

# Airing the issues.



I have discovered many good things about ITV in the few months since I joined. Something I was particularly pleased to find is the Company's strong commitment to corporate responsibility.

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ITV plc is a leading UK media company, owning all of the regional Channel 3 licences in England and Wales. ITV owns free-to-air digital channels ITV2, ITV2+1, ITV3, ITV4, Citv and Men & Motors. ITV is now available on every major platform, including broadcast TV, online and on mobile. The Company's production arm (ITV Productions) is the biggest commercial television production company in the UK and one of Europe's largest programme distributors.

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**Scope of this report**

This report covers ITV's core activities during the calendar year 2006.

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**Further information**

Further information on ITV's non-financial KPI's and related data is available in the Business Review section of our 2006 Annual Report, available to download on our website.

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**More online**

To find out more about the topics contained in this report, please visit [www.itvplc.com/itv/responsibility](http://www.itvplc.com/itv/responsibility).

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**Cover image**

ITV News anchor Mark Austin broadcasting from Antarctica. See page 6 for details.

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Companies today are scrutinised more closely than ever before. It is no longer adequate just to comply with the law – today we are expected to have a social function. Companies should benefit people, protect the environment, enhance the careers of employees and make ethical purchases.

Having found that ITV is already doing many of these things, I intend to work with my senior management team to explore how our commitment can be strengthened. I believe that enhancing our reputation for CR will support our broader business goals. ITV's relationships with politicians and regulators will be enhanced; potential employees will be attracted to join ITV and employees will be more loyal to the Company. Investors will assess ITV as managing risk better. And above all, the audience will be more likely to view ITV as a responsible and trusted broadcaster.

Responsibility is also about how we react to problems. When issues were raised about procedures for operating interactive programmes using premium rate phone lines, we quickly suspended those programmes and instructed independent consultants to investigate. We are cooperating fully with the regulators, Ofcom and ICSTIS, and will act on any recommendations made.

I intend us to work towards a leadership position where ITV's role in society is widely recognised. Here are some of the plans we are discussing:

**On our programmes:**

ITV already covers a vast range of social and environmental subjects in its programmes. You might think such serious subjects would be confined to documentaries and the news, but our dramas and soaps regularly tackle important issues. I believe this may be the most effective way to reach a mass audience. Perhaps the defining issue for this generation is how to tackle climate change. We will aim to schedule programmes specifically addressing the issues and also build climate concerns into existing factual and drama programmes, including our 2007 regional initiative called "Climate Change – Make a Difference".

Social cohesion in the UK is another important issue. Our responsibility is to report this objectively, and to ensure that minorities are appropriately represented on-screen. We have put systems in place to measure minority representation and propose to adopt an on-screen diversity strategy, with specific targets.

We will conduct research with our viewers to better understand how we can inform and empower them. We will also engage with CR opinion-leaders, consumer associations, regulators and NGOs about ITV's social function and learn from their ideas.

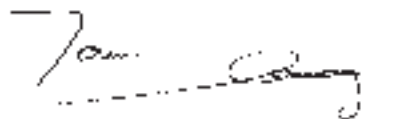
**On our operations:**

We will practise what we preach. Our workplace programmes and our diversity strategy have already had an impact on the representation of minorities at ITV. We will continue to emphasise inclusion, work-life balance and training and development – all of which enhance ITV's appeal to talented people.

On the environment, we will continue to assess our energy use, determine our carbon footprint and start reducing our contribution to climate change. We will reduce our waste generation and increase recycling rates as well as improve water conservation. We will investigate green travel to work and start to 'green' our offices by encouraging better use of paper, stationery and disposable items. We also plan to scrutinise our supply chain, including independent production companies and other programme makers.

ITV is already recognised as a generous supporter of community causes. We were ranked second in the Guardian Giving List 2006 for our charitable contributions. Britain on the Move and The Big Clean-Up were widely praised campaigns. We intend to target our support towards projects that mobilise our viewers, and importantly we plan to recognise and celebrate those individuals whose efforts change the lives of us all for the better.

This is my CR agenda for ITV. I look forward to reporting progress to you next year.



**Michael Grade**  
Executive Chairman



# Issues of social significance.

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Coronation Street, ITV's most popular soap, is regularly watched by over 10 million people. The programme continually tackles social issues in a way that is both informative and thought provoking. In the spring of 2006, Mike Baldwin's battle with Alzheimer's disease was a dominant storyline.

Alzheimer's disease affects 750,000 people in the UK and has a huge impact on many families. The Mike Baldwin storyline helped to raise awareness of the condition and its impacts on sufferers and those around them.

Neil Hunt, chief executive of the Alzheimer's Society, said: "The impact of this storyline should not be underestimated. It has brought dementia into people's living rooms and has got people of all generations talking about the disease, which for too long has been a taboo. Our helpline has had a record number of calls from people needing more information, help and advice."

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[www.alzheimers.org.uk](http://www.alzheimers.org.uk)





# Issues of conservation.

ITV's Extinct was a new way to bring awareness of the plight of endangered species to a mass audience. Working with WWF, the programme used the reality TV audience voting format to engage people and raise funds. Millions of viewers voted for the species they wanted to receive support.

The Bengal tiger, of which just 350 remain, was voted the 'winner' of Extinct. As a result the species will benefit from over £178,000 of support – half the revenue generated through viewer voting. The money will fund anti-poaching activities and scientific studies to better understand tigers and their prey. The remaining 50% will be split equally between the seven other endangered species.

The incredible generosity shown by viewers, who made separate donations of nearly £250,000 will support WWF's wider work around the world. This will be used where it is most urgently needed – to conserve other endangered species, protect threatened habitats and address global threats such as climate change.

"Extinct has given WWF a fantastic opportunity to reach a huge audience," said Winnie De'Ath, WWF's Director of Communications. "As well as appealing to the UK's famous passion for charismatic species, the series has enabled us to highlight the reality of our work on the ground – showing issues such as people struggling to make a living from their natural resources. The response has been fabulous, and has raised vital funds to help us continue our urgent work."



# Issues of global consequence.

ITV News conducted a unique investigation into climate change during 2006 called 3 degrees from disaster. The investigation highlighted that if temperatures were to rise by just 3°c more, we could reach the point of no return. Melting ice caps would lead to a dramatic rise in sea levels, threatening the lives of millions of people around the world.

ITV News science editor Lawrence McGinty travelled around the world to see the environmental hotspots where climate change is already most obvious. Lawrence's amazing journey covered the massive destruction of the Brazilian rainforest, the deserts forming in China due to drought, the risk of flooding in the Seychelles and the melting icesheet in Greenland.

As climate change is such an important global issue, we followed 3 degrees with a week long special called The Big Melt in January 2007. The Big Melt saw ITV News become the first ever TV programme to anchor live from Antarctica. Throughout the week, ITV News anchor Mark Austin, Lawrence McGinty and a team of experts travelled around the continent to measure the retreat of the ice in one of the coldest, most remote places on earth.

We were conscious of flying around the world to highlight the impact of climate change so we offset the crew's air travel to make the production carbon neutral.



# Corporate responsibility management

**Over 50 years of broadcasting, ITV has built up a reputation for sound editorial judgement and responsible programming. Our business is conducted in public and is subject to constant scrutiny by viewers, regulators and journalists. As a result ITV is acutely aware of its responsibilities.**

We understand that Corporate Responsibility (CR) extends beyond our programmes. In 2006, we published a new CR policy to reinforce our company values. You can find the new policy at [www.itvplc.com/itv/responsibility/repdownloads](http://www.itvplc.com/itv/responsibility/repdownloads).

A responsible business listens to its stakeholders and responds to their concerns. We regularly seek the views of Ofcom (the industry regulator) as well as viewers, investors, advertisers, NGOs and employees. These relationships are vital in helping us anticipate new CR issues arising from the rapid pace of change in the media industry.

## ITV's material CR issues

Our most significant CR issues relate to our programmes. The "On air" section of this report covers CR issues involved in the production and broadcasting of our programmes. The issues include, the editorial standards applied to news and current affairs programming, representation of social issues in drama and soaps, advertising standards and community access.

The "Behind the scenes" section covers our other important CR issues. These are our environmental impacts, employment, health and safety and our impact on the creative economy.

## ITV's approach to CR Management

### Values

Our company values guide all our work, including our CR management. ITV's values are to be "customer centred, bold, respectful, excellent, committed, commercial and leading". In 2006 we worked hard to embed the values in every area of our business and they now form part of our recruitment and induction processes. We also held a number of road shows throughout the year to communicate the values to employees. More information about our values is available on our website at [www.itvplc.com/itv/responsibility/values](http://www.itvplc.com/itv/responsibility/values).

## CR Operational Group

We established a structure for managing CR issues following the creation of ITV plc in 2004. The core of this is our CR Operational Group, chaired by the Deputy Company Secretary. The Group meets regularly and includes representatives from across ITV including the Head of Investor Relations, Controller of Public Affairs, Head of Internal Communications, Controller of Regional Affairs, Head of Resourcing and Diversity, and representatives from our main business teams: Broadcasting, Content and Consumer. The Operational Group reports to the CR and Operational Risk Steering Group chaired by the Company Secretary. The terms of reference for the CR Operational Group are available on our website at [www.itvplc.com/itv/responsibility/repdownloads](http://www.itvplc.com/itv/responsibility/repdownloads). John Cresswell is ITV's board director responsible for CR.

## Stakeholder engagement

ITV's key stakeholders are viewers, employees, investors, the regulator (Ofcom) and advertisers. We regularly conduct research to establish how these groups perceive ITV and engage them in dialogue over important CR issues.

### Viewers

In 2006 ITV established a new online panel of viewers (the "Vision Panel"). This is a major step forward, enabling us to measure and understand audience reactions to our programmes. The Vision Panel produces results in 36 hours, giving us rapid feedback on our programmes.

The large panel of 5,000 adults is fully representative of the UK population in terms of age, sex and social class. We have started using the panel to research views on CR in broadcasting. We are trialling and refining a range of key questions to gauge how responsible audiences think our programmes are and what they think our role in providing information on social and environmental issues should be. Some of the findings from the first panel consultation in November 2006 are featured in the relevant sections of this report.

A responsible business listens to its stakeholders and responds to their concerns.



Dow Jones Sustainability Indexes  
Member 2005-07

FTSE4Good

Business in the Community  
**COMPANIES THAT COUNT 2006**

### Employees

ITV's intranet site on CR topics, part of our employee intranet site, continues to attract large numbers of visitors. In 2006, we held a "Focus on Responsibility" week to show employees how CR issues are relevant to them. See "Our people", page 31.

### Investors

In common with other FTSE100 companies, ITV receives regular enquiries about CR from institutional investors. We respond constructively to all such requests.

In addition to individual meetings with investors we make information available to shareholders through our annual general meeting and our interim and annual reports. These are supported by webcasts and roadshows covering our interim and preliminary results. Information is also available on the Company website at [www.itvplc.com](http://www.itvplc.com).

In 2006 ITV again qualified for inclusion in the Dow Jones Sustainability World Index, where it was rated "Super Sector Leader" in the media sector for the second year running. ITV is also a member of the FTSE4Good Index.

### CR Forums

We engage with the following groups to keep track of emerging CR issues and learn from other businesses:

- Media CSR Forum ([www.mediacsforum.org](http://www.mediacsforum.org)). The Forum will publish an Annual Report in 2007 which will be made available on its website.
- Broadcasters and Creative Industry Disability Network ([www.employers-forum.co.uk/www/guests/bdn/index.htm](http://www.employers-forum.co.uk/www/guests/bdn/index.htm))
- Employers Forum on Disability ([www.employers-forum.co.uk](http://www.employers-forum.co.uk))
- Employers Forum on Age ([www.efa.org.uk](http://www.efa.org.uk))
- Stonewall (gay and lesbian rights group) ([www.stonewall.org.uk](http://www.stonewall.org.uk))
- Cultural Diversity Network ([www.cdnetwork.org.uk](http://www.cdnetwork.org.uk))
- Opportunity Now (BiTC Programme) ([www.opportunitynow.org.uk](http://www.opportunitynow.org.uk))

We engage in several Business in the Community (BiTC) programmes. ITV came 42nd in the annual BiTC CR index in 2006 making ITV a "Company that Counts". ITV recently committed to following BiTC's Marketplace Responsibility Principles for managing CR. We also participate in "Opportunity Now", the BiTC programme supporting opportunities for women.

### Ofcom

ITV has regular dialogue with Ofcom and the government on broadcasting subjects. During 2006 the main topics of debate and consultation included restrictions on advertising food to children, the completion of the BBC Charter Review and the BBC licence fee, as well as the Review of the Television Without Frontiers directive (EU) and the Channel 4 funding review. The conclusion of Ofcom's consultation on advertising food to children is reported on page 22.

### Suppliers

Our supply chain covers a diverse range of companies. Through our suppliers we source both independently produced programmes and the equipment needed to make programmes in house. We try to do business with responsible suppliers who are managing their social and environmental impacts.

