains a general emerging risk. The emerging risk and the individual most material climate risks assessed are therefore monitored by our senior leadership team through our risk management framework, which includes regularly reviewing the relevance and severity of external pressures and the environment within which we are operating. Our work to improve our risk management processes, which included further work to understand more fully the emerging risk of climate change, has also led to a better embedding of this emerging risk into our risk management model; see our risk management process on page 66 for more on how we manage risk in general.

Next steps

We are working to develop a process to review all identified climate-related risks and reassess their relevance to Reach every three years. As the initial qualitative CSA was carried out in 2022, with the quantitative CSA in 2023, the next CSA assessment will be in 2026. Between now and then we will continuously monitor the most material climate-related risks that have been identified (as described in the Risk management section).

Strategy

A key focus for our business strategy at Reach is to transition away from predominantly paper-based products towards a digitally-based platform. We identified in our CSA work last year that there are climate-related physical and transition risks relevant to Reach that are likely to impact our current business model and our strategy, as well as several opportunities associated with the transition to a low-carbon economy. To prepare for these challenges and opportunities, we have progressed our CSA work and quantified the potential impacts of the main climate risks on our business.

The approach taken in the quantitative CSA assessment is formed of three parts: exposure (analysis of how the climate and related drivers are projected to change); vulnerability (sensitivity and level of preparedness to a climate hazard); and risk (combining exposure and vulnerability results to calculate overall risk).

Exposure modelling – how individual sites/the business are exposed to each hazard under different time horizons and global climate scenarios (a low-carbon scenario of 1.5-2ºC and high-carbon scenario of 4ºC) as well as different business scenarios. The exposure modelling was informed by climate modelling data from several sources, including regional climate models, International Energy Agency (IEA) projections and EnerFuture data. Exposure was then analysed and categorised considering the likelihood of a climate-related event (e.g. a flood or a carbon price) occurring in a given climate scenario and time horizon. Likelihood ratings were assigned based on existing definitions within Reach's risk framework.

Vulnerability assessments – how sensitive the site/business is to a hazard and if there are any measures in place to reduce the risk. As part of the vulnerability assessment, print and office site managers as well as relevant business units completed a questionnaire that enabled us to understand how sensitive each site is to the risks analysed. Vulnerability ratings were assigned based on definitions within Reach's risk framework.

Risk calculation – the vulnerability and exposure ratings were combined for each site and risk to obtain a risk score (using Reach's risk framework as a reference). Impact in Reach's risk framework is analysed based on financial, strategic (including reputation), operational and compliance considerations. Given the risks analysed quantitatively as part of the CSA work in 2023, focus has been given to financial impacts. However, considerations of strategic impacts have also been taken into account. The description of financial impact in the risk framework has been applied to assess the potential magnitude of the impact for each risk. Read more about our risk framework on page 66.

The outputs of the quantitative CSA work are being integrated into Reach's existing risk register and framework.

TCFD report continued

We conducted desk-based research across a range of the latest climate science published by international and national organisations. This gave us an overview of the latest climate projections across different possible scenarios and, based on the scenarios envisaged by these organisations in their research, we considered two when identifying and assessing our risks. These scenarios lie at opposite ends of the spectrum, which enables us to gain an understanding of the range of potential climate-related risks and opportunities relevant to Reach. These scenarios are potential pathways, rather than projections, and either are possible.

The scenarios we have looked at:

- **Low-carbon scenario:** this 'net zero by 2050' scenario assumes that we achieve the goal of the Paris Agreement, namely that the global temperature rise is limited to 1.5°C above pre-industrial levels. In this scenario, the most likely risks are those associated with the transition to a lower-carbon economy, namely higher emission costs, while physical risks will be lower than in a high-carbon scenario. For energy and carbon pricing risks, data from two specific low-carbon scenarios developed by IEA were used, i.e. Maximum Ambition (leading to net zero by 2050) and Enhanced Ambition (assumes national targets and commitments are achieved).
- **High-carbon scenario:** this 'business-as-usual' scenario assumes that climate policies and other actions taken are insufficient to achieve the goals of the Paris Agreement and transition to a low-carbon economy, and so global temperatures rise to 4°C above pre-industrial levels. In this scenario, we expect to see severe physical risks.

The time horizons we have considered:

Near: now to 2030
Medium: 2030 to 2050
Long: beyond 2050

These time horizons align with national climate targets (for example, the UK's commitment to net zero by 2050), potential key target years for Reach in relation to climate actions, time horizons where climate drivers are likely to materialise, and, as far as practical, with the timeframes used in relevant climate science publications.

It's important to note that there are inherent uncertainties in any climate model outputs for [redacted] related policies by governments across the world, and how quickly the climate changes in response. Nonetheless, the analysis allows us to understand the potential consequences and plan accordingly.

