

DMGT AND CORPORATE RESPONSIBILITY

AS IN OTHER AREAS OF THE BUSINESS, DMGT IS AIMING TO SET THE HIGHEST STANDARDS IN ITS APPROACH TO CORPORATE RESPONSIBILITY. OUR APPROACH IS BASED ON ALLOWING LOCAL MANAGEMENT TO TAKE LOCAL DECISIONS IN A LOCAL CONTEXT.

Highlights of the year

- Entered the FTSE4Good Index in September 2004.
- £902,000 donated to charity.
- Launched online payroll giving scheme.

How DMGT manages Corporate Social Responsibility (CSR)

DMGT's activities are diverse, with each of its businesses providing important channels of communication and media focus to different sections of society throughout the world.

The DMGT Board reviews its performance in this area through the Risk Committee, with CSR risks discussed at its meetings. Overall responsibility for CSR at Board level lies with the Finance Director. The Board has adopted policies on equal opportunities, whistleblowing, health and safety and the environment.

DMGT owes much of its success to the entrepreneurial ability of the management teams leading its six divisions. These businesses have thrived by allowing local management to take local decisions in a local context, whilst benefiting from the global outlook and 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.

The report below provides more detail of divisional activities focused around the following key stakeholder groups:

- our readers and listeners;
- the community;
- our employees;
- the environment.

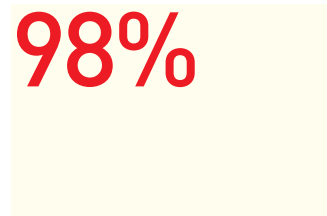
Reported here is a summary of our disclosure in this area. DMGT has a dedicated section on its website with further CSR information available at www.dmgt.co.uk. We welcome your feedback. Please send any comments to: investor.relations@dmgt.co.uk



Award winning newspapers
The Bristol Evening Post was named Newspaper Society Campaigning Newspaper of the Year for 2004. The Nottingham Post won the Trading Standards Institute newspaper award in 2004 for its campaign to tackle doorstep crime and rogue traders.



Hobsons and Raleigh International
Hobsons, part of the careers division of DMG Information, continues to support the work of Raleigh International. This year, six employees travelled to Borneo for two weeks to assist in building a school. Associated Newspapers' Classified Advertising staff also raised over £20,000 for Raleigh International.



Environmental credentials
98% of virgin fibre products are sourced from managed forests. DMGT requires that the forests are certified either by the Forest Stewardship Council, or the Pan European Forestry Commission.

Our Readers and Listeners

Editorial standards

There are a number of standard setting bodies that have established codes to which DMGT's divisions adhere. Compliance with these codes ensures that our published and broadcast material reaches the editorial standards expected and agreed by the industry and other stakeholders. The main code is established and monitored by the Press Complaints Commission for the Group's UK newspapers. Teletext works to the standards set by the Independent Television Commission, OfCom, the Broadcasting Standards Commission and Channel 4's own codes. DMG Radio complies with the Australian Broadcasting Authority Codes of Conduct.

Responding to reader and listener needs

Within the established editorial framework, editors and journalists have the freedom to operate as appropriate. The media industry is highly competitive; therefore, remaining in touch with and championing the interests of the diverse groups who make up our communities is critical to DMGT's success. Reader and listener satisfaction is monitored through a number of mechanisms, such as timely responses to complaints, regular in-house programming and sales research, readership surveys and other processes to receive feedback from customers.

Compliance with editorial standards is strictly monitored within the divisions through various mechanisms which include compliance committees, editorial responsibility, compliance audits and training.

DMGT and the Community

Community involvement is integral to our business as well as to the personal motivation of our employees. We donate money, time and in-kind donations such as air time and Teletext pages, as well as staff giving time to areas such as fundraising and trusteeships. The use of our media channels and activities for fundraising is driven through participation in the communities we serve and the concerns and contributions of our readers and listeners. The Group is a member of the Per Cent Club and donated £902,000 to charity in 2004. 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. In the last year Associated Newspapers launched an online Payroll Giving scheme, working in partnership with Workplace Giving UK which enables staff to make more tax efficient personal donations to their preferred charities. In addition, recipient charities save the administration costs of applying for Gift Aid on the donations.

A few examples of our involvement during the year are shown above.

DMGT and our Employees

DMGT Group is an equal opportunities employer. In addition to a Group policy, each division has its own policies and practices across a range of employee issues. Training is taken seriously across the Group.

Staff communication

A variety of approaches to staff communications exist within the Group, including the use of the intranet, regular communication events, face-to-face communications with management, and programmes related to specific key events such as major changes in operations or equipment.

