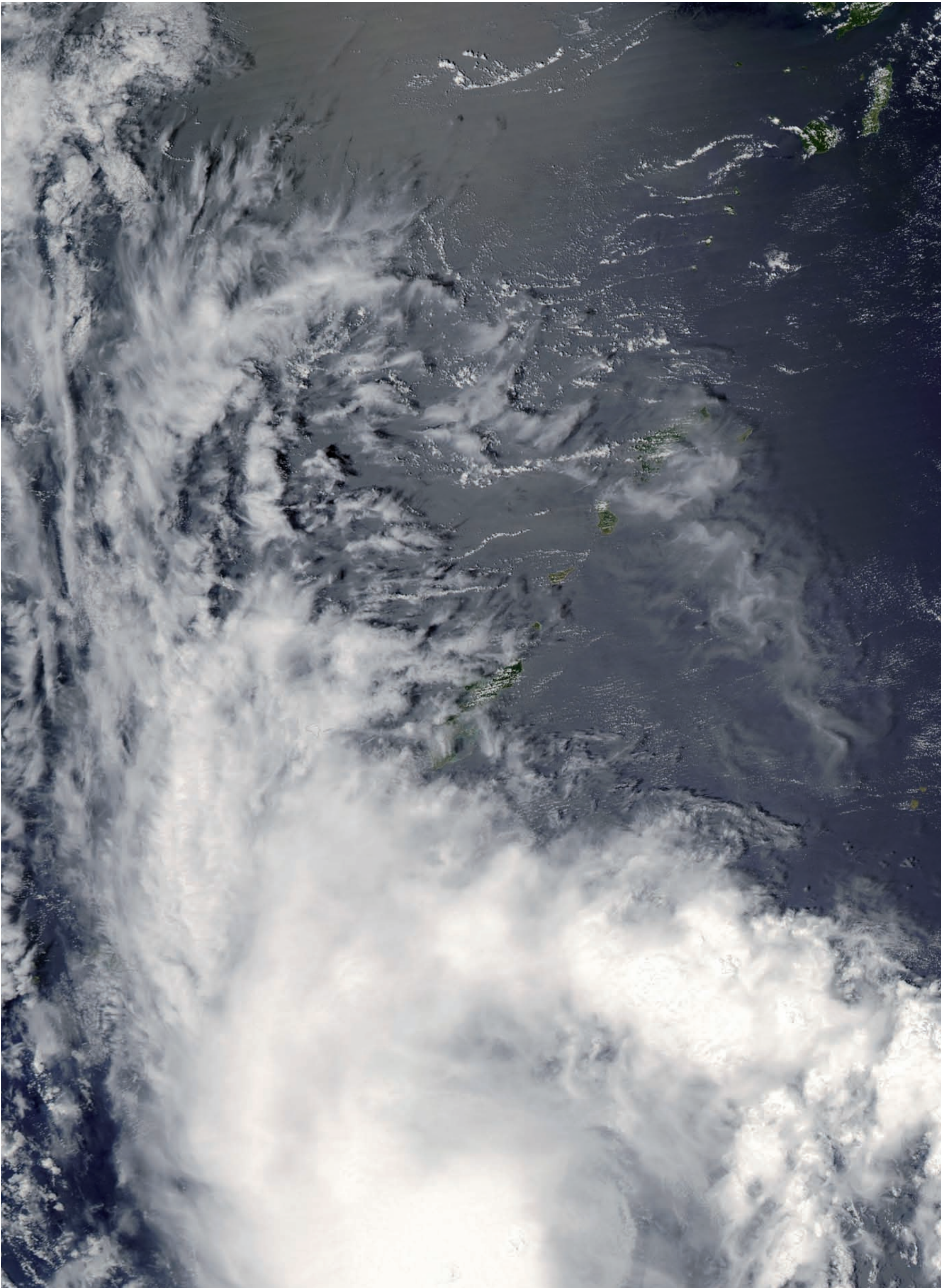


theguardian TheObserver GuardianUnlimited

Living our values

Sustainability report



Note

The commentary in this report refers to activity that has taken place between April 2006 and October 2007. Annualised data falls within the financial year ending March 2007, and all new targets are set for completion by summer 2008 unless alternative time frames are given.

This report can also be read online at guardian.co.uk/sustainability

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In our DNA

The mission of the Scott Trust is to secure the financial and editorial independence of the Guardian in perpetuity. We cannot do this unless we play our own part to secure the natural world in perpetuity

Our passion is to make a positive difference in everything we do. It's in our organisational DNA, given that the Guardian and the Observer were each created out of a zeal to inform and educate citizens at times of great social and political upheaval.

That purpose has remained rock steady for the last two centuries and is just as important today as people struggle to understand and interact with our increasingly complex and interdependent world.

The Guardian has always punched above its weight, having influenced world events during the early part of the last century even when its circulation was a mere 50,000, with more than half of copies sold within Greater Manchester. Our voice today is greatly amplified thanks to the continuing success of both our newspapers and the growth of the internet. We now reach more than 7.5 million people in the UK and overseas each week, which has given us the springboard for our ambition for the Guardian to be the world's leading liberal voice (see page 20).

This is not about vanity but about giving citizens around the world the tools with which to challenge and bring to account the exercise of power. This is a fundamental requisite for a fair and open society.