The results of our quantitative CSA work are summarised for each risk identified in the table below. Overall, carbon pricing has been identified as the most relevant risk for Reach. However, when considering Reach's strategy to transition away from paper-based products, carbon pricing should not represent a significant financial risk to Reach. In the short term, Reach could face some risk (moderate when considering Reach's risk framework) from paper consumption, with paper manufacturers facing higher carbon prices and passing some of their costs on to Reach, but carbon prices for paper manufacturers are currently low or non-existent. As Reach moves away from print, the risk of facing carbon costs from paper manufacturers or suppliers of freight services will fall sharply.

Our quantitative CSA work this year found that energy pricing should not represent a significant financial risk to Reach when considering scenarios including Reach's planned actions. Flooding does not present a significant risk to most of our offices directly, and although flooding of the surrounding area [redacted]pected for most offices in the future, the [redacted]act is expected to be minimal in most [redacted]es, taking into account existing measures to continue operations during these events. Our print sites are not projected to be directly exposed to flooding under current or future scenarios, though there is a possible indirect exposure risk, e.g. the electricity substation serving one of our print sites is exposed to surface and river flooding in current and future climate scenarios. Overall, the future risk of flooding is considered to be low to moderate and its financial impacts to be minimal.

The analysis of risks in the near and medium term under two global climate scenarios has shown that our current business model and our strategy are resilient to these main climate impacts. In fact, our strategy aligns with the climate actions needed to decrease exposure to certain transition risks.

Our qualitative CSA work in 2022 showed that climate change also presents several opportunities, particularly in a scenario where we transition to a low-carbon economy. We used the same approach as with risks to identify and assess opportunities and to identify the most significant opportunities for our business. Our key opportunity, in both scenarios and across all time horizons, is the transition from print to digital that is already under way as we deliver our strategy. This year, as part of the analysis of carbon and energy prices, we have identified scenarios that reduce potential costs. For example, in a low-carbon scenario, our energy costs would be lower than current costs in the short and medium term.

TCFD report continued

Table of summary of quantitative CSA work for each risk

FLOODING

Risk description	Most relevant climate scenario and time horizon	Likelihood rating and description	Impact rating and description	Overall risk	Mitigation actions
Context Flooding is the major physical climate-related risk in the UK and under climate change conditions it is expected to increase both in intensity and frequency (projections show that intense rainfall and flash flooding could become almost five times more likely by the end of the century). Based on findings from the latest UK Climate Risk Assessment, in a 4°C scenario damages to businesses could increase by around 44% by 2050 and 75% by 2080. Reach has offices and print sites in more than 15 locations across the UK and Ireland. The level of flood risk (including surface, river and coastal flood risk) varies depending on the site, its location and the systems it depends on. The direct and indirect impacts of extreme weather events were identified as the main physical risk to Reach. Indirect impacts might be of most relevance as downtime in the energy system and blocked access to sites can cause disruption to operations. **Risk category:** Physical, Acute **Link to existing principal risk:** Supply chain disruption	**High carbon and medium term (to 2050s)** Both low and high-carbon scenarios as well as near, medium and long term have been included in the analysis of flood risk. The most relevant scenario is the high-carbon scenario (analysed using climate modelling output from RCP8.5) and the time horizon at which the increase in the risk might be significant compared to the baseline period is the 2050s.	**Rating:** This varies depending on the site but overall it has been categorised as very unlikely direct exposure to flood but possible indirect exposure. **Description:** We have analysed flood exposure at each individual site using a range of free and at-cost datasets, representing the best flood models available to assess current and future flood exposure. For the most relevant time horizon and scenario, we have identified two locations which in the future are expected to be directly exposed to flooding (but the vulnerability of these sites was categorised as low and hence not at considerable risk). In addition, projections show that a number of sites are expected to be indirectly exposed to flooding (i.e. site not expected to flood but surrounding areas might flood).	**Rating:** The potential impact of a flood varies per site but overall it has been categorised as being low for office sites and major for print sites. **Description:** A set of vulnerability considerations were assessed at site and Group level to determine the state of preparedness for flooding. If a flood event was to occur at an office site, the level of impact was categorised as low as there is generally no critical equipment that could get damaged, and employees have the ability to work from home. Hence, the overall impact on operations would be minimal. At print sites, assuming a flood event occurs, the impact was categorised as major given the potential damage to material and equipment and impact on operations if the energy system was impacted.	**Rating:** Overall categorised as low/moderate (ranging between low to moderate depending on the site). Financial impact expected to be minimal in a future climate scenario and considering Reach's strategy and measures in place. **Description:** Risk per site was estimated by combining information on likelihood and impact. While the risk varies per site, the overall risk to Reach has been categorised as low/moderate, given the mitigation measures available and the existing insurance to cover damages. In addition, given Reach's strategy to become a digitally-focused business, flood risk to print sites would decrease as the strategy is implemented.	• Existing working from home policy for office-based workers if offices are inaccessible. • Existing warning system to inform employees in the case that working from an office is not possible. • In specific sites, elevation of water-sensitive materials and equipment to above ground-level. • Back-up power generators at print sites. • Contingency plans for print sites (shifting printing load between sites). • Planned move to digital and reduce reliance on printing.