During 2006 we re-drafted our procurement policy to strengthen our position on CR in our supply chain. We made our requirements tougher and created a questionnaire to assess suppliers' CR capabilities. In 2007 we will engage with high priority suppliers. We intend to focus on companies where we believe the risk of CR problems is greatest as well as on companies where we think we can make most difference. Sectors receiving attention will be independent production companies, suppliers of promotional items and suppliers of premium rate phone and interactive services.

### ITV's objectives

Performance against our objectives can be found on page 34.

## On air Responsible programming

**The ITV family of channels is a familiar presence in most UK households, reaching 81% of individuals every week. ITV's family currently comprises ITV1, ITV2, ITV2+1, ITV3, ITV3+1, ITV4, Men & Motors and Citv. Our audience spans every age and demographic.**

The challenge for ITV and other broadcasters is to attract a large audience while making thought provoking, entertaining, and informative programmes. The proliferation of entertainment media, particularly broadband internet, means that television has to work harder to attract an audience.

Sound editorial decision-making, strong creative values and sensitive scheduling are necessary so that we can make popular and engaging TV, without being offensive, harmful, misleading or unfair. Finding the formula for responsible popular programming is essential to ITV's continuing success.

The governance framework within which ITV makes and broadcasts its programmes is both internal and external. Internally, a robust editorial culture grown over 50 years informs our programming decisions. Externally, we operate under the conditions of Ofcom's broadcast licences and Broadcasting Code (the "Code"), which are among the most rigorous media regulations in the world.

### New ITV channels in 2006

While the television advertising market has continued to be exceedingly challenging for ITV1, the channel succeeded in attracting mass audiences to its biggest shows. Drama and entertainment programmes regularly attracted audiences of over 8 million, demonstrating that ITV remains committed to producing family friendly television with mass appeal. ITV maintained its focus on high-quality and original production sourced from a broad range of suppliers.

In 2006, ITV extended its family of free-to-air channels with the launch of our dedicated children's channel, Citv, in March. Citv has quickly established itself as the UK's most popular commercial free-to-air children's channel.

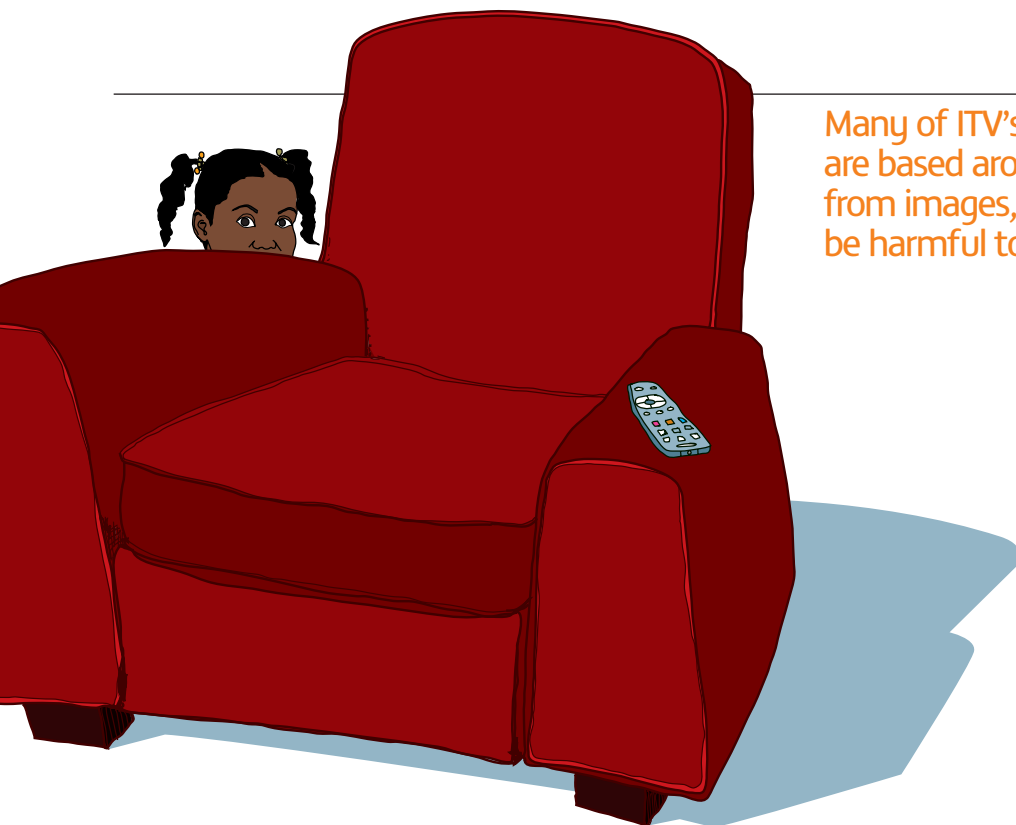
In April we launched a game and quiz format, ITV Play. ITV Play raises revenue from viewers calling on premium rate phone lines in return for the chance to win cash prizes. Viewers are able to participate free via the internet. We fully understand that this broadcasting format brings new consumer protection issues and added responsibility to ITV and that we have a duty to ensure measures are in place to protect consumer interests.

ITV Play attracted large audiences earning £54 million in revenue. ITV Play gave away £11.7 million to over 26,000 winners during 2006.

"Participation TV" is already a regulated area and ITV is working closely with Ofcom and ICSTIS (the premium rate services regulator) to help ensure the market develops responsibly. ITV Play is compliant with ICSTIS guidelines and exceeds them in some areas. For example, our minimum age for competing is 18 compared with 16 required by ICSTIS, with a verification process to check any suspected under-age calls. This includes requiring proof of age to claim prizes, and regular on-screen promotion of the age restrictions.

We are taking the following steps to protect consumers, several of which were recognised by the recent Department of Culture, Media and Sport Select Committee report on participation TV:

- From launch repeated reminders of how many calls a viewer has made have been part of the telephone system.
- Currently at every 10th call callers are played a message reminding them they are charged for every call and the cost for each call.
- There is a daily limit of 100 calls which is flagged.
- Presenters highlight the terms and conditions and regularly explain the mechanics involved – in addition to the comprehensive information that is presented on screen graphically.
- We established an in-house viewer care team to monitor call patterns and attempt to contact any viewers if a potential problem is spotted.



Many of ITV's programming decisions are based around the need to protect children from images, language and ideas that might be harmful to them.

### The Broadcasting Code

The Code governs all aspects of programming and presentation by broadcasters operating under television licences granted by Ofcom. The Code aims to allow challenging and creative content while protecting the vulnerable – especially children – from unsuitable material. The Code emphasises the importance of context in deciding if a programme is acceptable and requires us to use scheduling carefully. We must also inform viewers about sensitive content before transmission. 2006 was the first full year of broadcasting under the Code.

### Informing viewers

Viewers are more likely to be offended by the content of a particular programme if it takes them by surprise. To minimise the risk of offence, we give pre-transmission announcements on-screen where appropriate, alerting viewers to issues such as strong language, violence or sexual themes. We also give viewers advance information about our programmes in on-screen promotions and off-screen publicity and listings.

The introduction of digital television means that some of ITV's output will be made available 'on-demand' via the internet during 2007 with the re-launch of itv.com. In this medium, without the certainty of timed scheduling, we will have to develop other ways of informing viewers of the content of programmes. We are carefully considering the best ways to do this.

In 2006 ITV joined the Media Literacy Task Force and signed its Charter. The Charter states our commitment to helping viewers understand all forms of media ([www.euromedialiteracy.eu](http://www.euromedialiteracy.eu)).

### Children

Many of ITV's programming decisions are based around the need to protect children from images, language and ideas that might be harmful to them. Scheduling is important and is planned around the 9.00pm watershed. The watershed is based on the assumption that the number of children watching television decreases up until 9.00pm after which time the audience is predominantly adult.

### Impartiality

When dealing with controversial issues and current public policy, ITV's news coverage and programmes are required by Ofcom to be accurate and impartial. Healthy democratic debate, however, requires opinion, criticism and subjectivity. ITV's journalists, editors and producers are continually exercising their judgement in order to assess each programme's content. See the Independent reporting section on page 14 for more details of our news and current affairs programming.

### Privacy

ITV programmes often feature real people and real situations – in the news, on reality television and in our documentaries. In each case, the Code contains stringent rules governing the balancing of public interest with reasonable expectations of privacy.

### The ITV Compliance Unit

ITV's Compliance Unit comprises 28 specialists. They guide programme makers and broadcasters in their efforts to make high-quality television that complies with Ofcom's rigorous standards. Their role is essential in maintaining the confidence of viewers, commentators, politicians, and advertisers.

Compliance specialists deal with every aspect of broadcast output apart from advertising and network news. They cover anything from the portrayal of violence to the ethics of using hidden cameras or ensuring appropriate on-screen information to prevent viewers being offended by a programme's content. They are also responsible for making sure that the new programme formats made possible by digital and interactive media are used in a fair and transparent manner. These responsibilities include our arrangements for phone voting in reality television and phone-in competitions.

## On air Responsible programming

There will be occasions when we get it wrong and broadcast something that breaches the Code – either by a misjudgment or human error. Significant sanctions can be applied to broadcasters in the event of serious breaches of the Code, and we are entirely accountable for our decisions. Viewers can complain about our output to their local ITV station, to ITV itself or directly to the regulator. We have a phone line for viewer feedback (see page 36). Duty officers – individuals, not a voicemail system – handle every complaint to ITV (see ‘Interview with a Duty Office Team Leader’). They cover extended hours, alert programme teams to particular issues, and ensure that ITV responds properly to viewers’ concerns. Any viewer dissatisfied with ITV’s response can complain to Ofcom.

Any issue which Ofcom takes up with ITV is taken seriously and is handled at the most senior levels of the Compliance Unit. Liaising with production teams or other relevant colleagues, they pursue three objectives:

- establish what has actually happened and how;
- assess whether the broadcast has actually been in breach or otherwise fallen short of expectations and respond accordingly;
- consider what can be done to try to prevent the problem recurring.

### Complaints

In 2006, Ofcom dealt with complaints about 843 ITV programmes. Of these, 814 were either not upheld or were outside Ofcom’s remit. Complaints about 19 programmes were resolved to Ofcom’s satisfaction. Complaints about ten programmes were upheld (eight in 2005). Ofcom publishes details of its rulings on its website at [www.ofcom.org.uk/tv/obb](http://www.ofcom.org.uk/tv/obb).

#### Ofcom Complaints 2006

1. Not upheld/out of remit	814
2. Upheld	10
3. Resolved	19

The programme that attracted the most complaints in 2006 was an episode of *Coronation Street* (see ‘Complaints about Corrie’).

### Commitments in our licences

Under the terms of its Ofcom licences, ITV1 is required to broadcast an average of one hour a day of quality national and international news, and around one and a half hours of current affairs. Some news and current affairs must also be featured in peak viewing hours. Most ITV1 regions are required to broadcast five and a half hours per week of regional news plus one and a half hours per week of other regional programming including current affairs. In addition, the ITV1 schedule includes religion, arts, documentaries and children’s programmes. We provide supporting material for many of our programmes, including fact sheets, and helplines where appropriate.

Our licences specify quotas for original UK production. To support UK creative industries, 65% of the ITV1 schedule must be originally produced, (85% in peak viewing time). 25% of qualifying ITV1 programmes are required to be independently produced (see table for compliance with Ofcom commitments, page 13). From 2006, 50% should be produced outside London.

### Complaints about Corrie

The ITV programme that attracted most complaints in 2006 was an episode of *Coronation Street* broadcast in January. The episode featured a character, Jayesh, using what viewers felt to be a derogatory and racist remark. Ofcom decided that the programme was not in breach of the Broadcasting Code.

#### Ofcom’s decision:

“In drama it is often the case that characters will say challenging things in order to propel storylines and, indeed, raise issues – sometimes of a controversial nature. Such characterisation, in terms of freedom of expression for writers, producers and actors, is an important right. It is important that modern day dramas are able to reflect the society they seek to portray. *Coronation Street* often handles controversial issues, including race, from different angles.

Against this has to be balanced the possibility of offence. Rule 2.3 of the Broadcasting Code requires broadcasters to justify the inclusion of potentially offensive material through the context in which it is broadcast.

#### Relevant contextual elements in this particular scene were that:

- the character of Jayesh has been established in previous episodes, when, it is clear, he is unhappy with the life and the life-partners Sunita has chosen. He is not necessarily a sympathetic character;
- Jayesh, although a man with traditional views, does not necessarily represent any one particular group or community;
- Sunita’s response to her brother clearly showed that his comments were unacceptable. She retorted “... some of my best friends are what you would call poor white trash”; and
- very soon afterwards, because Jayesh persisted in his attitude, Sunita threw him out telling him never to come back.