To make our vision a reality, we are currently going through one of the most radical overhauls in our long history. This is because our organisation is still largely designed around producing newspapers, and many past practices are simply no longer appropriate for delivering news, comment and entertainment to people across the globe day and night.

The scale of the challenge is stretching our financial and management resources and putting pressure on all our staff as we adapt to this new complex world. During this period, it would have been easy to have become fixated by our transition to a fully 24/7 operation to the exclusion of all else. But from a wider perspective, we recognise that our struggles pale in comparison with the extraordinary challenges posed by climate

change and other key sustainability issues such as the degradation of natural resources and the destruction of species.

There is no point in our owner, the Scott Trust, seeking to fulfil its mission "to secure the financial and editorial independence of the Guardian in perpetuity" if we are not playing our own part to secure the natural world in perpetuity. That is why we have spent the last year building on the successes of our award-winning corporate responsibility programme by developing a sustainability vision and action plan in partnership with Forum for the Future (see page 8).

We have for many years led the way on reporting the threat posed to the Earth and society by human activity and associated issues of social justice. Now we have enshrined this in a formal commitment to provide our readers and users with the most comprehensive news coverage and debate on these issues in the years ahead (see Sustainability Vision, page 6).

But this alone is not enough: it is important we match this with equal attention to our own environmental footprint. That is why we have set the ambitious target to become carbon positive – to have a net positive impact on the climate each year. We recognise that this will take some considerable time to achieve. One significant step will be our move in 2008 into one of the more energy-efficient office buildings in London.

The journey will throw up many difficult questions and we are committed to debating these openly. For example, part of this report addresses the issue of whether we can call ourselves a sustainable company if we are a vehicle for advertising, which encourages consumption. Walking our talk is not about marketing or PR but about doing what is right and ensuring our editorial message has

A recent survey showed that 90% of our readers believe we need to have a strategy to ensure sustainability issues are addressed



integrity. Our readers can smell the whiff of hypocrisy from a long way off. The Scott Trust's founding mentor CP Scott recognised this almost a century ago when he noted that the public "recognises the authentic voices of conscience and conviction when it finds them, and it has a shrewd intuition of what to accept and what to discount." This is why our sustainability vision embraces our editorial, commercial and operational activities, and this report sets out in detail our objectives and achievements to date.

Our approach seems to chime with the views of our audience. A recent survey showed that around 90% of Guardian and Observer readers and three-quarters of online users believe it is important for us to have a strategy to ensure that sustainability issues are addressed across all parts of the business. Furthermore, 97% of our newspaper readers and 92% of web users say it is important that



we are open in the way we make editorial decisions and operate as a business. We hope this report goes some way to meeting these expectations.

For a company that bases its credibility on its independence, it is only right that our activities are monitored and audited by an external authority. We were the first media organisation to have an independent social auditor and this will be the fifth consecutive year that he has overseen our report. He has encouraged us in our sustainability journey and, as you will see from this report, continues to cajole and scold when our performance has not been up to scratch.

There is still some way to go, but we hope that our stakeholders will read this report and feel proud that our values of “honesty, cleanness [integrity], courage, fairness and a sense of duty to the reader and community” remain at the centre of all we do.

Tim Brooks, managing director

This is the fifth year that Guardian News & Media Limited has published its award-winning audit of its conduct as a business from a social, ethical and environmental perspective.

I hope you find our 2007 report both interesting and informative. As you will see, our focus has shifted this year to sustainability, given that climate change and associated issues are of such critical importance to the future of global society.

One of the key pillars of accountability for any company, is to listen and respond to the views of its many stakeholders, who in our case range from readers and staff to suppliers and our owner, the Scott Trust.

It would therefore be valuable to get your feedback, so that we can continue to improve our transparency and public reporting. Please email me at tim.brooks@guardian.co.uk





Where we lead...

Our vision is to lead the media industry in building a sustainable future for, and together with, all our stakeholders – readers, staff, advertisers and suppliers

Sustainability vision

Our vision is to be the leader on sustainability within the media industry and to be environmentally regenerative in our activities. Through our editorial coverage and business activities, we will demonstrate to readers, staff, advertisers and suppliers that Guardian News & Media is committed to enhancing society's ability to build a sustainable future.

Editorial

Clearly our greatest impact comes from informing and influencing our global audience. We will therefore build on our position as a recognised leader in the field of environmental reporting by providing the most comprehensive news coverage on the issue of climate change and key related issues such as biodiversity and the degradation of natural resources. These topics will be explored from the social, economic, political and scientific perspectives, both nationally and globally.

We will promote public debate and harness the power of our readers and users by creating online tools and projects that give them the opportunity to share knowledge and ideas, as well as encouraging them to make a difference, both as individuals and within their communities.

Social justice has always been at the heart

of our journalism and we will consistently give a voice to disadvantaged communities around the world most affected by climate change.

Commercial

GNM's reputation puts us in a strong position to benefit from the growing trend in businesses moving toward a more sustainable future. We will support our large existing clients in this endeavour as well as enable small and emerging companies to develop their markets.

We recognise that tensions can arise between our need for advertising revenues to sustain our business and being a medium for promoting consumption. Our role is neither to hector our readers nor to censor on their behalf. Our editorial coverage informs and influences our audience in their choices.

We will work with our readers and users to gain a deeper understanding of what products and services they want in this area, and use this knowledge to engage with our advertisers and sponsors on the issue of sustainability.