TCFD report continued

CARBON PRICING

Risk description	Most relevant climate scenario and time horizon	Likelihood rating and description	Impact rating and description	Overall risk	Mitigation actions
Context Carbon pricing represents a major climate-related risk in the UK, primarily due to the UK Emissions Trading Scheme (UK ETS) that puts a price on emissions from certain sectors. As of November 2023, the price per tonne of CO_2e under the UK ETS is approximately £40. There are also carbon prices impacting Reach's upstream supply chain partners in countries in the EU and North America, and the prevalence of these mechanisms is growing. Firms can either face direct or indirect carbon pricing risk. Direct carbon prices usually cover large facilities in emissions-intensive industries, such as electricity generation and manufacturing. Directly regulated firms will probably pass their carbon costs through to their consumers. Most companies will face indirect risk from carbon costs passed through from emissions-intensive suppliers. Depending on how carbon price mechanisms evolve, Reach could face risk from consumption of electricity, natural gas, diesel, paper and road freight services. In all such cases, carbon costs would be passed through to Reach from the suppliers of these services, themselves directly subject to a carbon tax or emissions trading scheme. **Risk category:** Transition, Policy and Legal **Link to existing principal risk:** Supply chain disruption, Deceleration of digital growth.	**Low carbon and near term (up to 2030)** The low-carbon scenario (in enhanced and maximum ambition) is the one in which carbon prices increase to the highest levels. In the near term, Reach's direct and supply chain emissions will be highest as paper products and print sites remain critical for Reach's operations. Consequently, assuming emissions continue to fall over time, risk will increase in the short term and peak around 2030.	**Rating:** While Reach will not face direct exposure to carbon pricing, it is likely to face exposure to carbon prices due to costs passed through from suppliers. The likelihood has therefore been categorised as probable. **Description:** Reach sources paper from several countries that already have carbon prices in place (such as the UK, EU and Canada). Reach is likely already facing some impacts due to carbon prices faced by paper manufacturers. Reach is also likely already facing impacts from carbon prices faced by electricity suppliers in the UK. In a low-carbon scenario, carbon prices in these regions are expected to increase considerably in the near and medium term.	**Rating:** Potential impact is moderate, based on carbon pricing trends and Reach's planned digitalisation actions. **Description:** Reach is transitioning away from paper products and will eventually become an office-based supplier of digital products. Such companies are not at major risk from carbon pricing unless they have exceptionally high on-site energy consumption. Reach's greatest source of risk will be from carbon costs passed through from electricity suppliers. If the UK ETS expands, Reach may also face significant risk due to on-site natural gas consumption and any remaining road freight services.	**Rating:** Overall risk is categorised as moderate. **Description:** Assuming a low-carbon scenario (enhanced ambition) and currently planned actions, carbon pricing could represent a moderate financial risk to Reach. Even if Reach is not directly regulated by a carbon price, it could face some short-term risk from paper consumption due to its suppliers passing carbon costs through. Carbon cost exposure for most paper manufacturers is currently low or non-existent but that is projected to increase in the future in a low-carbon scenario. As Reach moves away from print, the risk of facing carbon costs from paper manufacturers or suppliers of freight services is expected to fall sharply. Reach will soon be largely built around grid-based electricity consumption and cloud-based data storage. While fossil-fuelled electricity production can be regulated by carbon pricing, the Company's on-site electricity consumption is unlikely to be at a level that would cause carbon pricing to be a major concern. This is especially so because the UK power grid is expected to continue along a strong decarbonisation trajectory.	• Digitalisation could reduce energy consumption from direct operations, therefore reducing exposure to both carbon and energy pricing. • Installation of on-site solar power will reduce exposure to both carbon and energy pricing.