Health and safety

The Group's health and safety policy applies across DMGT. It sets out to ensure the health, safety and welfare of its employees and all others who could be affected by the activities of the Group. Whilst the Chief Executive has overall responsibility at Board level for health and safety matters throughout the Group, day to day responsibility is devolved to the managing directors of each division. The Group has had no fines or prosecutions for health and safety failures over the last year. There are many examples of good practice across the Group, in terms of health and safety management systems, the use of independent consultants and initiatives focused on business specific health and safety risk areas. Health and safety is particularly critical in all printing press facilities which have appropriate policies and management and monitoring programmes.



100%

Free exhibition space
dmg world media provides free space at many exhibitions to charitable and/or non-profit organisations including Breakthrough Breast Cancer, the Uphill Ski Club and the Nature Conservancy Council.

Recycling
100% of production paper waste is recycled. Our offices around the world practise paper recycling and there are some schemes in place for the recycling of plastic cups, toner cartridges, mobile phones and IT equipment.



Want to know more?
DMGT has a CSR section on its website which provides information about our community and environmental activities. This is a summary of our disclosure in this area, with further information reported below available at www.dmgmt.co.uk.

DMGT and the Environment

The direct environmental impacts from most of our divisions are relatively low. They arise mainly in our printing divisions. In the FTSE4Good index, which DMGT entered in September, Media is ranked as low impact; printing and newspaper publishing is ranked as medium impact; and as a 'B' in Morley's sustainability matrix (defined as business that has low impacts and some benefits and may contribute to enabling a more sustainable future).

Since our non-printing operations are primarily office-based, their environmental impact is considered low. Our offices around the world practise paper recycling and there are some schemes in place for the recycling of plastic cups, toner cartridges, mobile phones and IT equipment.

Our report therefore focuses on how we manage the impacts in the printing businesses. In addition, we acknowledge our responsibility in ensuring that our paper supplies come from paper manufacturers that manage their environmental impacts, including the sustainable sourcing of virgin fibres. These two elements are the focus of our environmental reporting.

In our printing operations, key environmental impacts are waste generation, particularly waste newsprint; energy use; ink use; Volatile Organic Compounds (VOC) emissions; and paper purchasing.

DMGT has two divisions which include printing operations, Associated Newspapers, which owns the Group's largest printing works, Harmsworth Quays, and Northcliffe Newspapers, which owns twelve printing centres around the UK and two printing centres in Hungary. All printing centres have environmental management practices. The use of energy, newsprint, ink and plates and waste disposal have cost implications for the businesses and are, therefore, managed for reasons of good business sense as well as to reduce our environmental impacts. Waste newsprint and ink use is measured and reported to divisional board meetings on a monthly basis. 85% of the printing presses are Computer to Plate processes. The environmental benefits of this system are improved efficiencies in the use of ink, plates and paper and a reduction in the chemicals used during photographic processes.

Digital photography is used in an increasing number of the printing centres. In addition the IT equipment at Northcliffe printing centres is either collected and recycled if re-useable, or is collected and disposed of by licensed waste management companies.

Absolute energy consumption remained relatively consistent with last year. Overall efficiency has improved, reflecting the good practices in energy reduction efforts at a number of printing centres.

Targets for waste paper are set for each product printed. This percentage varies according to certain criteria such as the numbers of copies required and edition changes. Actual waste volumes are compared against budgeted levels, with the results provided for monthly review at the appropriate Board level. Newsprint production waste efficiency remained relatively consistent in relation to last year. The trend to increase numbers of colour pages printed resulted in more waste production as a result of greater numbers of runs required to achieve the appropriate print quality. This makes overall gains in newsprint waste reductions difficult to achieve. 100% of the production paper waste is recycled.

Improvements were made in water efficiency for the Group during the year. Northcliffe saw the most significant reductions this year (18% improvement over 2003) as a result of a benchmarking study of water use which identified where improvements could be achieved. Ink efficiency remained relatively consistent with prior years.

Newsprint supply and the environment

DMGT is aware of the responsibility it has along the supply chain, in particular for one of its largest purchases, newsprint. The Group has a central Newsprint Committee and paper is purchased for all the Group's newspaper operations, allowing co-ordinated review of the environmental credentials of paper suppliers and the sourcing of their products. Where virgin fibres are used in the paper manufacture, DMGT requires that the forests are certified either by the Forest Stewardship Council, or the Pan European Forestry Commission, both of which run schemes that provide credible guarantees that the product comes from well managed forests. DMGT sources its paper from European mills, most of which hold the environmental management standard ISO14001. 98% of virgin fibre products are sourced from managed forests.