While the term “white trash” has obvious racist overtones, it can also be used in context to describe those from a low socio-economic group. It was clear throughout the dialogue and characterisation that the programme was not condoning the attitudes displayed by Jayesh. However, it is also clear that the programme, dwelling as it often does on contemporary social issues, has a right to reflect the fact that some people do hold such attitudes. By portraying them in dramatic form, in our view, the programme took a legitimate approach to exploring such matters.”

*Ofcom Broadcast Bulletin 54.*

### Interview with a Duty Office Team Leader

#### What exactly do you do in your role?

Working in teams of five with one person dedicated to written correspondence, we are responsible for responding to viewer's enquiries, requests, comments and complaints by email, telephone and letter. We deal with enquiries from all the ITV regions. In 2006 we handled approximately 150,000 letters and emails and a similar number of phone calls to the office. These enquiries range from, "when is the next series of...?" to technical issues, transmitter breakdowns, and negative and positive comments relating to our scheduling. Ensuring our office procedures and contacts manuals are kept up to date and liaising with other departments is essential. Each day we produce a log with overviews of the day's calls and emails which are distributed throughout the Company. Duty logs provide invaluable programme feedback for ITV and we do receive a lot of praise alongside the complaints!

#### With so many enquiries to resolve, how do you prioritise them?

Serious complaints or anything involving Ofcom go straight to the Producer or Press Officer of the programme concerned for their response. Programme specific enquiries are directed to their own teams, for example Coronation Street have their own Duty Office at ITV Granada in Manchester. All other enquiries are dealt with in order of date received and we always reply by the same means (email, letter, phone) in which they arrived.

*Duty Office contact details are available on page 36.*

### Access services

We are required to provide specified levels of access services for deaf and blind people across all our channels. ITV is committed to providing sensory-impaired audiences with access to our programmes. We provide substantial levels of subtitling, signing and audio description to enable deaf and visually-impaired audiences to enjoy ITV broadcasts. Our signed programme slots include a range of factual and daytime titles. In 2006 soaps, dramas and feature films were among the programmes that were broadcast with audio description. ITV is proud to have its own award-winning in-house signing facility, Signpost ([www.signpostbsl.com](http://www.signpostbsl.com)). In 2007 Signpost will be launching an initiative called "Signpost TV" ([www.britishsignlanguage.tv](http://www.britishsignlanguage.tv)) to deliver a range of news, information, entertainment and education in and about sign language.

In 2006, ITV1 met or exceeded all the access service targets in its licence. 87% of total ITV1 output was subtitled. We provided signing for 4% and audio description for 9%. We also met our access service targets for all the ITV digital channels. Advertising in targeted media helped ensure that visually impaired and hearing impaired viewers were aware of our access services.

#### ITV1 public service broadcasting 2006

Genre	Commitment	Delivered
News	365 hours per year (125 in peak)	453 hours (129 in peak)
Current Affairs	78 hours	101 hours
<b>Access services:</b>		
Subtitling	85%	87%
Audio description	8%	9%
Signing	4%	4%
<b>Production:</b>		
Independent	25%	45%
Original all-time	65%	82%
Original peak-time	85%	96%
European	50%	91%



## On air Independent reporting

**ITV News reaches over 48% of the population every week and performs an important social function in the UK. Our news reports stimulate public debate and, in turn, inform public opinion.**

Our newsroom staff apply the standards of impartiality and balance demanded by Ofcom's licence on a routine basis.

Sound editorial judgement and considered reporting are crucial in this high profile, fast-moving area as well as in the production of our wide-ranging documentary and current affairs programmes.

### Vision panel research %

How much do you agree or disagree that ITV news and current affairs programmes help you to understand environmental and social issues?

Strongly agree	15
Tend to agree	48
No strong feelings either way	28
Tend to disagree	7
Strongly disagree	2

### ITV News

Under its Ofcom licence, ITV must broadcast 365 hours of news programming a year (125 hours in peak time). In 2006, we broadcast 453 hours (129 during peak time). We air three main news bulletins a day: the ITV Lunchtime News, ITV Evening News and the ITV News at 10.30pm. We can react to breaking news 24-hours a day and interrupt the schedule with important stories.

Our budget for production of national and regional news programmes is approximately £100 million. We provide global news coverage from our offices in London, Brussels, Jerusalem, Johannesburg and Washington. In 2006, we extended our capacity by opening a new bureau in Beijing. The bureau gives us a permanent base in Asia, which is growing in importance on the world stage. On the day it opened, North Korea announced it had conducted a nuclear test and ITV News was the first to report live from Tiananmen Square.

ITV News reported on the biggest news stories of 2006. At home, political coverage was spearheaded by Tom Bradby and Daisy McAndrew, who provided analysis of the year's big stories. They covered a range of subjects, including Tony Blair's last full year as Prime Minister, David Cameron's leadership of the Conservatives, and public debates such as immigration policy.

ITV News secured exclusive access to the only footage of the police raids in Forest Gate on 2 June. In the week that marked the anniversary of the 7/7 London bombings, ITV News set the news agenda after undertaking the biggest ever survey of British Muslims.

International coverage included extensive reporting of the Iraq conflict, and hard-hitting reports on the treatment of wounded soldiers. An exclusive video blog series called "A Year of Living Dangerously" from Ali Hamdani in Baghdad, gave a unique perspective on the situation in Iraq. ITV Evening News also reported live from Beirut after the invasion of Lebanon.

### Editorial judgment

News items can contain distressing images. Our editors take into account the age range of the audience when selecting and editing footage. We tailor stories to be relevant to the changing demographics of the audience at different times. Decisions are taken very quickly under pressure. When making editorial judgments, our Newsrooms follow both the Broadcasting Code and ITN's own compliance manual.

We aim to improve the diversity of our output and contribute to good community relations in the UK. From 2007, ITV News will consult with the ethnic minority newspaper *Awaaz* on stories that require particular cultural sensitivity. The partnership with *Awaaz* is a genuine attempt to understand ethnic minority viewers better and cover news stories in a way that reflects their views and concerns.

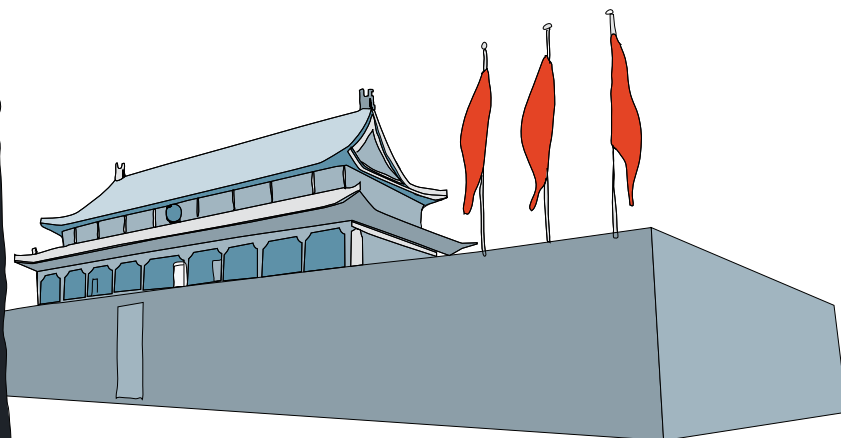
### Regional news

Ofcom has stressed the importance of ITV's regional news programming to local communities. In 2006, we broadcast 3,157 hours of regional news which reached an average 20.7 million viewers (equivalent to 37.1% of the UK population).

We increased the overall number of regional 6.00pm programmes from 16 to 17 with the introduction of a new service for the Thames Valley region. In response to viewer feedback, we introduced two flagship programmes in the ITV Tyne Tees region and launched two editions of "Calendar", our regional news programme in Yorkshire.



In 2006, we extended our capacity by opening a new bureau in Beijing. On the day it opened, North Korea announced it had conducted a nuclear test and ITV News was the first to report live from Tiananmen Square.



The modernisation of ITV News continued with the digitisation of the Cardiff newsroom. Our network of news gathering satellite trucks across the regions increased from 15 to 19.

ITV West pioneered a new approach to making news more relevant to its viewers – they can now contact the newsroom and suggest stories they would like to see covered by Ellie Barker, ITV West's Life Correspondent. Viewer interactivity will be encouraged and developed further across ITV News in 2007.

The network of ITV regional newsrooms joined forces on a number of social action projects throughout the year. They covered issues such as the need for more organ donors, the state of maternity services around the country and ITV's Big Clean-Up campaign. Issues were examined region by region and in some cases a compilation of regional coverage was aired on national news.

#### Awards

ITV News was recognised with a series of awards for stories covered in 2006. London Tonight won the best programme award for the fourth year running at the Royal Television Society (RTS) London awards, for its coverage of the London bombings anniversary and the Heathrow terror alert. Granada Reports won Best News Programme at the Broadcast Awards 2007 for its coverage of the 2006 Morecambe Bay Cockling Trial and an RTS Journalism Award for Best Regional News coverage. ITV News won the Prix Bayeux for war reporting for the second year running. Africa correspondent Neil Connery was awarded for his courageous reports on the political situation in Zimbabwe. ITV News won a further five awards at the RTS Television Journalism Awards, including best Home News story for Selly Oak – A Soldier's Story and News Programme of the Year for ITV Evening News, which the judges said "communicated directly and successfully with a mass audience", and "combined high production values and strong news values".

#### Training and diversity in the Newsroom

In its second year, ITV News Group's trainee scheme continued to attract a diverse selection of candidates. Over 3,000 people expressed an interest in the 2006/7 scheme and after rigorous assessments, 17 were selected to work in the regional newsrooms. They followed a 12-month structured programme, which included two weeks at ITN and two weeks at GMTV.

In 2007 the ITV News Group plans to pilot a technical trainee scheme in the regional newsrooms specifically aimed at people wishing to become technical operators or graphic designers within news.

#### Current affairs

Issues of outstanding public interest receive in-depth investigation and analysis in our current affairs programming. Tonight with Trevor McDonald is the core of ITV's current affairs programming, and in 2006 again proved to be the UK's most popular commercial current affairs series. The programme provides relevant and engaging journalism and covers a diverse range of subject matter. In 2006 this included an investigation into the medical care of Iraq war veterans; an exposé about how ill-prepared Britain is for avian flu; a film about the police domestic violence unit and an exploration of attitudes towards the Muslim veil following comments by Jack Straw. The programme can regularly attract audiences of over 4 million, peaking at 5.8 million for an exclusive interview with Sion Jenkins following his acquittal for the murder of his foster daughter, Billie Jo. Sir Trevor won the Media Personality of the Year award at the Commission for Racial Equality's Race in the Media Awards 2006, while the Tonight programme won the Television Factual award for Poles Apart.

We also provided more than 260 hours of regional current affairs programming, focusing on issues of local interest.



## On air Reflecting society

We are a broadcaster with a mass UK audience and have a duty to reflect the lives of our viewers. By representing the diverse cultures that make up our audience and informing viewers about societal issues, we aim to strengthen the UK public's cultural identity while increasing tolerance of different cultures and viewpoints.

ITV is committed to diversity on and off-screen. We try to cast people of both genders and all ages from as many different race and disability groups as we can. We are committed to embedding diversity in all our processes from commissioning to production.



British society is increasingly multifaceted and multicultural. Issues of integration, identity and representation are part of the everyday challenge of producing relevant programmes. ITV tackles these issues in dramas, documentaries, soaps, reality TV shows and children's programmes.

In 2006, we continued our work to make diverse casting an integrated part of the programme making process.

**Vision panel research %**

How much do you agree or disagree that ITV programmes reflect the ethnic and cultural mix of the UK?

Strongly agree	5
Tend to agree	31
No strong feelings either way	46
Tend to disagree	15
Strongly disagree	3

**On-screen diversity**

ITV is committed to diversity on and off-screen. We try to cast people of both genders and all ages from as many different race and disability groups as we can. We are committed to embedding diversity in all our processes from commissioning to production.

**Casting**

Our soaps and drama continue to feature prominent characters and storylines that reflect the cultural communities and ethnic minority groups in the UK. The Bill and Coronation Street all feature an ethnically diverse cast, including leading roles.

Entertainment can also enhance ethnic minority portrayal in mainstream programming, with a programme such as X Factor featuring young people from across the UK, including strong ethnic minority representation. This year the programme also saw a disabled woman reach the live finals.

We aim to include representation of minority groups in children's programmes in particular. In 2006 this included presenters and characters from minority ethnic groups in Jungle Run, Saturday Showdown, My Parents Are Aliens and The Worst Witch. Saturday Showdown also featured a disabled character, Ram Ray.

Nina Hossain continues to present ITV1 national news, and Joyce Ohajah, Lisa Aziz, Tony Morris, Sameena Ali-Khan and Sangeeta Bhabra continue to present regional news.

**Monitoring**

In 2006, we completed the introduction of our automated portrayal system. This enables us to track the diversity of people appearing on ITV and makes it easier for independent production companies to provide us with this information.