TCFD report continued

ENERGY PRICING

Risk description	Most relevant climate scenario and time horizon	Likelihood rating and description	Impact rating and description	Overall risk	Mitigation actions
Context Energy pricing represents a major climate-related transition risk for energy-intensive organisations in the UK. Under certain scenarios, electricity and natural gas prices could rise sharply in response to policies intended to disincentivise energy consumption and CO_2 emissions. Energy-intensive companies expecting to increase their emissions will be most at risk. Reach is not currently energy-intensive, and emissions are not expected to increase based on current digitalisation plans. **Risk category:** Transition, Market **Link to existing principal risk:** Deterioration in macroeconomic conditions (inflation).	**Low carbon and near term (up to 2030)** The low-carbon scenario is the one in which natural gas prices increase to the highest levels, while electricity prices are expected to rise before falling. In the near term, Reach's energy consumption will be highest as paper products and print sites have not yet been phased out. Consequently, assuming emissions continue to fall over time, risk will increase in the short term and peak around 2030.	**Rating**: Reach will probably face some increases in the price of electricity and natural gas over time. Likelihood has therefore been categorised as probable. **Description:** As the global climate policy continues, the UK Government may enact other policies intended to increase the price of electricity and natural gas. For example, the UK carbon price is expected to rise and could increase gas production and distribution costs.	**Rating:** The potential impact of changing energy prices on Reach is categorised as low. **Description:** Despite the potential for increased energy prices, Reach's energy cost is likely to fall. There are no planned actions that would lead to a significant increase in Reach's energy consumption. Meanwhile, consumption may shift away from paper-based products to digital, therefore reducing the energy consumed in Reach's direct operations.	**Rating:** Overall risk is categorised as low and, when considering Reach's planned actions, the increase in energy prices is not a risk. **Description:** Energy pricing should not represent a financial risk to Reach if, following the current trajectory, there is a reduction in energy consumed in direct operations. Electricity consumption in offices is unlikely to be at a level that makes energy prices a concern. Reach could face increased natural gas costs if prices increase significantly in response to policy actions to restrict supply and otherwise raise production costs. However, natural gas is mainly used at Reach print sites, and the Company expects to transition away from print and towards digital products. Reach is already taking steps to reduce this risk further with the installation of on-site solar power generation.	• Digitalisation could reduce energy consumption from direct operations, therefore reducing exposure to both carbon and energy pricing. • Installation of on-site solar power will reduce exposure to both carbon and energy pricing.

Next steps – 2024:

- Continue to review the risks identified regularly
- Continue to monitor external factors and pressures on the business and how these interact with the identified risks/opportunities
- Continue our work to further integrate insight on climate risks to Reach in our strategy and financial planning

TCFD report continued

Metrics and targets

The secret tool is a "ruler".

The metrics and targets we have in place play an important role in enabling us to measure and monitor our climate-related risks and opportunities. The work we have done in 2023 to quantify climate risks and opportunities will enable us to set more specific metrics and targets to further measure and monitor risks, which is the next key step we must take to align with climate financial disclosure recommendations.

We report fully on our Scope 1, 2 and selected Scope 3 emissions annually, which has been a major driver in helping us to understand the impact we are having on the climate as well as how we might in turn be affected by risks associated with our emissions throughout our value chain. In 2023, we completed the calculation of all relevant Scope 3 categories (page 53), which enables us to identify high emissions sources and act to reduce them. Our existing climate-related targets include a 75% reduction of our Scope 1 and 2 emissions by 2025 (against a 2019 baseline), which will not only help us to reduce our environmental impact but also reduce our vulnerability to any potential costs associated with carbon pricing.

We regularly review all sustainability targets to ensure they are in line with our goals for the Company. We continue to set ambitious emission reductions targets in line with the Paris Agreement.

NEXT STEPS – 2024:

- Continue the work on setting targets and metrics for the most relevant risks and opportunities following our quantitative CSA work.

Non-financial and sustainability information statement

This table summarises our policies and sets out where you can find the information required to meet the non-financial reporting requirements under sections 414CA and 414CB of the Companies Act 2006.

Policies and guidelines	In summary	More information
Focus area: Environment		
Environmental Policy	Specific commitments in relation to the main areas where the Company has the potential to cause environmental impacts Compliance with required Climate-related Financial Disclosures	Pages 46 to 53 Pages 54 to 64 for the TCFD report Pages 55 and 56
Focus area: Employees		
Dealing and Disclosure Policy	Compliance by employees with insider and share-dealing regulations	Internal only
Inside Information Policy	Clear and documented procedures for handling and disclosing inside information	Internal only
Dealing Code for Directors and PDMRs	Compliance by directors and persons discharging managerial responsibilities (PDMRs) with insider-dealing regulations	Internal only
Diversity & Inclusion Policy	Understanding the Group's approach to diversity and inclusion, the role all our people play in fostering an inclusive culture, why it matters and where to find help	Pages 41 to 44
Health & Safety Policy Statement	Understanding the Group's commitment to the health and safety of its employees and others affected by its business activities	Page 39
Disclosure Policy	Awareness of how to make a disclosure of suspected wrongdoing	Page 38
Focus area: Human rights		
Anti-slavery Policy	Compliance with modern slavery regulations under the Modern Slavery Act 2015	Page 38

Policies and guidelines	In summary	More information
Focus area: Anti-bribery and anti-corruption		
Anti-bribery Policy	Compliance with applicable anti-bribery and anti-corruption laws	Page 38
Anti-fraud Policy	Clear and documented procedures on reporting suspected fraud and how the Group will respond to a concern about fraud	Internal only
Standards of Business Conduct	Maintaining high standards of integrity and personal conduct	www.reachplc.com
Focus area: Social matters		
Code of Conduct Policy	Understanding the professional conduct that the Group expects everyone to abide by, to create a culture that all employees are proud to be a part of	Page 38
Group Procurement Policy	Understanding the Group's policy and procedures for the procurement of goods and services	Internal only
Data Protection Policy	Compliance with the UK General Data Protection Regulations (UK GDPR) and the UK Data Protection Act 2018, the Irish Data Protection Acts, and data protection laws and regulations in all jurisdictions in which we operate	Pages 37 and 38 www.reachplc.com
Focus area: Non-financial key performance indicators		
	Understanding the key metrics in measuring the Group's non-financial performance	Pages 20 and 21
Focus area: Management of principal risks and uncertainties		
	Understanding the key risks that the Group faces	Pages 68 to 72
Focus area: Business model		
	Understanding how value is created for stakeholders	Pages 16 and 17

