

DMGT and the Community

The DMGT Group owes much of its success to the entrepreneurial ability of the management teams leading its various media divisions. The businesses have thrived by allowing local management to take local decisions in a local context, whilst benefiting from the global outlook as well as from the financial resources of the wider Group.

This approach has delivered benefits to a wide range of stakeholders. The success of many of the Group's businesses is inextricably linked with understanding and engaging with the communities that they serve, and this allows them to identify needs and to campaign effectively on the issues relevant to their customer base. This principle is as relevant to the Daily Mail, serving the whole of the United Kingdom, as to the North Devon Journal Herald, serving the population of Barnstaple in Devon and to 6KG, one of our two radio stations serving the remote mining town of Kalgoorlie in Western Australia.

Last year we reported that we were undertaking an independent review of our activities against emerging corporate social responsibility best practice. At the same time, environmental and social matters were adopted as one of the focus areas for the Group's Risk Committee. Following these steps, there have been a number of actions taken, for example:

- we have carried out a fundamental review of our health and safety management processes. Many areas of good practice were identified, and we are now developing a Corporate Health and Safety Policy to add more consistency to the management and measurement of our performance across the Group;

- we have strengthened the monitoring and internal reporting of a number of our environmental impacts and this is covered further below.

All of the Group's UK newspapers observe the Press Complaints Commission Code of Practice. The Press Complaints Commission is an independent organisation set up in 1991 to ensure that British newspapers and magazines follow the letter and spirit of an ethical code

dealing with issues such as inaccuracy, privacy, misrepresentation and harassment. The Commission adjudicates on complaints about possible breaches of the code and gives general guidance on related ethical issues. The code sets the benchmark for the professional and ethical standards that all members of the press have a duty to maintain.

Environment

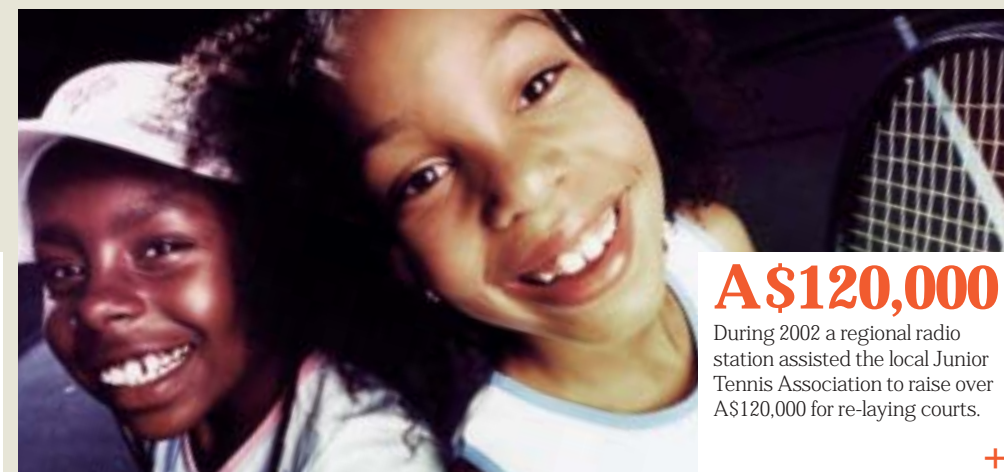
The Group's activities are diverse, with more than 18,000 employees worldwide. Whilst managing environmental issues is the responsibility of the management of individual businesses, we are starting to develop a Corporate Environmental Policy to provide greater consistency and visibility of environmental issues across the Group. Whilst all businesses have an environmental impact, our efforts are concentrated within Associated Newspapers and Northcliffe Newspapers, particularly in respect of the printing operations (Associated Newspapers' main plant at Harmsworth Quays and twelve Northcliffe plants), as these generate the majority of our impact.

Management of environmental issues is fundamental to these operations and includes a focus on energy and water consumption, and paper use (and recycling), together with the consumption of inks and plates. These issues are key components of the cost base of the businesses and effective management practice has a direct impact on profitability. During the year, an Energy Committee has been established with representatives of both printing operations to facilitate sharing of best practice.

Harmsworth Quays, the largest single printing site in the Group, has carried out a detailed environmental review of operations which covered utilities, raw materials, effluent, solid waste and transport issues.

Launch of 'Timestars'

In partnership with the Media Trust, Teletext donates pages to highlight the work of charities and community volunteers.



A\$120,000

During 2002 a regional radio station assisted the local Junior Tennis Association to raise over A\$120,000 for re-laying courts.



28,000 tonnes

All our printing paper waste is recycled.



Energy and water consumption at the printing operations is also monitored and this has remained relatively static in comparison with the previous financial year. Energy consumption has fallen slightly (1%) to approximately 119,000MWh, whilst water consumption has fallen by 2% to 202,400m³.

Greenhouse gas emissions are monitored too and are a key focus of the UK's environmental strategy. The direct and indirect emissions of CO₂ from our printing operations were static in the year, reflecting minor variations in the proportions of electricity and gas used as energy sources.

In the coming year we will be identifying more formal environmental performance targets and improving the sharing of best practice across our businesses.

The Group has a central Newsprint Committee and paper is purchased centrally for all of the Group's newspaper operations, allowing coordinated review of the environmental credentials of paper suppliers and the sourcing of their products. A significant proportion of the newsprint purchased by the Group incorporates recycled paper and, where virgin fibres are used, these are sourced only from sustainable forestry. Both Associated and Northcliffe pay particular attention to waste management and performance in this area is reported monthly at the appropriate Board level.

We are pleased to report that all our printing paper waste is recycled, amounting to almost 28,000 tonnes in the current year.

Many of the Group's titles and products deal with subjects and campaign on issues related to the environment.

DMGT in the Community

The Group is a member of the Per Cent Club and annually pays a minimum of 1/2% of its dividend to charity. Charitable donations are allocated by a Charities Committee at DMGT, as well as being made on a smaller scale by divisional and local managements. Charities involving the media and relevant to the communities within which the Group operates are favoured. Some examples of our involvement during the year include:

- DMG Radio Australia – provides a A\$5,000 scholarship to the Charles Sturt University in Bathurst NSW. This is awarded yearly to support the Communications degree course;

- Teletext – in November 2001, launched 'Timestars' in joint partnership with the Media Trust (a body which forges links between charities and the Media). Teletext donates pages, which are devoted to highlighting the work of charities and community volunteers, and are updated by a dedicated journalist based at the Media Trust. As well as the work of the general public, the Timestar initiative looks at the role of showbusiness and other celebrities involved in charity work, to encourage others to follow their example. The business has received many favourable comments on the impact of this initiative;

- Teletext – in January 2002, the business donated a page to give details of the Disaster Emergency Committee appeal for the victims of the volcanic eruption in the town of Goma in the Democratic Republic of Congo, when up to 60,000 people were forced to flee their homes.