



Responsibility

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ITV has a responsibility to both existing and future stakeholders



► Pride of Britain Awards, broadcast on ITV1, attracted an audience of over 6 million viewers.



► Our major new charity initiative and entertainment event for Christmas, Text Santa, raised awareness and money for those most vulnerable during the festive period.

Creating a responsible future

At ITV, we have a responsibility to both existing and future stakeholders which is taken seriously. As a broadcaster and producer our activities can impact the lives of millions of viewers and users of our services, in addition to affecting the perception of ITV by other stakeholders. Other stakeholders include investors, regulators, talent, suppliers and employees, whose engagement with ITV plays an essential role in the success of our Transformation Plan.

During 2011, our responsibility strategy has been revised to align to the Transformation Plan and our four strategic priorities, and to contribute towards long-term industry

sustainability. The strategy also aims to mitigate our risks and uncertainties and ensure the Company continues to behave in a responsible manner through specific performance targets. Objectives have been identified by the newly formed Corporate Responsibility Committee and are supported by the Management Board. A new role of Head of Corporate Responsibility has been appointed to roll out the strategy across the Company. They will be responsible for consolidating activity for maximum impact and managing policy around charitable giving, both on and off-screen. This role reports directly into the Group HR Director, who also chairs the Corporate Responsibility Committee, ensuring activity is relevant and integrated into the business.

A list of Committee members and their roles at ITV can be found on our Corporate Responsibility website.

Priorities

Over the next three years our strategy aims to help to grow our business through strengthening stakeholder pride and loyalty in ITV. Our approach is to utilise our strong presence as a catalyst in the heart of our communities. This will be achieved through the following three priorities:

– Investing in drama in our regions

Utilising ITV's brand, expertise and presence to generate long-term sustainability in the creative industry outside of London, by supporting grass-roots talent, skills and production in drama.

– Responsible reach

Utilising ITV's unique position as a regional and national broadcaster and the reputation of well-known programmes as a vehicle to engage mass audiences in national campaigns and raise awareness around grass-roots issues.

– Operating responsibly

Being seen as a responsible industry leader by demonstrating the link between responsibility and a sustainable future. In particular:

- Utilising external benchmark tools to improve ITV's position and working cross-industry to share best practice;
- Setting performance targets where feasible and transparency on results;
- Supporting new and diverse talent and improving access to the industry; and
- Recognising and rewarding employees' individual contributions and impact on the community and environment.

For information demonstrating the impact of our Corporate Responsibility in the year, the drivers resulting in the above priorities, and specific aims and measures around the strategy, please visit our Corporate Responsibility website.

Performance summary

The following information summarises the impact that the Company's operations have had on its people, customers, suppliers, community and environment during 2011.

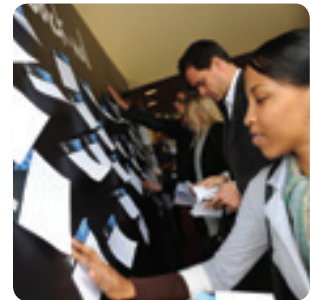
People

We have outlined in Priority 1 of the Transformation Plan, as well as in our Risks and Uncertainties section, that attracting and retaining talent is critical to our success. It is therefore in our interest to ensure that we provide the appropriate rewards and opportunities for development so that our people feel engaged with the Company. Insufficient employee engagement has been identified as a potential strategic risk.

We have again completed an engagement campaign in 2011, with the members of the Management Board visiting ITV locations and giving employees the opportunity to feed back their thoughts and concerns about the business. This engagement has continued through other forums such as the Company intranet, video booths and regular hard copy newsletters, as well as through briefings between managers and their teams by which employees can understand the financial and economic factors affecting the Company's performance and how their role contributes to the execution of our strategy. Participation in ITV's Employee Engagement Survey increased from 62% to 82% in 2011 while employee engagement has improved from 75% to 85%.