AN OVERVIEW OF OUR RISKS IN 2023

During the year, we have continued to see the internal and external environment evolve and, as a result, we have seen the risk environment evolve and change too. We have continued to progress and embed our Customer Value Strategy (CVS) to create a more data-led digital business. Macroeconomic conditions continue to be challenging, particularly in the areas of inflation and consumer confidence, interest rates, and advertising spend. We have seen an accelerated decline in digital referral volumes driven by the evolution of referral approaches used by the different platforms. All of these areas affect our risk environment and underline the importance of managing risk and uncertainty effectively in order to ensure the successful delivery of our CVS.

We have focused on our principal risks, with further work undertaken in the year to evolve how we mitigate and manage our principal risks, taking accelerated action where required to respond to the evolving internal and external environment. We have also completed deep dive reviews with the Audit & Risk Committee for several of our principal risks. These included cyber security, data protection, brand reputation, treasury management and future funding, and US operations risk. We have continued to develop a better understanding of our emerging risks and opportunities of climate change and AI throughout the year.

In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified our top climate risks and opportunities and completed further analysis to understand these more fully and embed them into our risk management model, as set out on pages 61 to 63.

How we manage risk

Our risk appetite has been clearly defined and agreed by the Board and helps us to drive decision-making when determining how we best manage each of our principal risks.

We carefully evaluate the level of risk we are prepared to take, and our risk appetite in relation to strategic, operational and regulatory risks is as follows:

Strategic
In pursuing our strategy, the risks we take carefully balance the need to develop the business with not knowingly compromising our existing brands, our reputation or our financial stability. Our principal strategic risks are:

- deterioration in macroeconomic conditions; and
- deceleration of digital growth alongside acceleration of decline in print revenue.

Operational
Our appetite for risks that may lead to significant disruption of our operations is low. We seek to minimise risks from unforeseen operational failures in both our business and our service providers. Our principal operational risks are:

- cyber security breach;
- supply chain disruption;
- health and safety incident;
- lack of funding capability;
- inability to recruit and retain talent; and
- damage to brand reputation.

Regulatory
We have no appetite for any risk that may constitute a breach of regulations, although we will challenge the appropriate bodies where we feel regulations are strategically limiting. Should mistakes occur, we act promptly to resolve the issue and prevent it happening again. Our principal regulatory risk is data protection failure.

Risk management framework

Identifying and evaluating risks

We regularly identify, evaluate and monitor all risks including emerging risks that may affect the operation of each area of our business. We then identify, evaluate and monitor those risks we consider to be principal – i.e. those with the greatest potential to have a negative impact on the business.

Managing risks

Having identified and evaluated our principal risks, we consider how best to mitigate and manage their potential impacts. We have clearly defined roles, responsibilities and accountabilities for managing our risks as set out in the diagram opposite. Each of our principal risks has an Executive Committee owner and we have well-established processes in place to allow the Board to review these risks. These are detailed in our Governance Report.

Risk report continued

Our roles, responsibilities and accountabilities

The key roles and responsibilities in risk management are set out below:

Key Direction and oversight | Reporting | Advice

Board

- Sets strategic objectives
- Identifies, evaluates and monitors principal risks and uncertainties
- Sets the 'tone from the top' and establishes the corporate risk appetite
- Reviews and approves key Group policies and procedures to manage risk
- Responsible for the assessment of risk (delegated to the Audit & Risk Committee)

Executive Committee

- Owns the day-to-day operation of the risk management framework and systems of internal control
- Identifies and assesses risks and introduces mitigation controls
- Establishes ongoing processes to monitor and manage risk, including emerging risks
- Assesses the effectiveness of internal controls and addresses any issues identified
- Ensures significant issues are escalated promptly to the Board
- Ensures that decisions taken are in line with the corporate risk appetite
- Ensures onward communication of key Group policies and procedures

Operational functions

- Ensure appropriate risk management is in place within their business areas
- Review risks and mitigations on a regular basis
- Review and monitor the implementation of key Group policies and procedures
- Identify emerging risks, and where appropriate escalate to the Executive Committee

Risk and compliance support functions

- Support and advise management in managing risk
- Support and advise the business on the development of appropriate and proportionate risk management actions
- Co-ordinate risk identification, reporting and governance activity
- Provide an opinion on the effectiveness of internal control and risk management systems and processes

Audit & Risk Committee

- Reviews the effectiveness of the risk management framework and internal control systems
- Reviews effectiveness and integrity of financial reporting
- Oversees risk-based internal audit activity which provides independent assurance over the operation of the Group's internal control systems and risk management processes
- Monitors compliance with the corporate risk appetite

Key: Increase / No change / Decrease

Our principal risks and uncertainties

We have considered our risks in the context of delivering our strategy through a more data-led digital business and the evolving external environment. The evolving external environment has seen the macroeconomic conditions continue to be challenging, particularly in the areas of inflation and consumer confidence, interest rates, and advertising spend. We have seen an accelerated decline in digital referral volumes driven by the evolution of referral approaches used by the different platforms.