Social justice has always been at the heart of our journalism, and we will give a voice to communities most affected by climate change

Operational

Our ambition is to be environmentally regenerative. We will investigate how we can become climate positive – to go beyond carbon neutral and positively affect climate change.

Our offices and print sites will be of the highest environmental standards and we commit to minimising waste and maximising both efficiency and recycling. We will avoid unnecessary energy use, reduce our energy consumption where possible, use renewables and only offset emissions where there are no real alternatives.

Sustainability will be at the heart of our procurement processes as we recognise that our suppliers represent a key part of our operational impact. We will consistently increase the amount of recycled and certified virgin newsprint in our products and will work across the industry to minimise the ecological footprint of paper supply and newspaper distribution.

Our staff

We will empower and inspire everyone who works at GNM to act by encouraging sustainable behaviour. We will achieve this through leadership, raising awareness and incentives. By the time we move to our new offices in King's Cross, our working culture will aim to minimise waste and we will make it easy for all of us to act responsibly.

GETTY

A long line of values

While GNM grapples with profound change across the industry, sustainability remains our core business, says Liz Forgan, chair of the Scott Trust

The caricature Guardian reader has been a sustainability champion for years, shopping with baskets not plastic bags, washing nappies, travelling by bike not car, worrying about the sources of things, and taking some ribald flak for it from cynical media rivals. Even the editor, Alan Rusbridger (pictured right), having been forced off his bicycle after a near-death experience, now drives an electric car around town.

Both our papers have been pioneers and campaigners for applying intelligent thought and political justice to environmental issues. Since knowledge about climate change began to develop, we have provided a national platform for argument about how we may reconcile the demands of a post-industrial, affluent society with finite energy resources and the needs of the developing world.

As a corporate entity, we have made some progress. As you will see from this report, the GNM board has already signed off on a document that spells out a vision of the company as the leader on sustainability within the media industry. GMG Radio has an environment policy in place and environment champions at each of its stations. Trader Media Group's printing plants have an ambition to go carbon neutral.

At group level, we have now audited all our paper supplies and set our first set of annual targets for ensuring that we buy paper more responsibly. The Carbon Trust has been engaged to test GMG's carbon footprint and to recommend a carbon management process. Group chief executive Carolyn McCall has declared sustainability a priority.

The whole of corporate Britain is now beginning to grapple seriously with



Holding on to our values

The Scott Trust was created in 1936 to preserve the legacy of CP Scott who had been editor of the Manchester Guardian for nearly 57 years. He was the first to hone our values in his leader article celebrating the paper's centenary on May 5 1921: "Honesty, cleanness [integrity], courage, fairness, a sense of duty to the reader and community."

The trust is the sole shareholder in Guardian Media Group, which has five divisions: Guardian News & Media, GMG Regional Media, Trader Media Group, GMG Radio and GMG Property Services Group (more details on GMG, see page 31).

The Trust's central objective is:

- To secure the financial and editorial independence of the Guardian in perpetuity: as a quality national newspaper without party affiliation; remaining faithful to its liberal tradition; as a profit-seeking enterprise managed in an efficient and cost-effective manner.
- All other activities should be consistent with the central objective. The company should be managed to ensure profits are available to further the central objective; not invest in activities that conflict with the values and principles of the trust.
- The values and principles of the trust should be upheld throughout the group. The trust declares a subsidiary interest in promoting the causes of freedom in the press and liberal journalism, both in Britain and elsewhere.

sustainability issues, and the Guardian and the Observer cannot honourably take the stance they do in their editorial pages unless we apply our minds with equal seriousness to the way in which we run our company. The essential values of the Scott Trust include the duty to consider the impact of our actions on the community in which we live. This is core business for us.

That does not mean sudden dramatic and costly decisions that could damage GMG at a time when it is already grappling with profound change across the industry. But it does mean a determination from the very top of the company that we will develop a sustainability strategy which we can monitor to ensure it has a real impact on behaviour.

No doubt it will be some while before we can start feeling comfortable about our role in the future of our environment. No doubt our competitors will remark generously on any slip-ups along the way. But we are confident that our readers, our commercial partners and the people who work for the company care deeply about this issue and will join in the effort to do better.

I doubt if CP Scott ever used the word sustainability in relation to the environment but he certainly would have approved of informing our readers, to urge them to high standards and for us to live up to those standards. Not for nothing is he pictured on the Scott Trust website riding a bicycle.



MARTIN ARGLES

Sustainable development charity Forum for the Future has been working in partnership with GNM to help create a strategy to address sustainability. It has found an organisation ready to break new ground in re-expressing its core values so they are relevant to today's challenges and build a successful future

Part of the day job

In late 2006, Guardian News & Media approached us to become a partner. It wanted us to use our experience and insights to challenge GNM to address sustainability seriously and coherently. The first phase of our work is completed, culminating with the vision and actions explained elsewhere in this report.

GNM has asked us to provide some context. Why are the media important to sustainable development? What was our experience of working with GNM? What do the vision and actions mean in the wider scheme of things?

Media & sustainable development

Sustainability is an end goal: the ability of global society to continue into the far future. Sustainable development is the journey to get there. And what a journey it will need to be. So many of the things we do in our daily lives put our ability to continue into the far future at risk. The products and services we buy contribute to environmental problems such as climate change, and to social inequalities across the globe. As one cartoon has it, our way of life is being threatened by a dark force: our way of life. Sustainable development means we need to find a new way of life. It is a challenge to the status quo.