We have continued to invest in our people through training programmes for all employees as well as leadership development. 92% of managers benefited from formal training in 2011. The introduction of a new online performance management tool will continue to ensure clarity around capability and objective-setting as well as succession planning. More detailed information around leadership and succession planning can be found in the Governance section.

Our package of voluntary benefits, Relish, provides valuable cost savings for employees and also for the Company. Enrolment for 2012 Relish benefits was more popular than ever, with 53% of employees now participating in at least one Relish benefit. All eligible employees earning under £60,001 received a 3% increase in salary in January 2012, as well as an additional one-off award to the value of £250 as part of the annual pay review.



▶ Above: ITV completed an engagement campaign in 2011, with the members of the Management Board visiting ITV locations and giving employees the opportunity to feed back their thoughts and concerns.



▶ view our CR website @
www.itvplc.com

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continued

The business case around diversity is compelling as it ensures we attract and retain the best talent

As in the previous year, the pay award for 2011 for eligible employees (earning above £60,000) was performance-related. We share the success of ITV through our all-employee annual bonus which paid out in 2011. The Company also operates an all-employee Save As You Earn scheme.

Diversity

The business case around diversity is compelling as it ensures we attract and retain the best talent. This is achieved through our inclusive Equal Opportunities policy. Our policy reflects the Equality Act 2010 and aims for equality around gender, marital or parental status, race, origin, nationality, religious belief, disability, age, sexual orientation, and gender reassignment. ITV is recognised as a positive employer, holding the 'two-tick' disability symbol and being the only broadcaster to be part of Stonewall's top 100 Workplace Equality Index, for the second year running. ITV participates in major national and industry-specific diversity forums, working as a collective to share best practice and campaign for change.

Workplace profile (%)

	2011	2010
Female employees	49.4	49.9
Ethnic minority employees	9.1	9.7
Employees with a disability	2.9	2.7
Employees aged over 50	15.0	15.0
Lesbian, gay and bisexual employees	4.9	N/A

Percentages based on those who declared relevant information (approximately 75% of workforce).

Health and safety

The Health and Safety (H&S) of employees, contractors and visitors at ITV is always a high priority. The significant loss of human life as the result of a major H&S incident has been identified as a specific risk to the organisation. The H&S team continue to use a management system that meets the specific risk profile of the business which is supported by a comprehensive training programme and communicated across the business. Examples of this activity and wider statistics can be found on our Corporate Responsibility website.

Health and safety – performance indicators

Employee accidents – excluding contractors	2011	2010
Accidents requiring more than three days off work	8	5
Major accidents	2	2
Fatal accidents	0	0

Customers

Our key customers are our viewers – across various platforms – our advertisers and other broadcasters.

We seek to maximise audience and revenue share from our free-to-air business, as laid out in Priority 2 of our Transformation Plan. To manage the risk around this revenue source, it is essential that we understand our viewers, that we are meeting their expectations and needs as customers and that we deliver maximum value both to them and to advertisers.

In 2011 we continued to commission an independent research company to recruit and survey a Vision Panel. The panel is representative of 8,000 adult television viewers. This enables ITV to measure audience reaction to programmes and content on a daily basis and to achieve an in-depth understanding of viewer expectations and preferences. The panel enables ITV to ask further questions about its channels, new ideas and views on broader media issues. Qualitative research is also obtained via focus groups which may target particular demographics to gain insights for programme development.



▶ ITV are in the top 10 private sector employers in Stonewall's Workplace Equality Index.

All ITV programmes must comply with the Ofcom Broadcasting Code in relation to their content and scheduling. We observe the 9.00 pm watershed and alert viewers to material that may cause offence. Our in-house compliance team follow detailed compliance procedures, providing advice to commissioners and programme-makers both during production and during the process of reviewing programmes before broadcast. Our in-house viewer services team provide a responsive complaints handling service while viewers can also raise complaints directly with Ofcom. In 2011 Ofcom found 12 breaches of the code compared to six in 2010. We respond to any breach by assessing the causes and implementing any changes required to our practices and processes.