This has caused our risk of digital growth deceleration to increase and our risks around deterioration in the macroeconomic environment, supply chain disruption and cyber security breach to remain elevated throughout the year. The risk environment for data protection failure has also changed during the year with our expansion into the US. We have reviewed and evolved our mitigating actions for our principal risks to ensure they adapted to the changing risk environment. The Board has undertaken a robust risk assessment and review of our principal risks in this context and the Audit & Risk Committee has also performed a deep-dive review of the following principal risks during the year: cyber security, data protection, brand reputation, treasury management and future funding, and US operations risk. Our principal risks and progress against them are set out below.

We have continued to develop a better understanding of our emerging risks of climate change throughout the year. Whilst we do not at this stage consider climate risk to be a principal risk, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) we have identified our top climate risks and opportunities and completed further analysis to understand these more fully and embed them into our risk management model, as set out on pages 61 to 63.

Risk and description	How we mitigate the risk	What we've done this year
Strategic		
Deterioration in macroeconomic conditions (No change) Risk owner: Full Executive Committee Continued deterioration in macroeconomic conditions could result in an uncertain trading environment with reduced customer and advertiser spending, higher interest rates, higher inflation and increased costs, leading to lower cash flow and profits.	The economic uncertainty continues. We closely monitor the risk and impact and continue to take action when needed. We have a proven track record of responding quickly and delivering additional cost savings as necessary when faced with unexpected revenue declines.	We have closely monitored and assessed the macroeconomic factors and during the year we have seen continued inflationary pressures and increasing interest rates. We have continued to take action to closely monitor costs and be as efficient as possible, taking timely actions to mitigate inflation cost pressures in the year.

The secret object #4 is a "pillow".

Risk report continued

Key Increase | No change | Decrease

Risk and description	How we mitigate the risk	What we've done this year
Deceleration of digital growth alongside acceleration in decline of print revenues (Increase) Risk owner: Full Executive Committee Changes in the traditional publishing industry have led to an ongoing decline in print advertising and circulation revenues, which is being exacerbated by macroeconomic factors. A lack of appropriate strategic focus could result in us losing further revenue from existing products, while also failing to grow digital revenues quickly enough to offset the decline in print.	Our strategic development is led by an experienced Board and Executive Committee. We focus on developing digital revenue streams through the CVS. We continue to take tactical measures to minimise print revenue declines and maintain profits, such as taking appropriate cost mitigation or pricing measures. We have governance structures which enable the ongoing review of performance against targets and strategic goals, including a weekly structured trading meeting. We keep under consideration acquisition, joint venture and other corporate development opportunities, which are aligned to our CVS.	Our strategy, led by an experienced Executive Committee, is built around moving to a digital-led model and remains the key strategic focus for the Executive Committee. During the year we have focused on building our direct relationships with customers; social video content; our strategy for affiliates; and Curiously, which aims to grow revenue from new audiences. Specifically, we have launched the Secure Audience Strategy, which focuses newsrooms on increasing the number of page views which come from reliable sources – those built on intentional relationships with us by readers. Content is analysed by age profile to understand what will appeal to under-35s in particular. This was rolled out in August, as part of the wider cultural change Curiously is tasked with delivering. We have also launched an operation in the US, which gives us another route to a digital population of 360m people, which in turn will open up new revenue opportunities.
Operational		
Cyber security breach (No change) Risk owner: Chief Financial Officer/Chief Information Officer An internal or external cyber threat or attack, or a breach within one of our suppliers, could lead to breaches of confidential data, interruption to our systems and services, reputational damage with our stakeholders and financial loss.	All business-critical systems are well established and are supported by appropriate disaster recovery plans. We regularly assess our vulnerability to cyber attack and our ability to re-establish operations in the event of a failure. The technical infrastructure supporting our websites is within the cloud and our sites have been designed to provide adequate resilience and continued performance in the event of a significant failure. We continue to invest in enhancing our cyber security infrastructure as new threats emerge.	Given our continued strategic focus on customer data as a source of revenue, the potential impact of a cyber security breach is increasing all the time. During the year we continued to deliver our cyber security improvement programme and have focused on the preparedness of our technology leaders to manage cyber incidents including cyber incident training and table-top exercises to rehearse re-establishing operations in the event of a failure. We have continued to harden our cloud environments to contain the damage from a potential cyber attack and performed regular penetration tests to identify vulnerabilities.