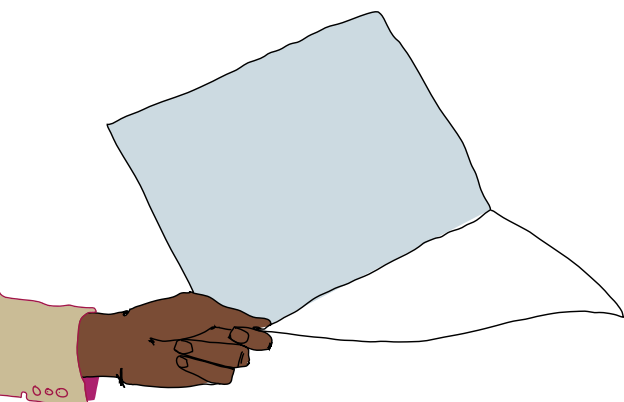
Data from every programme produced is collected and monitored. This information is collated in quarterly portrayal reports (see table). We also carry out a "snapshot" audit over two weeks in the Autumn to ensure that the ethnicity mix has been extended to the whole of ITV1's output. The audit aims to reveal how representative our programming is and adds depth to the statistics by measuring main, secondary and background characters in both national and regional programmes.

We are disappointed that despite our efforts, our programmes appeared slightly less diverse in 2006 than in 2005. This is partly explained by an unusually high level coverage of the Asian community following the terrorist attacks in 2005. We also anticipate that our reporting system will be more accurate in 2007 and we remain committed to achieving appropriate representation for all sectors of society.

Regional productions in particular have been able to react quickly to the objectives we have set ourselves. During 2006, we held a series of diversity workshops in all ITV regions for regional news and regional programme makers. These challenged staff to think about how Britain is changing and to ensure their news and programme agendas accurately reflect modern Britain and sparked debate about the need to strengthen journalists' relationships with ethnic minority communities. Each region responded by drawing up an action plan and signing up to initiatives to increase diversity both on-screen and within their workforce. A national diversity seminar was held for heads of news, programme controllers and heads of operations.

Also in 2006 Simon Shaps spoke at the Broadcaster and Creative Industry Disability network about opportunities for those with disabilities at ITV.

On-screen diversity %	2006	2005
White	88.5	86.4
Black	4.2	4.9
Asian	1.5	5.9
Chinese	0.2	0.4
Mixed race	1.5	0.6
Other	4.0	1.8
Total black and minority ethnic	11.5	13.6
Disability	0.6	0.5
Women	43.1	39.0
Age over 55	9.6	13.7



## On air Reflecting society

### The Cultural Diversity Network (CDN)

The CDN is an organisation composed of all the major British broadcasters. Its aim is to increase cultural diversity in the broadcasting industry both on and off-screen. 2006 saw the completion of ITV's chair of the CDN and the publication of a YouGov poll on ethnic minority perception of the news. The poll specifically focused on the coverage of the Forest Gate story in 2006 (see survey results opposite).

### Soaps

Soaps are the most widely-watched programmes in ITV's schedule. They dramatise the lives of ordinary people and their storylines feature real-life problems.

Soaps can play an important role in promoting understanding between different communities and cultures. There is an Asian family at the centre of *Coronation Street*, and *The Bill* this year included a controversial storyline about Muslim integration. A number of other soaps and dramas, including *Emmerdale*, feature characters from minority ethnic groups and storylines about issues that affect them. In 2006, *Coronation Street* was short-listed for the Best Portrayal of the Lives and Viewpoints of Disabled People at the Royal Association for Disability and Rehabilitation (RADAR) People of the Year Awards 2006. This was for the storyline that covered Mike Baldwin's struggle with Alzheimer's disease. Viewers felt that Johnny Briggs who played the part reflected the impact of the disease in a realistic way.

### Dramas

ITV is committed to making original UK drama and many of the dramas we broadcast in 2006 explored social issues including *Mysterious Creatures*, about a couple's struggle to cope with a daughter suffering from Asperger's Syndrome; *What We Did on Our Holiday*, which dramatised the painful decline of a father with Parkinson's; and *After Thomas*, a moving portrayal, based on a true story, of a boy with autism whose life was transformed by a golden retriever puppy.

### Survey reveals ethnic minorities turn off UK broadcast news

A survey conducted by YouGov on behalf of the Cultural Diversity Network (CDN) revealed startling issues with the perception of broadcast news programming amongst British ethnic minorities.

51% thought that broadcast bulletins covered ethnic minority issues fairly badly or very badly. When questioned on specific issues, 47% stated that they thought the coverage of the recent Forest Gate police raid was "too sensational" and 58% that the reports were "too quick to jump to conclusions". However only 31% of those questioned wanted a news programme aimed specifically at ethnic minority viewers.

ITV is keen to address these findings. In 2007 *ITV News* will be working with the newspaper *Awaaz*, to ensure we reflect the views and concerns of our audience more accurately.



### Daytime, factual and religion

Our documentaries frequently cover social and environmental topics.

Driving Mum and Dad Mad was a daytime parenting programme, offering guidance and support for parents with badly behaved children. Its effectiveness was singled out in a report by the Home Office's Respect Taskforce, which found that it helped improve child behaviour and develop more confident parenting. I Smack and I'm Proud was a major peak time documentary about the controversial topic of disciplining through corporal punishment. The programme followed the lives of a number of families who use smacking as a form of discipline and stimulated considerable debate about the subject.

ITV Yorkshire's Thick Skin, Brittle Bones – part of the Is It Worth It series – was nominated for an award in the RADAR People of the Year Awards 2006. The programme featured Baroness Nicky Chapman who 40 years ago wasn't expected to live for more than a few days and is now in the House of Lords. It was nominated in the category for Best Portrayal of the Lives and Viewpoints of Disabled People on Television.

2006 saw ITV cover a wider range of cultures and moral and ethical issues as part of its commitment to reflecting religious beliefs and faiths. It's My Life, presented by Terry Christian explored the difficult life choices faced by young people in the context of a variety of different religious beliefs and faiths. We also broadcast Faith and Music which examined the impact of faith on the work of recording artists. Other religious programmes included Cathedral, an exclusive fly-on-the-wall documentary about the life of Canterbury Cathedral and The Way We Worshipped which took an affectionate look at the changing ways in which British people have shown their faith.

ITV provided coverage of acts of worship during the year, with one of them – the memorial service for the victims of the London transport bombings – forming the centre piece of a two-hour programme, 7/7 Remembered.

### Children's TV

In March, we launched Citv, our dedicated children's channel. It features the best of ITV children's output and has already become the UK's most popular commercial free-to-air children's channel. It attracts a larger share of children's viewing than the afternoon children's slots on ITV1.

ITV1 broadcasts a range of original children's television, including drama, factual and pre-school programmes. One highlight was Uncle Max, recognised by the National Deaf Children's Society as a programme of value to deaf children. It was commended for making effective use of visual humour and physical comedy, without dialogue. The imaginative animation Pocoyo returned as an educational series for pre-school children and our factual programming included Prove It. We also broadcast stories with a moral twist in Grizzly Tales and My Parents Are Aliens.

ITV is a 20% shareholder in Teacher's TV, a channel broadcast on satellite, cable and Freeview and the first in Europe to focus on the education profession. The channel examines good practice and provides news and resources as well as many programmes tailored to the National Curriculum. Editorially independent, the channel is backed by a four-year, £60 million budget from the Department for Education and Skills. Teacher's TV is also available on ITV Local ([www.itvlocal.tv](http://www.itvlocal.tv)).

### Helplines and support material

As part of its licensing agreement ITV1 is required to provide supporting educational material for 91 hours of programming each year. This Morning covered a range of sensitive subjects in 2006, including domestic violence, mouth cancer and male fertility. The programme has a team of resident experts in a number of fields, including medicine, psychology, gardening, emotional issues, fashion, design and cookery. The team regularly conducts advice phone-ins and creates supporting online information and factsheets.

In 2006, a number of other ITV programmes covering a wide range of programmes and topics were supported by online information and factsheets. They included a dedicated website and factsheet for Extinct, and a 32 page booklet to accompany Melvyn Bragg's 12 Books that Changed the World series. We also provided a factsheet to accompany the Real Families programme on childhood obesity and material to support major factual programmes Bad Lads Army, Driving Mum and Dad Mad, Celebrity Fit Club, My Breasts or My Life and I Smack and I'm Proud.



## On air Supporting communities

Our programmes have national reach and our regional infrastructure gives us a presence in local communities all over the country. This means ITV is well placed to draw attention to good causes and important social and environmental issues. The bulk of our social investment involves donating airtime to raise awareness of national and regional charity and community campaigns. We also take part in off-air projects and make cash donations to charities.

The objective of ITV's Big Clean-Up was to mobilise thousands of people to stage a day of mass action on 17 September 2006, as part of the United Nations "Clean up the World Weekend".



In 2006, we made charitable donations worth £10.6 million, equivalent to 3.6% of our pre-tax profits. Of the total, £2.12 million was given as cash and £8.46 million as gifts in kind. Gifts in kind were mainly airtime, the value of which is calculated based on commercial airtime price equivalents. We came second in the Guardian's 2006 Giving List, which ranks FTSE 100 companies by the percentage of profits donated for social investment, based on donations in 2005.

	Total £ million	Cash £ million	In kind £ million	% of pre-tax profit
2004				
Charitable donations	22.37	2.86	19.18	10.8
2005				
Charitable donations	19.27	1.49	17.78	6.2
2006				
Charitable donations	10.6	2.12	8.46	3.6

Our cash donations include money raised for charity through telephone voting for programmes such as I'm A Celebrity Get Me Out of Here, Love Island, All Star Family Fortunes and X Factor. The fall in total donations is largely due to less airtime being allocated for ITV's Big Clean-Up when compared to previous campaigns.

### Campaigns

Following the success of ITV's Britain on the Move in 2004/5, we chose the environment as the theme for our national campaign in 2006 – ITV's Big Clean-Up. The objective was to mobilise thousands of people to stage a day of mass action on 17 September 2006, as part of the United Nations "Clean up the World Weekend". We used our airtime to encourage volunteers, and especially young people, to help clean up parks, forests and other land across the country.

Over the course of the campaign:

- We donated 15 hours of airtime with a value of £3.7 million. Our regional flagship news programmes provided coverage, and we produced dedicated half hour regional programmes.
- Over 3,500 volunteers joined in over 80 projects across the country.
- 70 companies and over 900 of their employees took part across England and Wales.
- Business in The Community (BiTC) used their "Cares" initiative to encourage businesses to get involved.

The campaign's emphasis on youth volunteering has its roots in our role as a founding partner of the Russell Commission, which aims to inspire a new generation of youth volunteers. The Russell Commission funded a new charity called "v", which in turn helped fund this campaign. Our other major partner in ITV's Big Clean-Up was CSV (Community Service Volunteers); the UK's largest volunteering charity.

We also covered National Transplant Week in 2006 (see below).

#### Granada's Green Guide

As part of ITV's Big Clean-Up, ITV Granada produced Fred's Green Guide, a manual for green living. The guide contained a series of 15 information cards. Each card contained environmental facts, money saving tips and practical advice. The guide was available free to all viewers and 30,000 were distributed in total. We also offered a wind-up mobile phone charger for viewers to buy at a reduced price on ITV's Big Clean-Up website.

#### Soccer Aid

In 2006, we helped raise money for UNICEF by supporting and broadcasting Soccer Aid, a celebrity football match at Old Trafford. Proceeds from the match raised almost £1 million for the charity. A further £300,000 was raised by viewers through competition phone lines and text messages. Including individual donations a total of over £2 million was raised for UNICEF.

#### Prince's Trust

In 2006 ITV worked with the Prince's Trust to mark their 30th anniversary. Regional newsrooms ran stories covering Prince's Trust success stories and competitions to win tickets for the anniversary concert at the Tower of London, broadcast by ITV. The concert raised approximately £3 million. More than 70,000 members of the public phoned in to give donations.

#### Volunteering

Our employees are all eligible to take a day's paid leave each year to volunteer, and we run a number of campaigns in the workplace and on our intranet to encourage them to use it. A total of 282 employees from the regions volunteered on ITV's Big Clean-Up day and took part in "Cares" days, a volunteering scheme run by Business in the Community (BiTC).

#### National Transplant Week

Our coverage of National Transplant Week in 2006 showed how focused national broadcasting can strengthen public response to an issue of life or death. Over five days, our national and regional news programmes broadcast a broad range of human interest stories about organ transplants. These featured donors, loved ones, people whose lives have been saved by transplants and the medical teams who carry out the surgery. Following the coverage, over 60,000 people across the UK registered as organ donors. There were also a record number of calls to the organ donor line and a further 12,000 texts for a donor information pack. NHS chiefs and other experts in the field praised our coverage.

"This is a fantastic response...it was great working so closely with ITV on such a major project...we hope that the coverage will also have a positive longer-term effect."