We continue to deliver access services across our family of broadcast channels beyond the targets set by Ofcom for subtitling, signing and audio description. On the ITV Player about 80% of programming is now subtitled, and plans to offer audio description and signing are progressing well. Signing continues to be provided by our award-winning in-house facility SignPost which offers online signing services, news, information, entertainment and education in and about sign language. As well as signing provision, SignPost has been recognised for its wider access and community work. Signed Stories, our website with books to see in sign language and subtitles, won a Plain English Campaign Media Award in December 2011 for the clarity and simplicity of all its written content. ITV BabySign won the Best Early Years Digital Content at the 2012 BETT awards. The free website helps parents teach sign language to babies before they are old enough to speak, improving early years communication and bonding.

**Access services for ITV1
(% of programmes)**

	Ofcom target	ITV 2011
Subtitling	90%	99%
Audio description	10%	20%
Signing	5%	6%

For more information on targets, achievements and services visit our Corporate Responsibility website.

Suppliers

We conduct business with a large variety of suppliers and endeavour to do business on terms that are considered fair and reasonable. To ensure we trade responsibly, we draw up contracts with suppliers which incorporate industry-standard environmental and H&S standards. It is in the Company's best interest to ensure we have transparent and effective relationships with suppliers, in particular those with whom we work regularly, such as suppliers of outsourced services and key suppliers of programming and broadcasting programme rights. Managing supplier relationships is a key part of our business strategy and is the responsibility of both the commissioning and commercial teams and our central procurement team.

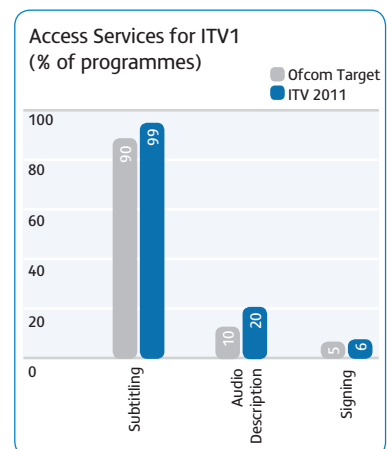
We have a variety of suppliers who are key to the business. A number of the Company's major suppliers are involved in the broadcast of ITV's family of channels and include Arqiva, Technicolor, SES Astra and BT. Other key suppliers include those who provide the technology for outside broadcast such as SIS. In 2011 ITV signed an agreement with Irdeto to provide an IT platform for the provision of pay TV capability. ITV has also engaged Mace Group to manage and deliver the move into MediaCity in Manchester.

Key suppliers of programming and broadcasting programme rights include ITN, who provide ITV's national news programmes, Fremantle who produce Britain's Got Talent and The X Factor for ITV1, the Football Association, The Rugby Football Union and NBC Universal Studios.



Top: Signed Stories won a Plain English Campaign Media Award in December 2011 for the clarity and simplicity of its written content.

Bottom: Signing for ITV's programmes is provided by ITV's award-winning in-house facility SignPost.



Responsibility

continued

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Community and Charitable Giving

We hold a unique role within the community due to our ability within the regions to provide sponsorship for, and raise awareness of, causes at a local level. We are proud to carry out this wider social role and contribute towards a sustainable future. However, we balance this against short and medium-term business requirements, such as:

- Connecting audiences to the brand through regional community partnerships and initiatives which generate loyalty to ITV and provide insights to ensure content reflects its audiences;
- Enhancing reputation by using our air-time influence and reach to make a positive impact on society, as well as raising awareness of some of the positive activities we do for the community; and
- Attracting and retaining the best talent by ensuring the Company is accessible and supporting the next generation of talent from within the regions.

During 2011, our activities have ranged from charitable giving to donations to specific programmes and campaigns. In all, ITV has contributed to £1.5 million in cash (2010: £1.5 million) and £3.4 million in-kind (2010: £5.7 million). In addition through our call to action campaigns, such as Born to Shine, Malaria No More and Text Santa we have raised £6.4 million through text and phone lines. Text Santa was a major new charity initiative, launched as a dedicated on-air appeal over the Christmas period, raising awareness and money for those most vulnerable during the festive period. In all, we raised a total of £4.1 million, which will be split between our nine deserving charities: Carers UK, Crisis, Help the Hospices, Samaritans and WRVS, as well as children's hospital charities Great Ormond Street Hospital Children's Charity, Noah's Ark Appeal, Helping Hand, and Yorkhill Children's Foundation. We hope to repeat this in 2012.