Risk report continued

Key Increase No change Decrease

Risk and description	How we mitigate the risk	What we've done this year
Supply chain disruption (No change) Risk owner: Chief Operating Officer/Chief Financial Officer Disruption or failure in our supply chain could lead to business disruption, increased costs, reduced service and product quality, and ultimately mean we are unable to deliver our strategy. **Print:** Our print products, which rely on a small number of key suppliers (for example, newsprint suppliers, wholesalers and distributors), could be adversely affected, operationally and financially, by changes to supplier dynamics. **Information systems and technology:** A major failure, breach or prolonged performance issues at a third-party provider could have an adverse impact on our business.	We carefully monitor and manage all our third-party print and information systems and technology providers – these include: • Ad producers and planners • Wholesalers and distributors • Newsprint suppliers • Manufacturing maintenance and parts providers • IT providers • Global digital partners We have business continuity/disaster recovery plans in place with all our key partners. For our IT partners, we have clear governance arrangements covering risk management, change control, security and service delivery.	During the year we continued to monitor our key suppliers, with a particular focus on suppliers to our print site operations. We also continued to review our contingency arrangements to ensure we have robust stock management processes and that there are contingency arrangements in place with our key suppliers.
Health and safety incident (No change) Risk owner: Chief Operating Officer Failure to adhere to our health and safety systems could result in our employees or other workers on our sites having accidents, including, potentially, fatal ones.	Every site has a professionally qualified and experienced health and safety manager and an occupational health provider. The health and safety manager oversees the implementation of our health and safety management system, which includes an adverse event reporting system. This allows investigations to be carried out in a timely manner by the health and safety team. The system includes a process for assessing risks in different areas of the business and covers risks such as external work in hostile and high-risk environments. It also includes internal and external auditing to ensure continuing compliance across our print and publishing sites. We offer health and wellbeing support, including for mental health, to all our employees.	During the year we have worked to embed the refreshed Health and Safety Policy and framework that was implemented in 2022. We have continued to enhance our risk assessment processes for events, our hubs and work in high-risk environments. We have continued to offer appropriate health and wellbeing support to all of our employees. Online threats and abuse towards our journalists is an area of increasing concern, so addressing this issue and protecting our journalists will continue to be a priority for us.

Risk report continued

Key Increase | No change | Decrease

Risk and description	How we mitigate the risk	What we've done this year
Lack of funding capability (No change) Risk owner: Chief Financial Officer Our main financial risk is the lack of funding capability to meet business needs. This may be caused by a lack of working capital, unexpected increases in interest rates or increased liabilities, in particular: • pension deficits may grow at such a rate that annual funding costs consume a disproportionate level of profit • volume and level of claims for historical legal issues (HLI)	**Financing** We have committed loan facilities sufficient to deliver our strategy. Through regular dialogue, we maintain constructive relationships with our syndicate banks. We forecast and monitor cash flow regularly through our treasury reporting processes. Our exposure to foreign exchange fluctuation is limited. **Commitments** Regular reporting to the Board (including facility utilisation and covenant compliance). We hold regular discussions with pension scheme trustees. We continually review ways of de-risking our pension liabilities. We continually monitor and manage ongoing HLI claim levels, and work with external lawyers on HLI civil claims.	**Financing** Following the extension of our full loan facility for an additional year during 2022 (until November 2026) to mitigate the risk of any unexpected increases in interest rates or liabilities, no changes to the facility have been made during 2023. **Commitments** We made significant payments to our pension schemes in the year and we remain committed to addressing our historical pension deficits. This includes the successful resolution of the 2019 triennial review during the year for the one remaining scheme. Discussions are ongoing with the Group's other schemes regarding the 2022 triennial valuations and are expected to be concluded satisfactorily by the 31 March 2024 due date. In December, the High Court's judgement on time limitation provided a clearer view on our future liabilities in relation to HLI.
Inability to recruit and retain talent (No change) Risk owner: Group Human Resources Director The inability to recruit, develop and retain talent with appropriate skills, knowledge and experience would compromise our ability to deliver our strategy.	We continually monitor and review: • Digital capabilities of our workforce • Turnover levels • Pay and benefits • Opportunities to expand our talent pool (for example, outside London) • The recruitment channels we use • Diversity and inclusion	Against the backdrop of this year having a recruitment freeze we have been continuing to monitor this risk while taking into account the current business environment. We are currently downsizing our workforce. Throughout this exercise, we ensured that we retained skills and talent. Against this backdrop and the changing business environment we are closely reviewing our employee proposition in order to retain the best talent going forward.