Kate Baldwin, Head of UK Transplant.

#### The Community Channel and the Media Trust

ITV continues to be a corporate member of the Media Trust, and supports many charities across the ITV regions with communications training, video and website production, PR, marketing and mentoring. We also support the Community Channel. We renewed our support in 2006 by signing the Joint Declaration of Support for the Community Channel along with eight other UK broadcasters.

#### The People's Millions

In 2005 we launched a three year partnership with The Big Lottery Fund called The People's Millions. Over three years, £66.5 million of lottery money will be distributed to community projects chosen by viewers of our regional news programmes. In 2006, the partnership's second year, 350,000 viewers voted to award 85 projects a total of £4.25 million. In 2007, a landmark grant of £50 million will be donated to one of six short-listed projects around the country ([www.thepeoplesmillions.org.uk](http://www.thepeoplesmillions.org.uk)).

#### Campaign 2007

Our theme this year is the people and actions that make a difference to communities. Through the year we will be delivering on our commitment as Founding Partners of The Russell Commission and demonstrate how volunteering can make a difference to local communities. At the same time we will be showing how individual actions can have a global impact through our national and regional news initiatives such as "The Big Melt" and "Climate Change – Make A Difference" ([www.itvclimatechange.com](http://www.itvclimatechange.com)).

#### Local community action

As well as supporting our national campaigns, each ITV region is involved with its local community. We continue to support local charities and community initiatives off-screen and on-screen through regional programming that covers issues of local relevance.

These are just two examples:

#### ITV London

Featured a weekly appeal for missing people – Missing – in partnership with the National Missing Persons Helpline, Plan UK and Friends Reunited.

#### ITV Yorkshire

Raised £250,000 for UCAN, a urological cancer charity, through the annual "Emmerdale Extravaganza".

To find out more about our regional CR activity during 2006 please visit [www.itvplc.com/itv/responsibility](http://www.itvplc.com/itv/responsibility).

#### ITV Local and Friends Reunited

We continued to pilot ITV Local in 2006 as a way of adapting our community activities for the internet. The [www.itvlocal.tv](http://www.itvlocal.tv) website provides local news, weather, classified advertising and the option for community groups and charities to upload current material.

Our wholly owned community website, Friends Reunited, serves a valuable role in connecting communities through its school reunion and genealogy services.



[www.itv.com/bigcleanup](http://www.itv.com/bigcleanup)  
[www.itvlocal.tv](http://www.itvlocal.tv)  
[www.thepeoplesmillions.org.uk](http://www.thepeoplesmillions.org.uk)  
[www.itvclimatechange.com](http://www.itvclimatechange.com)  
[www.friendsreunited.co.uk](http://www.friendsreunited.co.uk)

## On air Responsible advertising

**ITV derives most of its revenue from selling advertising space. We have a strong interest in protecting the value of this asset. It is essential that viewers find the balance of programmes to adverts acceptable and trust the content of the commercials we air. It is also important that viewers do not perceive any influence by advertisers on programme content.**

Like all commercial broadcasters, ITV is subject to detailed regulations concerning advertising. We maintain a team of experts to ensure the rules are upheld and that we are responsive to the needs of both our viewers and advertisers.

### Recent developments

#### Food advertising to children

After a lengthy review of the advertising of food to children concluded at the end of 2006, Ofcom proposed the introduction of restrictions on food advertising in programmes of particular appeal to children (programmes that have a significantly higher than average proportion of children watching). The restrictions will apply to adverts for foods identified as high in fat, salt or sugar (HFSS) under the Food Standards Agency definition and will apply to all channels.

Restrictions on advertising HFSS foods to children under 10 will come into force on 1 April 2007, and extend to children under 16 from 1 January 2008. ITV is ensuring that it will be prepared to comply with any new restrictions when they come into force.

#### Gambling

Television advertising of gambling is currently prohibited, except for football pools, bingo and certain lotteries. Gambling products are permitted to sponsor programmes. Liberalisation of advertising of gambling products is expected in September 2007 following the issue of Gambling Licences by the Gambling Commission. Government policy is that gambling is a responsible leisure activity but that the reduction of harm must take precedence over growth in the industry.

The Broadcast Committee of Advertising Practice (BCAP) has published new rules on Gambling to be contained within the BCAP Television Advertising Standards Code (TAS Code). The new rules are designed to ensure that all advertising is responsible, with particular emphasis on protecting children, young people and other vulnerable people from harm or exploitation.

#### Product placement

New technology is creating new challenges for commercial TV. The proliferation of cable and satellite channels means that ITV operates in an increasingly fragmented and competitive market. Additionally there is the possibility that with the arrival of personal video recording technology, viewers will fast forward commercial breaks. Product placement (the paid-for featuring of products in programmes), is currently not allowed in the UK but discussions are taking place about liberalisation of the rules. ITV is following the issue closely and exploring new revenue opportunities to grow and maintain programme investment in the digital age. We would welcome product placement as long as it is appropriately identified to viewers and does not interfere with programme editorial integrity or viewer enjoyment.

#### Advertising regulation

Adverts on ITV must comply with regulations designed to ensure that the content and scheduling of advertising is appropriate and will not mislead or cause harm to our viewers. The content and scheduling of television advertisements is governed by the TAS Code which is regulated by the Advertising Standards Authority (ASA). The amount and frequency of advertising is regulated by Ofcom.

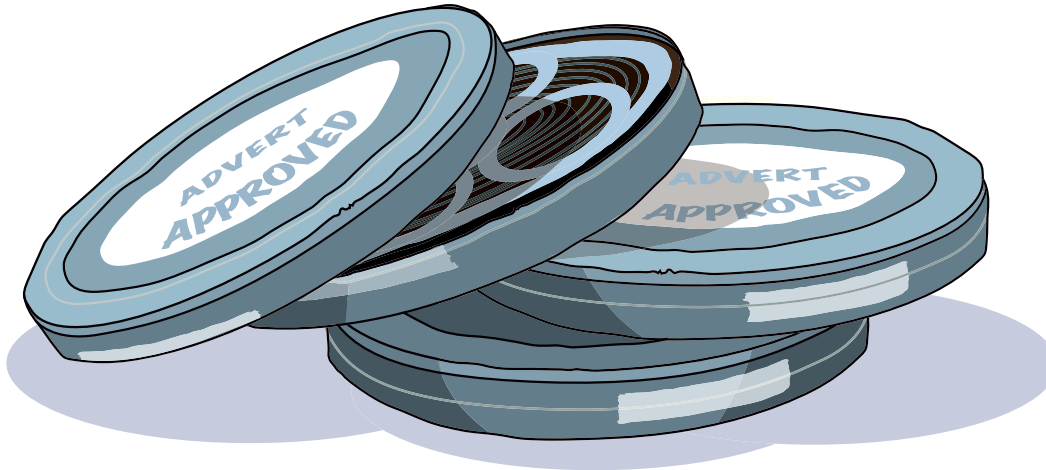
#### Advertising clearance system

ITV employs a team of 43 specialists in advertising regulation at the Broadcast Advertising Clearance Centre (BACC). BACC reviews scripts and storyboards for TV advertisements before they are filmed and provides pre-transmission clearance of finished adverts for the majority of UK broadcasters licensed by Ofcom.

Before adverts are shown on ITV they are vetted to ensure that they meet the requirements of the TAS Code. The advertiser or advertising agency is alerted to any potential infringements of the TAS Code and asked to substantiate any claims made about products or services. Every commercial you see on ITV has been examined and cleared by BACC, except for some regional adverts which are considered non-contentious.

Particular attention is given to sensitive categories such as advertising appealing to children and advertising of alcohol, food and medical products. Adverts must not mislead, cause serious or widespread offence against generally accepted moral, social or cultural standards, or offend public feeling.

Adverts on ITV must comply with regulations designed to ensure that the content and scheduling of advertising is appropriate and will not mislead or cause harm to our viewers.



During 2006 BACC reviewed more than 25,000 scripts for commercials. A very small proportion of adverts broadcast cause complaint. Complaints from individual viewers, from organisations or from competitor companies are investigated by the ASA.

The table below shows the total number of complaints, the number of adverts causing complaint and the number of adverts judged to have breached the TAS Code for all TV broadcast advertising in the UK (not only on ITV). The very low proportion of adverts being found in breach of the TAS Code is evidence that the system functions well. We are pleased to report that the total number of adverts found to breach the Code reduced from 165 in 2005 to 94 in 2006.

	2006	2005
Number of complaints	8,594	13,059
Number of advertisements causing complaint	2,369	2,284
Number of advertisements ruled by the ASA to breach the code	94	165

**The amount and frequency of advertising**

The amount and frequency of advertising is regulated by Ofcom. Ofcom licences limit the amount of advertising ITV can broadcast to seven minutes-per-hour averaged over a day. In any particular hour the precise amount may vary and during peak viewing times (6.00pm to 11.00pm) the average in an hour is eight minutes and the maximum twelve on ITV1. The length of commercial breaks within programmes is also limited to be shorter than the breaks between programmes.

**Programme independence**

The Broadcasting Code requires broadcasters to maintain the independence of editorial control over programme content and to ensure that advertising and programme elements are kept separate.

Programmes may have some or all of their costs met by a sponsor who receives a credit on screen. A sponsor may not influence the content or scheduling of a programme and the sponsorship must be transparent to viewers. News and current affairs programmes cannot be sponsored.

To minimise risk of confusion between advertisements and programmes, advertisements featuring a well-known personality are separated from TV programmes in which they appear. Undue prominence of products in programmes is not permitted, including the presence of or references to a product or brand where there is no editorial justification. Product placement, currently not permitted, is under discussion (see page 22).

**Cinema advertising**

ITV's cinema screen advertising business, Carlton Screen Advertising, is the market leader in the UK and the Republic of Ireland. It accounts for 2,200 screens and 75% of the UK market. Cinema adverts are subject to the Code of Advertising Practice for non-broadcast media (also administered by the ASA) which has similar rules to the TAS Code.

**Clearing advertisements involves making fine judgements**

BACC has the job of considering what the likely reaction of viewers to advertising is going to be. On many occasions the advertisements are close to the borderline, and as the data in the table shows, BACC normally gets it right.

One case in 2006 where BACC had serious doubt was an advertisement for the Australian Tourist Board. The end line was "Where the bloody hell are you?". BACC considered the delivery of the end line to be made in context, where such expressions are a part of the daily language and imposed a restriction on scheduling meaning the advert was not shown during childrens' programmes.

Complaints were made to the ASA when the advert was broadcast. The ASA judged that a stricter scheduling restriction should be applied and ruled that it should only be shown after 9.00pm.

## Behind the scenes Creative economy

ITV spends around £1 billion on programming and production each year. This supports a substantial economy of creative professionals including actors, presenters, writers, cameramen, producers, editors and other artists and technicians. Our spend is decentralised and benefits independent companies. 50% of our programmes are made outside London and 45% were independent productions in 2006. ITV also helps young people acquire the skills they need to pursue a career in broadcasting and sponsors a range of awards to encourage creativity.

Now in its 23rd year, the BAFTA award winning ITV Junior Television Workshop continues to provide training opportunities for young people to pursue a career in broadcasting.



## Support for independent and regional production

ITV Productions operates three major production centres in Leeds, Manchester and London and a satellite operation in Norwich. Our two northern soaps in particular ensure that we give opportunities to writers and actors that live outside the South East.

Ofcom sets quotas for our network production outside London. These require us to achieve 50% of total originated hours and 50% of spend outside London, which we met in 2006.

Some successful independent production companies have made their name and reputation with ITV programming. In 2006, ITV broadcast over 1,600 hours of programming commissioned from 72 different independent production companies. These included everything from high-end drama to daytime programming. We remain particularly keen to encourage independent production companies in the regions.

### Regional Production Fund

We have created a fund for production in the regions worth £9 million over three years. The money can only be awarded to new-to-network producers and can be used to commission programmes and provide development funding or long term investment in independent production companies. The Regional Production Fund is intended to nurture emerging talent and contribute to meeting our quotas.

In 2006 the fund ran an executive producer scheme for producers new to the ITV network and a series of screenwriter workshops geared towards developing talent for ITV's soaps. It has also supported drama and comedy development for the peak-time schedule. The fund also runs an annual series of road-shows for independent production companies which take place in every ITV region and help producers to pitch ideas to ITV more successfully ([www.itvrf.com](http://www.itvrf.com)).

### Training

ITV is involved with organising and supporting a wealth of initiatives to improve skills and training in our industry.

#### Director Schemes

For a third year, ITV offered a Director Development Scheme. In 2005, the scheme was restricted to internal candidates but in 2006, external candidates were offered seven weeks shadowing an Emmerdale director with the opportunity to direct their own episode at the end of the training. Competition for places was fierce, and all trainees have gone on to direct on our soaps and become regular drama directors. In 2006, as participants in The David Fraser Bursary Award, we offered a new element to the scheme aimed at supporting up and coming theatre directors to obtain experience working in television. All 2006 participants are now fully fledged TV drama directors.