In all this, the media occupy an unusual place. They provide content – news, entertainment – to their audience. They also provide the audience to advertisers. They inform us about our way of life, whether in a newflash or a soap opera, and promote the ways we can attain it in advertising. The media are crucial in

reflecting, and shaping, the status quo.

Now is a particularly challenging time to be a media organisation. The internet is unleashing a new channel for content and advertising, with untested business models threatening “old” media. The audience is fragmenting even as it becomes more global. No media company in the world knows for sure how it will make a profit in five years’ time.

The last two years have seen a massive change in approach to coverage of sustainability. Climate change has broken through from the margins, bringing other environmental issues with it, and the possibility that these issues raise fundamental questions about our way of life (rather than being unfortunate technical problems) is explored more often in the quality media. But it would be easy to overstate all this and imagine the media have caught up. Sustainable development is a radical reframing of every issue: most news media stories are no different to those a few years ago; most sustainability stories in the media are about climate change; and sustainability thinking rarely permeates coverage of social issues. Some core assumptions of news media – such as the desirability of economic growth, or that it’s bad news for the high street if people spend less on their Christmas shopping – remain largely untouched (see economics coverage, page 19). On the environmental issues themselves there is still a great deal of fuzziness in public perception on what is happening and what can be done.

But “sustainability” does undoubtedly have new prominence in media coverage, and

as with any other cultural shift, the media have a crucial role in reflecting, and shaping, the move to a sustainable footing for society. The question is what more they could or should be doing.

At the same time, leading businesses are waking up to what sustainability will mean to the future. Basic services and resources that the natural world now provides cheaply will become more and more expensive. Rising expectations of business’s role will translate into new regulation, changed consumer behaviour, new norms in the supply chain and investor pressure. From a “nice to have” add-on, sustainability has now become a driver of business strategy.

In all of this, organisations in the environment movement could, and often do, demand more from media companies. Such demands include: “create a diverse and rigorous debate on where society is going, one which is not corrosive or debilitating”; “provide people with the means to know how they can make a difference to their own lives, and of others”; “have business models that do not lock us into destructive consumption”.

But some media company somewhere would need to put it into practice, and overcome the challenges such a transition presents. Those are exactly the challenges Forum for the Future was established to tackle.

Our way of life is being threatened by a dark force: our way of life. Sustainable development means we need to find a new way of life



Working with GNM

When we established the partnership with GNM we set ourselves a question: how can sustainability enable GNM to be more successful? We interviewed GNM's senior decision makers, and then held an all-day workshop with them. We followed up with detailed action planning meetings across the company.

During the interviews we found that people are keen to take up the challenge. Unlike many companies we work with, the main question was not "why?" but "how?" People were passionate and wanted to join in, even where they did not necessarily agree.

We found an organisation that was already in a great deal of flux, responding to the challenges of digital media. But there was also a great sense of continuity, the Scott values, protected by the Scott Trust, were clearly part of the weft and warp of the organisation. We realised that we needed to help the organisation re-express those values so they remain relevant to now, to the challenge of sustainable development.

The vision and action plan

The vision we developed with GNM (see page 6), and which they have committed to, is unique in several exciting ways.

First, GNM wants to become an environmentally regenerative company, specifically to investigate how to become carbon positive. There are very few companies in the world who have made a similar declaration of intent, and for understandable reasons. No one knows

Richard Evans, auditor, says:

●● The partnership with an independent and highly respected organisation, Forum for the Future, has already established greater precision and strategic clarity in GNM's ambition to become a sustainable business. I shall be checking that actions match words, and watching how the company responds to Forum's statement that "sustainable development is a radical reframing of every issue. ●●

for sure how to do it.

Some companies, such as News International, have said they will be carbon neutral. That is to be applauded, but in the absence of agreement on what "carbon neutral" means, some companies do not change their business operations, instead investing in projects that "offset" emissions. Offsetting can be part of the transition. But moving to a low-carbon economy involves more fundamental change.

A carbon positive company would leave the climate in better shape at the end of the year, which means more than just offsetting. It is exciting that GNM is showing leadership by breaking new ground in setting this goal and exploring how to get there.

Second, GNM is addressing sustainability as an opportunity across all its activities, including editorial coverage. We believe the challenge of creating a sustainable future is so profound that many ways of making money today will not be profitable in the future.

Businesses that explore how sustainability can make them more successful will be

the ones to watch. By leading now, GNM is using its advantages – the sensibilities of its readership and the brand's positioning – to build a business for the future.

Into the future

The immediate challenge for GNM is to put the vision and actions into practice. There are competing priorities: a newspaper to get out every day and a website to update every five minutes. GNM must not fall into the trap of doing the day job first, and then doing the sustainability actions if staff can find the time. The sustainability stuff must become part of the day job. We have already seen some of these changes, for instance with the appointment of a full-time commercial sustainable development manager.

"The next challenge is to demonstrate benefits internally. And outside stakeholders, including ourselves, will want to see the difference."

The medium-term challenge is how to maintain momentum as sustainability becomes more embedded in the organisation. The media industry continues to be in flux. GNM will need to keep refashioning how it reflects, and shapes, the move to a sustainable footing for society. This will take the organisation into new and difficult territory. Advertising might well be the next front line, with George Monbiot challenging the Guardian in its own pages to cease advertising carbon-intensive goods and services (see page 28).