Risk report continued

Key Increase · No change · Decrease

Risk and description	How we mitigate the risk	What we've done this year
Damage to brand reputation (No change) Risk owner: Full Executive Committee Breaches of regulations or editorial best practice guidelines; editorial errors; and issues with employees' behaviour or the tone of our editorial could damage our reputation, cause us to lose readership, and put us at risk of legal proceedings.	We have highly experienced and capable people in our key senior management roles. Our governance structures provide clear accountability for compliance with all laws and regulations, and we have policies and procedures in place to meet all relevant requirements, including a crisis management procedure that is communicated to all relevant staff. We train all editorial employees on how to create content that complies with relevant legislation. We continually monitor upcoming legislative changes and emerging trends.	We have clear internal expectations around the management of editorial risk, including a mandatory escalation policy of significant risks to senior editorial and legal colleagues, and monthly reporting on editorial risk. We have reviewed and updated all our Editorial Legal policies in 2023, and created new versions for use in the US. These have formed the subject of editorial training and been publicised to all members of our editorial teams via our legal bulletin, which is circulated monthly.
Regulatory		
Data protection failure (No change) Risk owner: Group General Counsel/Data Protection Officer A contravention of data protection regulations applicable to Reach such as the UK or EU General Data Protection Regulations (GDPR), Privacy and Electronic Communications Regulations 2003 (PECR), various state and federal legislation in the US and Canada (e.g. the updated California Consumer Privacy Act CCPA Amended), could lead to monetary penalties, reputational damage and a loss of customer trust.	We have clear governance structures to direct and oversee our data protection strategy. Our Data Protection Officer and Data Protection team promote and advise on compliance with data protection regulations, address rights requests, provide oversight and help mitigate the risk of compliance breaches. The team works with a network of data protection champions and teams across the business to assist the business in delivering its data protection obligations. We have well-established data protection policies, processes and controls to govern how colleagues carry out day-to-day activities involving the handling of personal data, plus clear terms with regards to the collection, use, sharing and retention of user data, including [redacted] The secret object #2 is a "bottle". When developing new [redacted] protection by design and default' approach to collecting and using personal data, to ensure we remain compliant with data protection regulations.	During the year we continued to focus on embedding data protection controls and processes and ensuring that data protection forms part of 'business as usual' in everything we do. This included reviewing and enhancing our Data Protection risk and reporting framework to incorporate new legislative requirements and regulatory focus areas and ensuring third parties met the legislative requirements and correct provisions were in place. We also advised on matters arising from new projects involving personal data including the US expansion and artificial intelligence initiatives, and monitored completion of data protection awareness training.

2023 VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code the directors have assessed the Group's prospects over an appropriate period of time selected by them.

The directors assessed the prospects of the Group over a three-year period as it enables thorough consideration of the investment required to drive growth in digital and the impact of declining print revenues, and this time period is deemed to appropriately reflect the evolving environment in which the Group operates. The assessment took into account the Group's current financial position, principal and emerging risks and uncertainties facing the Group which have the greatest potential impact on viability in that period.

When approving the annual budget, projections for the next two years are also considered. The annual budget is also used by the Remuneration Committee to set targets for the annual incentive plan. The directors also consider projections for the next 10 years used in connection with the Group's impairment review.

A number of key assumptions were made in generating the baseline three-year forecast as follows:

- digital growth supported by investment in the Customer Value Strategy;
- print revenue declines with reference to recent trends and reduction in related costs;
- overall stability in total revenues and operating profit;
- funding of the historical defined benefit pension obligations based on the existing schedule of contributions agreed with the Trustees;
- payments in relation to historical legal and tax issues reflecting the provisions held in the balance sheet;
- covenant compliance on existing financing facilities; and
- dividend payments in each year.

The assessment was undertaken recognising the principal risks and uncertainties that could have the greatest potential impact on viability in that period. A number of hypothetical scenarios have been modelled. While each of the principal risks on pages 68 to 72 has a potential impact and has been considered as part of the assessment, only those that represent severe but plausible scenarios were selected for modelling, summarised opposite:

Scenario	Associated principal risk(s)	Description
Significant revenue reduction	Deceleration of digital growth alongside acceleration in decline of print revenues	Material reduction in digital and print revenues (net of direct cost reductions) compared to the three-year plan of 10% per annum.
Adverse changes in external environment leading to lower than expected revenue and higher than expected costs	Deterioration in macroeconomic conditions Supply chain disruption	Inflationary pressure in relation to energy and newsprint costs, together with key supplier failure in the manufacturing business.
Cyber security breach	Cyber security breach Data protection failure Damages to brand reputation	An external cyber attack which leads to breaches of confidential data and interruption to our systems and services, resulting in a material reduction in page views and subsequent digital revenues, together with additional investigation and remediation costs whilst the attack is rectified, in addition to associated regulatory costs and fines.

These scenarios were assessed individually and in unison to understand our capacity for each risk incident and further stress test viability. The modelling showed that the Group would be able to withstand the impact of these scenarios occurring over the assessment period. The Board also assessed the likely effectiveness of any proposed mitigating actions. This did not change the conclusions of the assessment.

Based on the above, the directors have a reasonable expectation that the Group will remain viable and be able to continue operations and meet its liabilities as they fall due over the three-year period considered.

Such future assessments are subject to a level of uncertainty that increases with time and, therefore, future outcomes cannot be guaranteed or predicted with certainty.

The Strategic Report was approved on behalf of the Board on 5 March 2024.

Darren Fisher
Chief Financial Officer

5 March 2024