ITV takes its role in inspiring and developing young people seriously. Offering programmes for 14 year olds and upwards, we offer structured training and experiences to help create a future sustainable workforce for the industry, with a heavy focus outside of London. As part of our responsibility we focus on improving access to the industry, aiming to remove negative perceptions and barriers around working in media. Particular successes

include our Work Inspiration summer programme for 100 young people, Modern Apprenticeships, work experience for students in higher education, and positive action through our Enabling Talent programme for talented individuals with a disability.

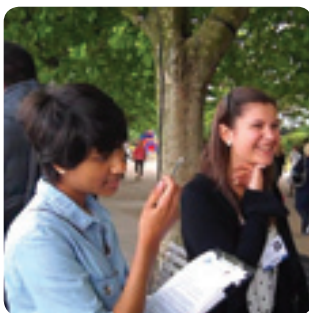
More information on activity within the community, charitable giving, donations raised and the organisations which we support can be found on our Corporate Responsibility website.

It is the Company's policy not to make cash contributions to any political party. However, within the normal activities of the Group's national and regional news-gathering operations there may be occasions when an activity may fall within the broader definition of 'political expenditure' contained within the Companies Act 2006. Shareholder authority for such expenditure was given at the 2011 Annual General Meeting. However, during 2011 the Group made no payments falling within this definition (2010: nil).

Environment

Our obligation to operate responsibly includes a consideration of our impact on the environment. Our production activities involve content production both in the studio and on location, and the running of such operations consumes large amounts of energy, producing carbon emissions. Our priority continues to be the reduction of carbon emissions to comply with the Carbon Reduction Commitment – Energy Efficiency Scheme. In 2011 we took another step towards our goal of reducing carbon emissions by 15% by the end of 2012 (from the 2008 baseline), with the aim of reducing our impact on the environment and the amount of carbon credits the Company will have to purchase in summer 2012. This figure will be published on our Corporate Responsibility website. Statistics are outlined opposite.

We continue to engage with the investment community regarding our corporate responsibility performance. In 2011 ITV was once again included in the Dow Jones Sustainability World Index.



Top: Hundreds of people turned out to support ITV's Walk4Life on Sunday 25 September. The event is part of a government initiative to raise awareness about healthy living.

Bottom: In summer 2011 100 young people joined our two week Work Inspiration programme.



► **Top:** We are fully committed to providing high quality news at ITV, and the news review is an important part of our Transformation Plan.

Bottom: Emmerdale's storylines during 2011 covered a wide range of social issues.

Left: We are committed to operating our sites and productions responsibly – reducing our carbon footprint, protecting the health and safety of our people and maintaining trust in our ethics.

Environmental performance indicators ⁽¹⁾

	2011	2010	2009	2008
Total CO ₂ emissions from business travel (tonnes)	4,921	5,774	6,831	5,867
Total CO ₂ emissions (tonnes) ⁽²⁾	43,051	44,427	46,383	50,471
Total waste (tonnes)	1,724	1,807	2,195	1,900
Total waste recycled	85%	60%	65%	N/A
Total water use (m ³)	81,891	87,017	86,656	93,175

⁽¹⁾ UK only, including landlord managed sites, assistance with data completion by Utilyx Ltd (independent energy consultants).

⁽²⁾ Calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol methodology.

Our focus in 2012 will be to continue to look at new technology which will enable us to reduce carbon emissions, initially within our static production bases, alongside other activities which will contribute to a sustainable future. Narrative around the above performance indicators, our current activity and our planned changes can be found on our Corporate Responsibility website, www.itvplc.com.

Contact us at responsibility@itv.com.



► view our CR website @ www.itvplc.com