These challenges are the challenges of ambition and leadership. We are excited by what GNM has committed to. We think it can be more successful and provide a platform for pushing sustainability forward: in editorial coverage, in the advertising its readers see, in a myriad different ways. We look forward to exploring with GNM how sustainability can make it more successful.

Disclaimer

This is not a commentary on the contents of the report. Forum for the Future receives income from its partners. Income received from GNM represents 0.5% of Forum's total revenues for the year. Forum for the Future worked with GNM on the Giving List in October 2006 and we have a number of projects in train with them at the moment.

Forum for the Future, the sustainable development charity, works in partnership with over 120 leading organisations in business and the public sector. Our vision is of business and communities thriving in a future that's environmentally sustainable and socially just. We believe that a sustainable future can be achieved, that it is the only way business and communities will prosper, but that we need bold action now to make it happen.

Editorial

Our vision

To provide the most comprehensive news coverage on the issue of climate change and key related issues such as biodiversity and the degradation of natural resources. These topics will be explored from the social, economic, political and scientific perspectives, both nationally and globally. We will promote public debate and harness the power of our readers and users by creating online tools and projects that give them the opportunity to share knowledge and ideas, as well as encouraging them to make a difference, both as individuals and within their communities. Social justice has always been at the heart of our journalism and we will consistently give voice to disadvantaged communities around the world most affected by climate change

Sustainability coverage

"It amounts to a devastatingly convincing argument of the urgent need for all of us to change our energy-guzzling behaviour. Even if Stern is half right then, as a modern version of Pascal's wager might say, the consequence of doing nothing is still so dreadful that it ought not to be contemplated."

Guardian leader article on publication of the Stern report on climate change (October 31 2006)

The Guardian was one of the first media organisations to take seriously the threat caused by our unsustainable use of the planet's resources. As our environment editor John Vidal points out on page 13, we can pinpoint the moment in 1988 when it first hit many editors and writers that climate change was not just another unsubstantiated scientific theory but that we were on the road to possible catastrophe. Our response now, as it was then, has been to inform and educate our readers on the threat and in more recent years to encourage them through our ethical living pages in both the Guardian and the Observer to question and change their own individual behaviour.

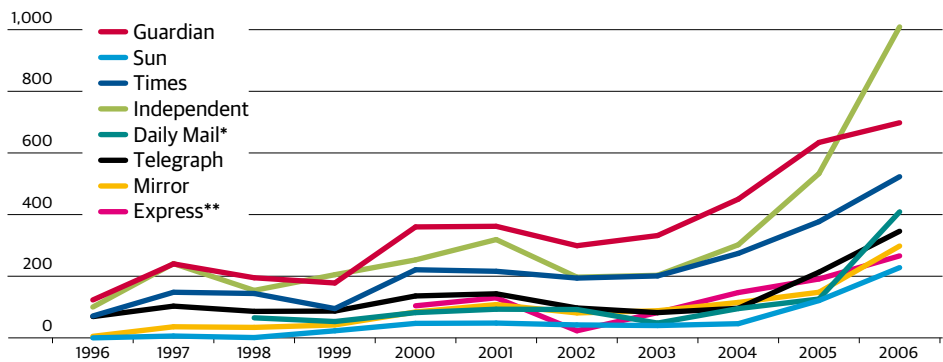
Guardian editor Alan Rusbridger is unequivocal in his belief that climate change and associated areas of sustainability such as the loss of biodiversity, are "by far the biggest issues we are facing today. We have a very great responsibility to cover it thoroughly and continuously. News has its own particular way of working, which means that lesser issues do force themselves on to the front page and force issues such as climate change off it. That is the way news works.

"But a paper like the Guardian has a responsibility to have the resources, expertise and knowledge to explain, test and champion stories and ideas. That is why we have a team of more than a dozen journalists whose responsibilities are either exclusively or largely focused in this area." (See box below.)

In fact, a study has shown that the Guardian has consistently written more about

Global warming

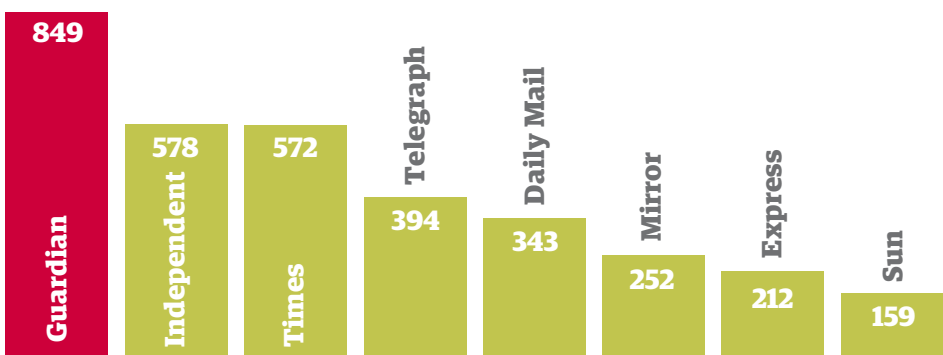
Incidence of the phrase 'global warming' in the UK daily press, 1996 - 2006



*Archived from Nov 1997. ** Archived from April 2000

Climate change

Incidence of the phrase 'climate change' in the UK daily press, January 1 - June 26 2007



SOURCE: RESEARCH STUDY BY GUY SHRUBSOLE USING THE GUARDIAN'S ONLINE NEWSPAPER ARCHIVE (JUNE 2007)

A study shows the Guardian has written more about global warming in the past decade than any other paper

global warming in the past decade than any other newspaper in the UK, apart from a brief blip in 2006 when the Independent carried more. In the first six months of 2007, the

Guardian wrote about climate change 849 times, compared with 578 in the Independent and 212 in the Express (see graphic above).

