

DMGT AND CORPORATE RESPONSIBILITY

DMGT IS COMMITTED TO MAINTAINING A HIGH STANDARD OF CORPORATE BEHAVIOUR AND ENSURING THAT CORPORATE RESPONSIBILITY IS A PRIORITY THROUGHOUT THE BUSINESS.

£809,000

THE AMOUNT DONATED TO CHARITY IN THE YEAR.

How DMGT manages Corporate Responsibility (CR)

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 Board reviews its performance in this area through the Risk Committee, which is the forum at which CR risks are discussed. Overall responsibility for CR 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 to 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 following report provides more detail of divisional activities focused around the following key impact areas:

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

Reported here is a summary of our disclosure in this area. DMGT produced a separate Corporate Responsibility Report in 2005 and it has a dedicated section on its website with further information available at www.dmgt.co.uk which is updated

regularly. We welcome your feedback. Please send any comments to: investor.relations@dmgt.co.uk.

DMGT and the environment

The direct environmental impacts from most of our divisions are relatively low. They arise mainly in our printing division. In the FTSE4Good index of which DMGT is a constituent, media is ranked as low impact; printing and newspaper publishing is ranked as medium impact. In the Morley sustainability index, media is a 'C' defined as business that is broadly neutral to sustainability.

Since our non-printing operations are primarily office-based, their environmental impact is considered relatively low. Our offices around the world practise paper recycling and more than half of office paper waste at DMGT headquarters is recycled. There are also 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, the key environmental impacts are waste generation, particularly waste newsprint; energy use; ink use and paper purchasing.

DMGT's UK printing operations are now run by Harmsworth Printing, created in the year through the merger of the Group's largest printing works, Harmsworth Quays, with The Northcliffe Press's seven printing centres around the UK. A new site at Didcot is being constructed which will be fully operational by early 2008. In addition



THE DMGT CHARITY COMMITTEE DONATED MONEY TO PAY FOR THE PRODUCTION OF DELEGATE PACKS AT THE ANNUAL SAMARITANS CONFERENCE, WHICH WAS ATTENDED BY 1,200 OF THEIR VOLUNTEERS.

MIS TRAINING DONATED £100 FOR EVERY EARLY BIRD BOOKING FOR THEIR AUDIT GOVERNANCE CONFERENCE IN KENYA TO THE EAST AFRICAN FAMINE RELIEF PROGRAMME RUN BY THE UN WORLD FOOD PROGRAMME.

£40,000

WAS DONATED BY THE DMGT CHARITY COMMITTEE TO RESTORE AN INVALUABLE COLLECTION OF ARCHIVE PHOTOGRAPHS AND MEMORABILIA RECORDING THE LAST 98 YEARS OF THE DAILY MAIL IDEAL HOME SHOW.



HARMSWORTH QUAYS PRINTING HAS RAISED £50,000 FOR DEMELZA HOUSE CHILDREN'S HOSPICE. THIS HAS HELPED THREE HUNDRED FAMILIES WHO HAVE A CHILD WITH A LIFE LIMITING CONDITION.

Northcliffe owns two presses in Hungary. All printing centres have environmental management policies. 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. Seventy per cent of the presses on which we print the Group's titles are Computer to Plate processes which result in less waste being produced in the printing process. Digital photography is used in an increasing number of the publishing centres. 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. Absolute CO₂ emissions fell again this year due to the closure of a number of less efficient print centres. CO₂ efficiency also improved, due also to the continued efforts to reduce energy consumption through measures implemented at a number of sites across the Group.

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 checks required to achieve the appropriate print quality. This makes overall gains in newsprint waste reductions difficult to achieve. One hundred per cent of the production paper waste is recycled.

Good improvements were made in water efficiency during the year with Harmsworth Printing making further strides to cut water use in its printing operations, following a study undertaken in 2004.

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. Ninety-eight per cent of virgin fibre products are sourced from managed forests.

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, as agreed by the industry and by other stakeholders. The main code for the Group's UK newspapers is established and monitored by the Press Complaints Commission. Teletext works to the standards set by OfCom, the Broadcasting Standards Commission and Channel 4's own codes. DMG Radio complies with the Australian Communications and Media 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 reflecting 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 in a number of ways, such as regular in-house programming and sales research, readership surveys and other processes to receive feedback actively from customers.

Compliance with editorial standards is strictly monitored within the divisions in various ways 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 radio air time and Teletext pages, as well as staff actively 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. Charitable donations are allocated by a Charities Committee at

£80,000

WAS RAISED BY THE 2006 DAILY MAIL IDEAL HOME SHOW FOR THE ANTHONY NOLAN BONE MARROW TRUST, THROUGH THE SALE OF SCRATCH TICKETS THROUGHOUT THE 2006 SHOW.



EUROMONEY HAVE COMMITTED TO RAISE £180,000 TO HELP FUND A HOSPITAL IN INDIA WHICH IS DEDICATED TO HELP PREVENT AND CURE BLINDNESS. THIS ONE-YEAR PROJECT WILL BE IMPLEMENTED IN PARTNERSHIP WITH KALINGA EYE HOSPITAL IN CENTRAL ORISSA, ONE OF THE POOREST REGIONS IN INDIA. THE PROJECT AIMS TO SAVE THE SIGHT OF 15,000 CHILDREN A YEAR.



OUR EVENING TITLE IN DERBY, IN PARTNERSHIP WITH THE UNIVERSITY OF DERBY, HAS LAUNCHED SEVEN EVENING TELEGRAPH SCHOLARSHIPS, ALLOWING PEOPLE FROM DISADVANTAGED BACKGROUNDS THE OPPORTUNITY TO TAKE A DEGREE.

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 2006, the Group donated £809,000 to charity.

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

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, the Group extranet, 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.