### ITV Junior Workshop

Now in its 23rd year, the BAFTA award winning ITV Junior Television Workshop continues to provide training opportunities for young people to pursue a career in broadcasting. The 200 strong membership, aged from seven to 21, is drawn from the Midlands and has a diverse cultural and social mix. Over the years, thousands of youngsters have benefited from time spent with the workshop. In 2006 the Junior Television Workshop expanded to Leeds, and has begun regular weekly classes at the West Yorkshire Playhouse for talented youngsters selected from over 1,000 children auditioned. Seventy young actors ranging from seven to 20 years old will receive training and professional opportunities that in the past has helped stars like Samantha Morton (Band of Gold, Minority Report, Enduring Love), Sarah Smart (Jane Hall's Big Bad Bus Ride, At Home with the Braithwaites) and Emmerdale actors Lucy Pargeter, James Hooton and Kerry Stacey.

### Funding training

We provided funding for many industry training organisations during 2006. Our close relationship with Skillset, the Sector Skills Council for the audiovisual industry, includes approximately £230,000 in funding and strategic consultation for an industry-wide action plan.

We also provided funding worth over £590,000 to support other industry training schemes and organisations in 2006. These included the Freelance Training Fund, the National Film and Television School, The Actors Centre and other media education partnerships. ITV Westcountry also hosted two workshops at its base in Plymouth for Business in the Community's "Ready for Work" programme which aims to help homeless people prepare to return to the workplace.

We also support the National Council for Drama Training, which enables us to assist and influence the direction of the training for students wishing to come into the television industry. ITV currently has a seat on the Council.

### The arts

ITV has a longstanding tradition of supporting arts in the UK. This year The South Bank Show featured subjects ranging from animator Nick Park to actor Robbie Coltrane and writer Sue Townsend. The South Bank Show was the first full ITV programme available on the internet in both podcast and vodcast formats to download. The programme holds The South Bank Show Awards which span the whole range of arts; theatre, film, dance, classical music, pop music, opera, literature, comedy, visual arts and TV drama. A key part of these awards is the Decibel award sponsored by the Arts Council which recognises new talent from the culturally diverse world of the arts in Britain.

ITV continues to sponsor many cultural bodies and events including the Black Filmmaker's Festival and Women in Film and Television.

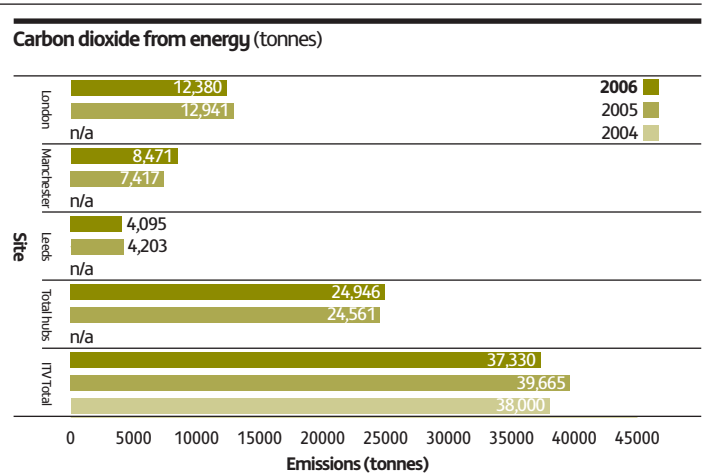
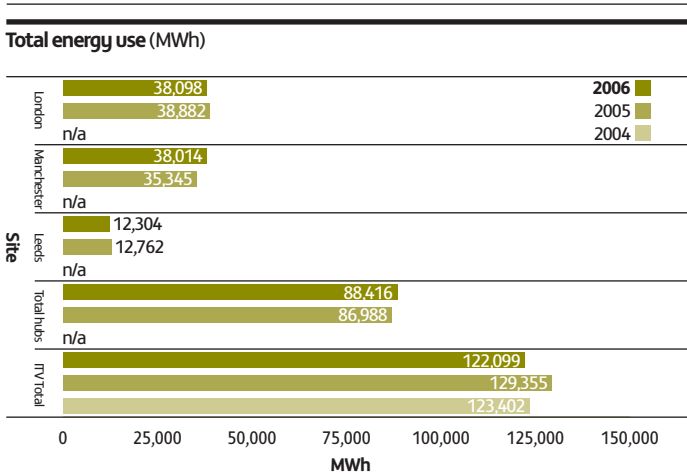


## Behind the scenes Protecting the environment

As for most businesses, making our “product” – television programmes – and running our offices carries an environmental cost. ITV consumes energy, uses paper and water and generates waste. We are committed to managing our impacts and reducing them wherever we can.



In 2006 we purchased 48,000 MWh of green electricity. Our corporate headquarters in London is run entirely on a renewable energy tariff.



Our environmental policy and management are being reviewed following the appointment of a new Group Environment Manager at the beginning of 2007. An environmental statement of intent has been signed by John Cresswell, ITV's Chief Operating Officer and this statement will form the basis for our approach.

We are prioritising environmental initiatives at our three main "hub" sites (those with TV studios) in London, Manchester and Leeds. These sites contribute most to our environmental impacts. We continue to monitor and report data for the entire ITV estate and to improve the reliability of our data collection across the company (see notes on data below). We are reporting our three main environmental impacts: carbon dioxide emissions, waste generation and water use.

**Energy use and climate change**

We use electricity and gas to run our offices, studios and warehouses. We operate Combined Heat and Power (CHP) plants to meet the energy needs of our London and Manchester sites. These are more efficient than conventional electricity generation and result in reduced CO<sub>2</sub> emissions.

We will carry out efficiency reviews of the London CHP plant to ensure we are maximising its use in 2007. We are also working with The Carbon Trust to implement energy efficiency measures at our London TV studios and plan to develop systems to help production managers regulate the energy demand of their productions.

We are seeking ways to reduce the carbon dioxide emissions from our energy use. In 2006 we purchased 48,000 MWh of green electricity. Our corporate headquarters in London is run entirely on a renewable energy tariff.

**Waste generation and recycling**

Our offices, studios and post-production facilities create significant amounts of waste including paper, wood, metals, fluorescent lights and paints.

We aim to reduce our resource use and generate less waste. Where waste is unavoidable, our objective is to reuse materials and recycle as much as we can. Our facilities have different waste disposal contracts and we do not have reliable data for the proportion of waste that is recycled.

We are in the process of evaluating our company-wide waste management strategy to maximise materials recovery and recycling. We plan to investigate ways to engage the independent production companies that use our studios to encourage a responsible approach to resource use and waste generation.

Our total waste arising in 2006 was 1,776 tonnes (1,743 tonnes in 2005). We estimate that around a quarter of this is recycled. Office paper is the most recycled waste, but we also aim to increase the recycling of other materials such as cardboard, wood, plastics, waste electronic equipment and VHS tape.

**Water use**

We consume a large amount of water, both in our offices and in our studios where water is used to clean floor paint from sets. We use water-based paints rather than solvent-based ones and to dispose of paint washings responsibly. We have installed water-saving devices in our London offices, including infra-red sensors in men's urinals. In Manchester, our toilet cisterns are fitted with water-saving hippos.

Water consumption was 133,485 m<sup>3</sup> in 2006, (104,473 m<sup>3</sup> in 2005).

**Notes on environment data**

1. We estimate that the 2006 energy data figure accounts for approximately 98% of our total energy use. Most of the properties that make up our estate are leased and energy use data is supplied by landlords.

2. Our carbon dioxide emissions have been calculated using Defra conversion factors: 0.43kgCO<sub>2</sub>/kWh for grid electricity and 0.19kg CO<sub>2</sub>/kWh for natural gas. (<http://www.defra.gov.uk/environment/business/envrp/gas/envrpg-as-annexes.pdf>)

3. Waste, recycling and water consumption data is currently incomplete, which we aim to address in 2007.

## Behind the scenes Our people

**Television is a creative industry requiring insight, originality and imagination when commissioning, making and marketing programmes. We must recruit and hold on to the most talented people. To achieve this we aim to provide an attractive working environment where people are treated and rewarded fairly, where we invest in their development and ensure their safety and wellbeing.**

We had 5,788 employees worldwide as at 31 December 2006. Of those, 5,720 are in the UK and the other 68 are divided between Australia, Germany and the US. We also work with a large number of freelancers ranging from writers, directors and performers to camera crews, stylists and editors.

There were a number of significant developments in 2006. We worked hard to increase levels of employee engagement, recruit new talent and create an environment where innovation thrives. The brand strategy and values developed in 2005 have had an impact throughout our business, for example, in the way we advertise vacancies. We also conducted a company-wide review of our business efficiency.

### Diversity

We have a responsibility to reflect the diversity of the UK population both on- and off-screen. On-screen diversity is discussed in Reflecting society on page 16. It is also important that we employ a diverse range of people behind the scenes. We believe our programmes better reflect audience interests when our workforce also resembles our audience. We are pleased to report that ethnic minority representation at ITV reached 9.9% in 2006, up from 6.4% in 2005 (see table).

Our diversity strategy is set at board level and communicated through our business by senior level diversity champions in each major function. This approach has been particularly successful for ITV News whose diversity champions led a series of nationwide road shows during the year, attended by 700 staff. Regional action plans were then created to promote strengthened links with minority communities. These will help ITV broaden the base from which it gathers news stories.

Each regional ITV site also has its own diversity action group to help implement our diversity strategy. In 2006, the strategy focused on three areas of diversity – awareness, technology and mentoring entry-level employees. In Leeds and Manchester, Production and Shared Services teams recruited 38 trainees for our Foundation Placement Scheme for ethnic minorities (see case study on page 30). We planned to launch the scheme in London during 2006 but have had to delay this until 2007. We launched a scheme for people with disabilities in Manchester, called Enabling Talent, with placements for five trainees. We will extend this scheme to other ITV sites in 2007.

2006 was the second of our two years chairing the Cultural Diversity Network (CDN). At the AGM in December Simon Shaps, Director of Television, handed the Chair to Sky for the next two years. He reflected on the continuing challenge of cultural representation both on television and at senior management levels within our companies.

We also worked with other NGOs including the Broadcasting and Creative Industry Disability Network (BCIDN), Opportunity Now, Stonewall's Diversity Champions programme and the Vanguard network. BCIDN has commissioned research into how disabled people are represented on-screen generally, and begun to set targets to improve workplace and supplier diversity.

In 2006 we were rewarded with the CIPD Recruitment Marketing Award for our efforts to increase awareness of diversity issues in our business.

Workplace profile (UK only and excl. GMTV)	2006	2005	2004
Total number of employees	<b>5,384</b>	5,556	6,269
Number of women employees	<b>2,566</b>	2,647	2,842
Number of women employees (%)	<b>47.6%</b>	47.6%	46.6%
Number of ethnic minority employees	<b>390</b>	291	240
Number of ethnic minority employees (%)	<b>9.9%*</b>	6.4%	4.2%
Number of employees with disability	<b>82</b>	93	72
Number of employees with disability (%)	<b>2%†</b>	2%	1.2%
Number of employees over 50	<b>812</b>	932	N/a
Number of employees over 50 (%)	<b>15.1%</b>	17%	N/a

\* this figure is calculated on the total number of respondents who disclosed their ethnicity.

† this figure is calculated on the total number of respondents who disclosed their disability.

### Age discrimination

On 1 October 2006, the UK government introduced new age discrimination legislation. As part of this, retirement age has increased from 60 to 65 years. As an employer, we now have a duty to consider employing people beyond the age of 65. To make sure we are fully compliant, we joined the Employers' Forum on Age and reviewed our human resources processes and policy. We promote age awareness on our intranet and include guidance on the subject in our Senior Managers' Diversity training course.



A flexible workplace is increasingly an important factor in attracting and retaining talent. Our Flexible Working Policy, introduced in 2003, will be amended in 2007 to accommodate changes in legislation for carers.

## Behind the scenes Our people

### Benefits and incentives

We aim to offer a comprehensive remuneration, benefits and incentive package to help us recruit and retain the best talent in the market. We regularly review this to ensure we remain competitive and comply with legislative changes such as the recent age discrimination legislation. Benefits include a contributory pension scheme, childcare support, life assurance and an extensive employee discount scheme called ITV Deals.

Our incentive programmes are structured to give our employees a stake in the future success of the Company. We operate an all-employee annual bonus scheme linked to the Company's financial success. Employees can also participate in our Sharesave scheme and in Prime Mover, a scheme to reward employees for their programme ideas with a share of any profits made.

For senior managers and key talent, a significant part of their remuneration is performance-related. Their incentives are based on achieving corporate financial targets. They are also assessed on individual objectives in areas such as diversity and people development.