Counting the number of articles is a crude measure, however, and does not take into account the enormous range and depth of our unrivalled coverage (see sustainability content, page 14). While we hope our coverage gives our readership the tools to become more active citizens, we are very clear it is not our job to cajole people. Similarly, we do not see it as our job to launch specific campaigns in a bid to force politicians or public bodies down a particular path.

"I think campaigning can make you feel good without actually producing results," says Rusbridger. "You can watch newspapers campaigning on this subject where readers just end up switching off. The law of diminishing returns operates here because the more campaigns you launch, the less impact they have. Most people get the issues. They don't need to be lectured. They want useful advice on what they can do and they want utterly reliable reporting and analysis so they can make sense of the issues. Calm, measured journalism has more effect long term than making gestures or bellowing."

Our approach does seem to be paying dividends. Our annual survey of Guardian and Observer readers and Guardian Unlimited users shows that we are having an impact.

For the third consecutive year our readership say we have influenced them across a large range of sustainability-related issues, ranging from energy saving and

Journalists who write regularly on sustainability issues

John Vidal	Environment editor, Guardian
David Adam	Environment correspondent, Guardian
Alok Jha	Science correspondent, Guardian
Ian Sample	Science correspondent, Guardian
Felicity Lawrence	Food correspondent, Guardian
Larry Elliott	Economics editor, Guardian
Ashley Seager	Economics reporter, Guardian
Terry Macalister	Industrial correspondent, Guardian
Leo Hickman	Ethical living correspondent, Guardian
Dan Milmo	Transport correspondent, Guardian
Dominic Murphy	Gardening and ethical living correspondent, Guardian
Matt Seaton	Cycling columnist, Guardian
Bibi Van der Zee	Environmental and ethical living writer, Guardian
George Monbiot	Columnist, Guardian
Juliette Jowit	Environment correspondent, Observer
Robin McKie	Science editor, Observer
Lucy Siegle	Ethical living correspondent, Observer
Simon Caulkin	Management editor, Observer
Alison Benjamin	Environment site editor, Guardian Unlimited
Matthew Weaver	Environment and community affairs correspondent, Guardian Unlimited
Murray Armstrong	Editor, the Giving List

Sustainability coverage

recycling to purchasing fair trade products and reducing the number of car journeys and flights people take (see page 23 for details).

Complexity and politics

While it is gratifying that our readership is responding to the challenges of climate change and the degradation of natural resources, we recognise that where we can have most influence is in the political arena as the decisions taken by politicians both in this country and around the world offer the greatest chance of ensuring that sustainability issues are addressed.

In any free society, the press has a core responsibility to hold politicians and other public figures to account. We take very seriously our duty to expose wrongdoing or failures by politicians, public servants or business leaders to keep to public commitments to change. For example, the Guardian broke an important story in August 2007 about civil servants briefing ministers that Britain had no chance of getting near its target of generating 20% of its energy from renewable energy by 2020 and suggesting ways to wriggle out of it.

Our leader article that day said: “Few claim there are easy choices to be made in reducing Britain’s carbon footprint. But the public cannot hold an honest debate or support difficult decisions if it is led by a government that continues to be, despite all the protestation, cynical beyond belief about the presentation of policy.”

Conversely, it is also important to acknowledge those in power when courageous decisions are taken. The publication of the Climate Change Bill in March 2007 prompted this leader comment: “Britain’s political and media culture is good at offering such necessary scepticism. It is much less good at embracing the possibility of change ... Whether for reasons of fashion or belief, all likely future prime ministers are beginning to turn talk of action into specific proposals. Future generations may wish more had been done. They will not resent yesterday’s serious attempt to make a start.”

Rusbridger believes the reason we influence decision makers is not only because of the calm and measured nature of our reporting and analysis but also because we recognise that there are no simple solutions to the challenges faced by climate change.

“We acknowledge the complexity of decision making rather than deal with simplicities,” says Rusbridger. “If you deal in simplicities you don’t have much effect on the people making decisions because most decision making is extremely complex.”

“Because our coverage is solid and reliable and we are prepared to constantly keep it on the agenda and keep finding new and imaginative ways of writing about the subject, we will have an effect because we are a highly respected newspaper.”

Part of the difficulty of covering the issue of climate change is that while science has shown conclusively what the problem is, the possible solutions are not yet so clear. What can seem to be an answer one moment, such as carbon offsetting or biofuels, can with



A coal-fired power station towers over a field of rapeseed, used to produce biofuel Photo: PA

‘If we had nothing to do with any form of consumption, reading the Guardian would become a duty not a pleasure’

increasing rapidity appear to become part of the problem.