### Freelancers and creative talent

We are committed to deal fairly with freelancers and creative talent – they are a crucial part of our business. Contracts with performers are usually negotiated through agents or lawyers under collective agreements with trade unions including Equity, the Musicians Union and the Writers Guild of Great Britain.

We comply with child employment law and guidance from the Producers Rights Agency on child performers. We have also developed our own guidelines for casting teams to use when working with child performers.

In 2006 we continued to update our comprehensive database of performance and skills information for the freelance community.

### Work-life balance

A flexible workplace is increasingly an important factor in attracting and retaining talent. Our Flexible Working Policy, introduced in 2003, will be amended in 2007 to accommodate changes in legislation for carers. Our existing policy allows anyone employed by ITV for six months or more and who cares for children under six years old to apply for a flexible working option.

### Grievances and whistleblowing

While problems and concerns about work can often be resolved informally, our Grievance Policy allows employees to communicate their problems or concerns in a more formal way.

During 2006, we worked with Public Concern at Work ([www.pcaw.co.uk](http://www.pcaw.co.uk)), a charity providing independent advice and promoting good practice on whistleblowing. Together we devised a new Whistleblowing Policy. PCAW now provides a confidential and independent helpline for our people to contact if they have a concern about wrongdoing or a serious risk that could damage the public, our workforce or our reputation. Our audit committee receives regular reports on the effectiveness of the new policy. During 2006 no significant issues were raised.

### Redundancy

During 2006, we made 92 voluntary and compulsory redundancies. These were managed in line with our Redundancy Policy, which requires a period of consultation during which support is provided to help employees to find alternative employment within ITV. Where this is not possible, employees receive a redundancy payment in line with their entitlement.

### Training and development

We have a strong commitment to formal training, such as technical and programme courses in camera operation, presentation skills for journalists, script writing and copyright law. We also provide on-the-job coaching and mentoring. We spent a significant amount on training in 2006 as in 2005 as we want our employees to develop successful and satisfying careers with us.

Every permanent employee receives an annual career development review. Any development needs identified are addressed through the Development Guide on our employee intranet. The Development Guide is a one-stop interactive source of information about all available training and development opportunities. In 2006, we launched Self-Service for Training, which allows employees to view, book and track their own training. We extended our management development programme "Creating Strong Leaders" in 2006. Since its launch in 2005, over 750 managers have taken part. We have introduced several complementary modules including communication, diversity and finance courses. 2006 also saw the launch of a new core module, "Preparation for Leadership", to develop our future managers.

#### Foundation Placement student lands job in Regional Affairs

Birmingham student Claudine Oates won a place in our North West Foundation Placement Scheme. This year-long pre-employment training scheme gives young people from ethnic minorities work experience in television or the media. After the course, Claudine applied for and was offered the position of secretary with ITV Regional Affairs.

ITV Granada's MD, Susan Woodward said: "I am delighted to welcome Claudine to the department. First she successfully obtained a place on the highly competitive Foundation Placement Scheme and now, against strong competition, has proved she is the best candidate for this job. This just shows what a talented intake we have had in our first year of the scheme."

In 2006, we supported another two regional newsrooms in the move to digital technology. Training our employees is a crucial part of the switchover, and a number of people have achieved “super-user” level. Our training team also played a key role in supporting the launch of a new digital newsroom at Thames Valley.

See the case study below for an example of the News trainee scheme and further details on page 15.

As part of National Skills day 2006, we offered opportunities for 600 of our people to experience day-to-day work in other parts of the business. We arranged tours of location sets, studio sets and business areas and shadowing of senior managers. There were opportunities in make up, wardrobe and editing in Coronation Street and in post-production, as well as a chance to be part of the Emmerdale storyline.

In the latter part of 2006 we developed all our training portfolios for a re-launch in early 2007. Our new training portfolios reflect the changes that ITV has seen throughout 2006 and will provide courses that are closely aligned to each business team’s strategy.

**Internal communications**

Our award-winning internal communications team is responsible for our employee intranet, which goes from strength to strength with high levels of employee participation. Alongside other internal communications the intranet keeps our employees up to date on company news and enables them to give feedback.

**Matthias Kurth, a News trainee says:**

“We were welcomed into the fold on the 3 October 2005 at ITN. Immediately, we were made to feel special and wanted. It was clear from the off that everyone had invested a lot of faith in this new trainee scheme and in us, the chosen few.

Each trainee was allocated a ‘home region’ for the year. There we shadowed every single role, both technical and in the newsroom, in order to fully understand the workflow and news processes. At ITV Border I have planned stories, produced bulletins and spent the majority of my time reporting. More recently I have been reporting, producing and presenting the region’s sport.

An overriding advantage of the past 12 months has been the chance to travel around many of the regions. Tyne Tees, Anglia, Calendar and Central were all visited for training blocks, in which we learned to edit, to write, to report live and to produce our own live programmes.

Two weeks of orientation at ITN were accompanied by two at GMTV. It was very interesting to familiarise oneself with these two distinctly different news animals, with contrasting output and values. I feel truly privileged to have been part of this maiden voyage and grateful for the opportunities it has offered me. I have been given the encouragement and support to shine. I now look forward to a successful and rewarding career in television news and sport with ITV.”

**Focus on responsibility**

Following a six-month campaign to increase employee awareness, 64% now feel that ITV takes its social and environmental responsibilities fairly or very seriously, compared with 54% in 2005.

The campaign aligned internal awareness and activity with our on-air involvement with the Prince’s Trust fund-raising concert, Soccer Aid, the Big Clean-Up and volunteering opportunities such as Cares Days. Our Focus on Responsibility week began on the 8 May 2006. The campaign featured heavily on the employee intranet, with articles, polls and video clips along with input from our Signing Unit. A new introduction to responsibility was added along with a section on volunteering. We posted a link to a carbon calculator (which enables people to work out their personal CO<sub>2</sub> emissions and offset them) and a competition to design a sustainable shopping bag. 92.7% of employees saw the homepage during Focus on Responsibility week and responsibility features received 3,299 hits. Almost 50% of those visited the volunteering section.

**Employee survey**

In November 2006, independent research company IPSOS-MORI carried out our annual employee survey on working conditions, career opportunities and leadership. Participation increased to 60% from 54% in 2005. This is above the IPSOS-MORI norm. Most of the scores improved over the year, reflecting the actions we have taken to address the issues raised previously.

On the whole, our employees are satisfied working for ITV. On an employee engagement index, ITV scored 63%. This means ITV’s employees are engaged, typically deliver beyond expectation, are willing to go the extra mile and have a strong sense of belonging to the Company and its brand. The results of the 2006 survey will be addressed by senior management during 2007.

	2006 %	2005 %	Change
Feel proud to work for ITV	67	65	+2
Committed to helping ITV achieve its objectives	74	69	+5
Enjoy a strong sense of teamwork	71	69	+2
Feel they do not have opportunities to move into other areas of ITV	52*	58	-6
Are satisfied with their overall work/life balance	55	51	+4
Consider that our workforce reflects the diverse nature of our audience	42†	n/a	

\* More secondment opportunities and a new online Development Guide and career development review process have now been introduced (see Training and development, page 30).

† Efforts to increase both on- and off-screen diversity (see page 28).

## Behind the scenes Health and safety

**Health and Safety (H&S) is a high priority at ITV. We have an internal team of health and safety professionals who develop and maintain our H&S Management System and assist with day to day H&S risk management. Our operations involve a wide range of H&S risks – from routine activities such as building maintenance, to specific production issues such as working at heights on set.**

### H&S management

Our H&S Policy is based on guidance issued by the UK Health and Safety Executive (HSE). ITV has Codes of Practice for programme production and other areas not covered by HSE guidance. We are currently updating our H&S Management System and introduced online accident reporting during 2006. This allows the whole of the Company to report and share information about H&S issues on one system.

During programme production, responsibility for H&S is allocated to specific members of each production team. The producer has overall responsibility and must conduct risk assessments and communicate H&S risks to cast and crew. Each ITV production has a nominated member of the H&S team to assist them with this process.

ITV shares H&S best practice with other key players in the production and broadcasting industry. We are a member of the Joint Advisory Committee for Entertainment (JACE), chaired by the HSE, and the Broadcasting Industry Safety Group. We also participate on HSE working groups to develop industry-wide standards.

### H&S training

We require all employees to undertake some H&S training to ensure they understand our policy and take responsibility for reducing H&S risks in their workplace. This is administered through the online induction process. Employees with specific H&S responsibilities receive more detailed training.

During 2006, we updated our H&S training programme. We run a one day in-house course specifically for production and have also developed a four day course accredited by IOSH (The Institute of Occupational Safety and Health) for managing audio-visual production. A total of 35 employees attended these courses during 2006.

### Performance in 2006

We report work-related accidents, diseases and dangerous occurrences as required by law. There were no work-related fatalities during 2006 and no H&S-related fines or prosecutions. We are pleased to report a reduction in the number of major accidents and accidents requiring more than three days off work in 2006.

During 2007 we will review our method for reporting accident figures to capture data such as “near miss” reporting.

### Health and safety

	2006		2005	
	Number	Rate per 10,000 employees	Number	Rate per 10,000 employees
Accidents requiring more than three days off work	7	13	23	41
Major accidents	1		1	
Fatal accidents	0		0	

## About ITV Performance indicators

On air	2006	2005	Behind the scenes	2006	2005
<b>Responsible programming</b>			<b>Creative economy</b>		
Total complaints about programmes	843	799	Independent production (% of programmes)	45	33
Upheld complaints	10	8	Original all-time (% of programmes)	82	83
Resolved complaints	19	19	Original peak-time (% of programmes)	96	95
<b>Public service broadcasting</b>			European (% of programmes)		
News (hours)	453	471	<b>Protecting the environment</b>		
Current affairs (hours)	101	97	Total energy consumption (MWh)	122,099	129,355
<b>Access services</b>			CO <sub>2</sub> emissions from site energy consumption (tonnes)	37,330	39,665
Subtitling (% of programmes)	87	89	Total waste (tonnes)	1,776	1,743
Audio description (% of programmes)	9	8	Water consumption (m <sup>3</sup> )	133,485	104,473
Signing (% of programmes)	4	3.5	<b>Our People</b>		
<b>Reflecting society</b>			<b>Workplace profile (UK only, excl. GMTV)</b>		
<b>On-screen diversity monitoring</b>			Women employees (%)	47.9	47.6
Total black and minority ethnic	11.5	13.6	Ethnic minority employees (% of those that disclosed their ethnicity)	9.9	6.4
People with a disability	0.6	0.5	Employees with a disability (%)	1.6	2.0
Women	43.1	39.0	Employees over 50 (%)	15.1	17.0
Age over 55	9.6	13.7	<b>Health and safety</b>		
<b>Supporting communities</b>			Accidents requiring more than three days off work	7	23
<b>Charitable donations</b>			Major accidents	1	1
Total (£ million)	10.6	19.27	Fatal accidents	0	0
Cash (£ million)	2.12	1.49	<b>ITV at a glance</b>		
In kind (£ million)	8.46	17.78	Turnover	£2,181 million	
% of pre-tax profit	3.6	6.2	Operating profit	£264 million	
<b>Responsible advertising</b>			Profit before tax	£288 million	
<b>Advertising complaints for all broadcasters (not only ITV)</b>			Earnings per share	5.5 pence	
Number of complaints	8,594	13,059	Number of employees	5,788	
Number of adverts causing complaint	2,369	2,284	Investment in ITV programme making	£1,013 million	
Number of adverts ruled by the ASA to breach the code	94	165			

## About ITV CR objectives

### Objectives

2006 Objective	2006 Outcome	2007 Objective
<b>CR Management</b> Adopt a CR Policy.	We adopted our CR Policy in November 2006, available at <a href="http://www.itvplc/itv/responsibility">www.itvplc/itv/responsibility</a> .	Adopt a CR Strategy and engage with both internal and external stakeholders more effectively.
<b>Programming</b> Provide a popular and varied schedule compliant with the Broadcasting Code on issues such as offence, privacy and decency.	ITV maintained a popular schedule with a low level of complaints upheld by Ofcom: <ul style="list-style-type: none"> <li>– the ITV family reached 81% of viewers in an average a week.</li> <li>– 10 complaints were upheld by Ofcom in 2006 (see page 12).</li> </ul>	Provide a popular and varied schedule compliant with the Broadcasting Code on issues such as offence, privacy and decency.
All production teams to monitor on-screen diversity portrayal with the aim of reflecting the UK Population.	On-screen diversity portrayal monitored by production teams. See findings on page 17.	All production teams will continue to monitor on-screen portrayal and build relationships with diverse communities to ensure that programming reflects the makeup of the UK population.
Programming obligations contained in our licences: <ul style="list-style-type: none"> <li>– 365 hours of national and international news and weather, with 125 hours in peak time.</li> <li>– 78 hours of current affairs.</li> <li>– 5.5 hours of regional news per week.</li> <li>– 1.5 hours of regional non-news per week.</li> </ul>	We met the obligations in all categories except regional news: <ul style="list-style-type: none"> <li>– 453 hours of national and international news and weather, with 129 hours in peak time.</li> <li>– 101 hours of current affairs.</li> <li>– 5.2 hours of regional news per week. (As a result of changes in the schedule there was a small under-delivery in regional news hours for the year. Ofcom is considering a variation to the quota.)</li> <li>– 1.5 hours of regional non-news per week.</li> </ul>	Meet programming obligations contained in our licences: <ul style="list-style-type: none"> <li>– 365 hours of national and international news and weather, with 125 hours in peak time.</li> <li>– 78 hours of current affairs.</li> <li>– 5.5 hours of regional news per week, pending Ofcom review of quota.</li> <li>– 1.5 hours of regional non-news per week.</li> </ul>
Accessibility services for ITV1 (these differ for other channels): <ul style="list-style-type: none"> <li>– 85% of transmission time subtitling.</li> <li>– 4% transmission time signed.</li> <li>– 8% of transmission time audio described.</li> </ul>	We met accessibility service commitments for ITV1 (these differ for other channels which we also met): <ul style="list-style-type: none"> <li>– 87% of transmission time subtitled.</li> <li>– 4% transmission time signed.</li> <li>– 9% of transmission time audio described.</li> </ul>	Meet accessibility services commitments for ITV1 (these differ for other channels): <ul style="list-style-type: none"> <li>– 85% of transmission time subtitling.</li> <li>– 4% transmission time signed.</li> <li>– 8% of transmission time audio described.</li> </ul>
<b>Advertising</b> Comply with Ofcom and ASA regulations on amount, scheduling, distribution and standards of advertising.	The ASA upheld 94 complaints out of 8,594 in 2006 for all broadcasters (not only ITV). Ofcom data above.	Comply with Ofcom and ASA regulations on amount, scheduling, distribution and standards of advertising.
Provide pre-clearance for all broadcast advertisements.	BACC cleared all adverts before broadcasting and reviewed 25,000 scripts (see page 22).	Provide pre-clearance for all broadcast advertisements.
<b>Community</b> A minimum of 25 hours of regional campaign programming on initiatives supporting: <ul style="list-style-type: none"> <li>– The Russell Commission.</li> <li>– ITV's Big Clean-Up.</li> <li>– The People's Millions.</li> </ul>	We broadcast over 40 hours of programming covering the Russell Commission, ITV's Big Clean-Up (see page 20) and The People's Millions (see page 21).	A minimum of 20 hours of broadcasting covering: <ul style="list-style-type: none"> <li>– The "Make a Difference – Climate Change" initiative.</li> <li>– Regional news programming to mark the 200th anniversary of the abolition of slavery.</li> <li>– Programming surrounding The People's Millions.</li> </ul>

2006 Objective	2006 Outcome	2007 Objective
<p><b>Employment</b> Maintain a diverse workforce in which equal opportunities are respected:</p> <ul style="list-style-type: none"> <li>- All business areas to develop diversity action plans covering on-screen portrayal and employment.</li> <li>- ITV News Group will set regional diversity targets.</li> <li>- Offer 10 bursaries and 16 traineeships to diverse news journalists.</li> <li>- Offer 60 places on our Foundation Placement Scheme for people from ethnic minorities to receive a year's training and experience in London, Leeds or Manchester.</li> <li>- Make and review arrangements for promoting equality of opportunity.</li> <li>- Publish (at least annually) observations on the current operation and effectiveness of the arrangements for promoting equal opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>- Joined Stonewall and Employers Forum on Age. Minority representation increased to 9.9% in 2006 (see page 28).</li> <li>- All News Group sites have developed diversity action plans which are regularly reviewed. Most now have in house diversity working groups.</li> <li>- ITV News Group has diversity targets in its action plans and deadlines for attaining them.</li> <li>- In 2006 we offered 10 bursaries and 12 traineeships. The variance in traineeships was due to internal restructuring in the News teams which meant we could only offer 12 during 2006.</li> <li>- In 2006 we offered 38 places on our foundation placement scheme. We did not meet the target for 60 places as the scheme was unable to launch in London.</li> <li>- The 2006 equal opportunities report was submitted to Ofcom in early 2007.</li> </ul>	<p>Maintain a diverse workforce in which equal opportunities are respected:</p> <ul style="list-style-type: none"> <li>- Offer 10 bursaries and 20 traineeships covering editorial and technical roles to news journalists.</li> <li>- Offer 40 places on our Foundation Placement Scheme for people from ethnic minorities to receive a year's training and experience in Leeds or Manchester, with the possible addition of 20 places in London.</li> <li>- Make and review arrangements for promoting equality of opportunity.</li> <li>- Publish (at least annually) observations on the current operation and effectiveness of the arrangements for promoting equal opportunity.</li> </ul>
<p><b>Environment, Health &amp; Safety</b> Work to minimise ITV's environmental impact by:</p> <ul style="list-style-type: none"> <li>- Review ITV's Environment, Health and Safety (EH&amp;S) management systems based on the ISO 14001 and OHSAS 18001 standards.</li> <li>- Updating and standardising our existing regional codes of practice to a single UK-wide standard set of policies, procedures and employee guidelines.</li> <li>- Harmonising and simplifying our UK EH&amp;S training programme.</li> <li>- Implementing a rolling programme of formal safety and health audits.</li> <li>- Assessing the carbon footprint of one large production and one regional production facility in detail.</li> </ul>	<ul style="list-style-type: none"> <li>- Reviews of all EH&amp;S management systems have been undertaken. Action plans are in place for addressing the issues raised in the reviews.</li> <li>- A new EH&amp;S Operational Group has been established to drive this process. A group wide accident reporting and analysis system has been implemented to provide better data collection.</li> <li>- We initiated a complete review of our EH&amp;S training and benchmarked our programme against the Broadcasting Industry Safety Group, Skillset and the BBC.</li> <li>- Programme of internal EH&amp;S audits will be fully implemented when the improved H&amp;S Management System is finalised in 2007/8.</li> <li>- Carbon footprint of the BAFTA Awards Ceremony was assessed and then offset. The London Television Centre has also been assessed by the Carbon Trust.</li> </ul>	<ul style="list-style-type: none"> <li>- Finalise the standardisation of ITV Group procedures and guidelines for key risk areas through the EH&amp;S Operational Group.</li> <li>- Establish an EH&amp;S training suite to enable access to appropriate training for all employees.</li> <li>- Continue our work with the Carbon Trust and act on the recommendations from the assessment of the London Television Centre. We will also complete audits on other areas of our business.</li> <li>- Review method for reporting accident figures to capture data such as 'near miss' reporting.</li> </ul>
<p><b>Creative Economy</b> Maintain a high level of original UK production from a diverse production base.</p>	<p>91% of our output in 2006 was European and we calculate the majority of this was from the UK. 45% of our output was independent.</p>	<p>Maintain a high level of original UK production from a diverse production base.</p>
<p>Continue a fund totalling £9 million over three years to support new to network regional production.</p>	<p>Regional Production Fund ran an executive producer scheme for those new to the ITV network and a series of workshops to develop soap-writing talent from the regions. See <a href="http://www.itvrpf.com">www.itvrpf.com</a> and page 25.</p>	<p>Continue a fund totalling £9 million over three years to support new to network regional production.</p>
<ul style="list-style-type: none"> <li>- 50% of programme hours and 50% of spend on original network programme production in the regions.</li> <li>- 25% of transmission time from independent production.</li> <li>- 85% original programming in peak time.</li> <li>- 65% original all time production.</li> <li>- 50% European production.</li> </ul>	<ul style="list-style-type: none"> <li>- We calculate that we met the 50% quota in 2006.</li> <li>- 45% of transmission time from independent production.</li> <li>- 96% original programming in peak time.</li> <li>- 82% original all time production.</li> <li>- 91% European production.</li> </ul>	<ul style="list-style-type: none"> <li>- 50% of programme hours and 50% of spend on original network programme production in the regions.</li> <li>- 25% of transmission time from independent production.</li> <li>- 85% original programming in peak time.</li> <li>- 65% original all time production.</li> <li>- 50% European production.</li> </ul>
<p><b>Supply Chain</b> n/a</p>	<p>n/a</p>	<ul style="list-style-type: none"> <li>- Distribute the Whistleblowing Policy to all suppliers.</li> <li>- Survey key suppliers on their CR practises.</li> <li>- Include clauses in contracts requesting compliance with Procurement Policy.</li> </ul>

## About ITV Contacts

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### Web resources

Please visit the Responsibility section of the Company website at [www.itvplc.com](http://www.itvplc.com). The 2006 Annual Report is also available on this site.

Anglia: [www.itvregions.com/anglia](http://www.itvregions.com/anglia)

Border: [www.itvregions.com/border](http://www.itvregions.com/border)

Central: [www.itvregions.com/central](http://www.itvregions.com/central)

Granada: [www.itvregions.com/granada](http://www.itvregions.com/granada)

London: [www.itvregions.com/london](http://www.itvregions.com/london)

Meridian: [www.itvregions.com/meridian](http://www.itvregions.com/meridian)

Tyne Tees: [www.itvregions.com/tyne\\_tees](http://www.itvregions.com/tyne_tees)

Wales: [www.itvregions.com/wales](http://www.itvregions.com/wales)

West: [www.itvregions.com/west](http://www.itvregions.com/west)

Westcountry: [www.itvregions.com/westcountry](http://www.itvregions.com/westcountry)

Yorkshire: [www.itvregions.com/yorkshire](http://www.itvregions.com/yorkshire)

For information on the Media CSR Forum, including downloadable copies of the annual report, please visit: [www.mediacsforum.org](http://www.mediacsforum.org)

### Contacts

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We welcome comments and feedback on our CR activities.

Please email or write to:

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### Consultancy Context

**Design and production** Radley Yeldar

**Print** St Ives Westerham Press, environmentally accredited printers ISO 14001, using vegetable based inks.

**Paper** Hello silk, made from virgin wood fibre from sawmill residues, forest thinnings and sustainable forests in Europe. It is fully biodegradable and recyclable and produced in mills which hold ISO 9002 and ISO 14001 accreditation.

## Assurance statement 2007

Enviros Consulting Ltd was commissioned by ITV to provide assurance of the ITV Corporate Responsibility (CR) Report 2006. The report has been prepared by ITV; Enviros has conducted an independent review of the accuracy and balance of the report to ensure statements made reflect business practices within ITV. This statement is the responsibility of Enviros and represents our independent opinion.

The verification was conducted by meetings, telephone discussions and email correspondence with staff responsible for collating and reporting the data on which the report was based. Both quantitative and qualitative data were substantiated through these meetings and supporting core data were sampled for accuracy, completeness and interpretation.

### Our opinion

Based on the approach above we have provided comments against each of the three principles of assurance (as represented in the AA1000 Assurance Standard).

### Materiality (or does the report cover the issues of most importance to stakeholders?)

Enviros believe that ITV has not omitted from the report any issues or information that could affect stakeholder opinions of either its intentions or operations. ITV consults internally on CR issues, and has an established system for monitoring feedback from viewers. ITV also reviews communications from stakeholders and tracks common themes to ensure they are acted upon.

ITV recognises that the 2006 report is an update with only limited progress being achieved against CR objectives set in some areas. It is a very positive but essential step for the Chief Operating Officer, John Cresswell, to take ownership of driving forward progress on CR at ITV.

We would like to see greater clarity in terms of defining material environmental impacts of the organisation, particularly for non-fixed locations and business transport and also for the report to consider the environment and community impacts for on location production.

### Accuracy and completeness (or how reliable and representative is the information and data in the report?)

Informal reporting arrangements, data collection systems and limited internal checking have made it difficult to verify some data, such as diversity statistics.

Environmental data is acknowledged by ITV as being incomplete and is focused on the three hub sites, however data collection systems are being reviewed. It is noted that ITV have improved environmental reporting in line with the reporting period for 2006.

### Responsiveness (or how well does the report address the issues of importance to stakeholders)

The content and structure of this year's CR report is closely aligned to stakeholder concerns and it provides a good balance of "on air" and "behind the scenes". ITV recognise that they need to go beyond regulation by defining a CR strategy for the business and that this will evolve over time. Climate change has been selected as the ITV 2007 community campaign as ITV has recognised their potential influence on a large sector of the population and ability to deconstruct the issues into practical actions.

### Looking to the future

ITV has accepted the challenge and opportunity that CR brings and is intent on improving its impacts. We would like ITV to consider the following for 2007:

- Use the planned stakeholder engagement on CR to confirm the material issues and level of responsiveness provided by the report to stakeholder interests.
- Report on the influence and engagement ITV has on CR within its supply chain.
- Establish robust CR data collection systems, document control and internal auditing in all areas to ensure consistency of future reporting.
- Consider setting KPIs and targets to benchmark performance and improvements year-on-year.



**Rachel Pickering**  
Director, Enviros Consulting Ltd



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