Rusbridger says it is important not to fall into the trap of reporting only one side of a story, even when it is persuasive. “In many cases the conventional wisdom of one age can seem foolish, partial or blinkered in time. And, even where most of the arguments seem to be stacked on one side, we should still reflect the other side of the debate.”

Hypocrisy?

While it’s easy to criticise others for not doing enough to counter the effects of climate change and other associated issues, it is important that we take seriously criticism of our own behaviour both in terms of our editorial and business practices.

The last 12 months has seen a steady trickle of readers accusing us of hypocrisy for encouraging our readers to reduce their carbon footprint while at the same time carrying advertising for products which create emissions (see case study, page 28).

We also receive a small number of complaints about our coverage of subjects such as travel and motoring which can encourage unsustainable consumption (see case studies, pages 16-19). We take these criticisms seriously; they have been, and will continue to be, the subject of much debate

within the company. What is clear is that our editors are incorporating sustainability into their thinking, but it is a difficult judgment call on what is the correct balance.

Rusbridger says: “Of course you could edit a paper that was rather joyless and hair-shirted and puritan and monotone, and at times in its life the Guardian has been slightly like that. Lord Robert Cecil once said it was righteousness made readable.

“It is a matter of judgment. If you had nothing to do with any form of consumption, your circulation would take a big dip and reading the Guardian would become a duty rather than a pleasure. We would be moving away from journalism and reporting the world as it is to preaching. So as long as you do these things in reasonable proportion and balance, I do not think we should stop covering aspects of consuming such as travel or fashion, eating or holidays and motoring.

“We write a lot about individual ethical choices, such as Felicity Lawrence/Leo Hickman about the food we eat, what goes into the production of mass-marketed food, clothes and products, and ethical issues behind all that, and lots of practical advice about how to live a green life. But if that was all we wrote about, we would become a joyless paper with minority taste. But on the other hand, if you turned the Guardian into something like the FT’s How to Spend It supplement that was purely celebratory of consumer life and did none of the other side, that would be equally wrong too.

“All these things need to be in balance and I think we have got it about right, although I understand the critics who would prefer us to be more purist.”

How green were we?

Remember acid rain? That was our concern 20 years ago. Well, we've come a long way since then. John Vidal recounts the history of reporting on the environment



The green movement and the Guardian's reporting of it has grown massively since 1987, reflecting an urgency in addressing problems Photo: Alamy

In 1987 the Guardian had a single environment correspondent. The green issues of the day were the growing global population, the hole in the ozone layer, acid rain, tropical forests and unleaded petrol. Jonathon Porritt was still at Friends of the Earth, the great storm had just torn down millions of trees, genetically modified foods were a twinkle in a few biochemists' eyes, and Swampy was in nappies. Meanwhile, the historic Brundtland report on the state of the world's environment went almost unnoticed as it tried to popularise a phrase tentatively called "sustainable development".

Fast forward to the summer of 2007 when a meeting was held in the Guardian's offices for everyone involved in writing about the environment and development. More than 40 people were there, including three science correspondents, two full-time environment writers, other feature, home and business news reporters, two columnists, a website team and a clutch of senior editors and advertising executives. The consensus was that climate change was now one of the leading causes of the generation, and that the environment and sustainable development had become a mainstream plank of Guardian coverage – at the heart of politics, foreign, business and lifestyle coverage.

What on earth has happened to propel it so far and so fast? There have been plenty of awareness-lifting moments: for many people at the Guardian it came in 1988 when the paper had a home news editor who believed that global warming – as it was being called

then – was a figment of the collective imagination and said so in no uncertain terms at one editorial morning conference. The science editor was summoned to present the latest and best evidence – which so shocked everyone that the stories about it began appearing regularly.

But the whole environment debate was gathering pace from the late 1980s. That same year BSE emerged as one of many food crises. In 1989 prime minister Margaret Thatcher made an impassioned speech to the Royal Society about global warming. The same year, the fledgling Green Party collected 2.3m votes and 15% in the European elections. In 1992 we saw the first Earth Summit. The 1990s were full of protests and disenchantment with industrial food production, world trade, transport, water, pollution and the car. Since 2000, the forces of globalisation have accelerated and with them has come an unprecedented surge in international awareness about climate change, energy, oil and food production and extreme weather.

The whole area has begun to define the zeitgeist. What 20 years ago was a trickle of scientific papers, reports and initiatives from a few scientists and passionate groups with next to no interest from business has

In 1988 the Guardian had a home news editor who believed global warming was a figment of the collective imagination, and said so in no uncertain terms

now become a flood of new information and concern from a vast range of people and companies.

On any single day, we may get telephone calls from the UN agencies, government officers, activists, industrialists, grassroots groups and scientists. Many report a worsening situation, others that people are taking initiatives. On top of that there may be 150 emails and faxes from around the world. It would be easily possible to fill an entire newspaper every day with both heartening and depressing environment and development coverage.

But something else has changed, too. Where governments, business and individuals could dismiss many of the concerns of 20 years ago as interesting things to be addressed sometime in the future, today there is a new urgency and the stakes have become far higher. Every day brings a new scientific report suggesting that we have very little time to respond to the enormity of the problems faced. There is a new awareness by the authorities and business, but a growing understanding that to achieve real change needs radical thinking. Ideas that would have seemed revolutionary only a decade ago are today being brandished by all mainstream political parties.

The good news is to see how far we have all come in so short a time. The bad news is that for all the hullabaloo about the environment in small islands like Britain, little is being done elsewhere.

John Vidal is the Guardian's environment editor

Sustainability coverage

Guardian content

To ensure we meet the aims set out in our sustainability vision, one of our most senior editors, Ian Katz, is coordinating our considerable resources in this area.

We have also put in place a monitoring system to evaluate our coverage on a monthly basis across a range of issues from climate change to transport and energy. Beyond our comprehensive news coverage, in the past year we have turned our investigative resources on to the issue of sustainability. Senior writer Nick Davies wrote two major reports, one criticising the carbon offsetting industry and the other finding evidence of serious irregularities at the heart of the process the world is relying on to control climate change. His investigation found that the Clean Development Mechanism, developed out of the Kyoto summit in 1997, which is supposed to offset greenhouse gases emitted in the developed world by selling carbon credits from elsewhere, has been contaminated by gross incompetence, rule-breaking and possible fraud by companies in the developing world.

In 2008 we plan a number of further well-researched deep investigation pieces that get under the skin of the science, politics and economics of climate change. Our annual Giving List supplement was restructured to focus on sustainability issues. The last publication covered everything from the implications of China's economic juggernaut and sustainable fishing to changes in company supply chains and investigating claims by the world's largest retailer Wal Mart that it has gone green.

The Guardian was the first newspaper to launch an ethical living section, which continues to appear regularly, and a cycling column has since been added. The paper moved away from an unhealthy diet of promoting DVDs in its Saturday edition and instead developed a whole series of award-winning UK guides ranging from free stuff, cycling and walks to camping and baking. We were also carrying for the second consecutive year a food directory, giving information on the best independent food shops.

It's all very well writing what we think is important, but what do our readers think? Our annual survey shows that both the Guardian and Observer scored highly for our coverage of sustainability, with around three-quarters believing our reporting of climate change and social justice was good or excellent, and around two-thirds making the same conclusion about biodiversity and conservation (see graphic above).

But our web users were less enthusiastic, with scores of less than half across the same range of topics. We are now significantly intensifying our activities online. Last year we created a dedicated site for the environment. [>>](http://guardian.co.uk/environment)

We have now appointed a full-time site editor and relaunched the website in our new interactive format. Apart from a rich mix of news and comment, we have also added several blogs, audio and video.

How readers rate our sustainability coverage

% who responded either 'excellent' or 'good' on a 5 point scale

Social justice



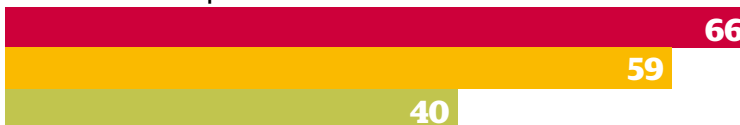
Climate change



Biodiversity & conservation



International development



Sustainable travel



SOURCE: GNM READER SURVEYS 2007

There is a danger that people have started to think that sustainability is only about climate change, so by creating separate categories on the website, such as conservation, energy and transport, we are able to show that it is much broader in its scope. One of the commitments in our vision is to create online tools to encourage behaviour change and these are currently being developed. The first to go live is an interactive section entitled "tread lightly" which asks users to make pledges every week to reduce their carbon footprint. Individuals often feel that their actions will not make much difference on their own, but the site includes a totaliser that shows the combined impact of reader action ranging from reusing plastic bags at the supermarket to turning off appliances and phone chargers.

We have also formed a partnership between Guardian Unlimited and the charity Unltd to offer hundreds of thousands of pounds in awards to social entrepreneurs who are seeking to launch environmental initiatives in their communities. Each award is worth £5,000. Despite everything we have done over the past year, the appetite of our readership does not appear to have dimmed. In our readership survey, nearly two-thirds of Guardian and Observer respondents and more than half our web users said they think we could be doing more to encourage them to reduce their impact on the environment.

Social Justice

The one area of coverage that readers and web users were most keen to see more coverage is on issues of social justice. The cause of social justice, the idea that individuals and groups should be fairly treated and enjoy a just share of the benefits of society, has always been central to the Guardian's coverage.

Those behind the birth of the Manchester Guardian were Chartist supporters, reformers, radicals looking for change at a time when Manchester had some of the worst housing and working conditions in the country, child labour was rife and the city was prospering from the trade in cotton, courtesy of black slaves in the southern states of America. As Forum for the Future points out at the beginning of this report, the products and services we buy not only contribute to environmental problems like climate change, but also to social inequalities across the globe.

The Guardian carried out a special investigation in summer 2007 which showed that employees of factories in Bangladesh making clothes for British retailers were being forced to work up to 80 hours a week for as little as 4p an hour. Workers in factories supplying George at Asda, Tesco and Primark said their wages were so low that, despite working up to 84-hour weeks, they struggled to provide for their families. There were also reports of physical and verbal abuse by



supervisors and of workers being sacked for taking sick leave. A month later we followed this up with a front page story on workers in Indian clothing factories being paid as little as 13p an hour for a 48-hour week, wages so low the workers claim they sometimes have to rely on government food parcels. The two reports prompted investigations by the major retailers who sold the garments.

We also recognise the need to highlight how climate change is already affecting marginalised communities around the world, who often have no voice. This is the reason why we devoted six weeks of coverage to raising awareness through our Christmas appeal by supporting the work of the charity Practical Action.

In our follow-up supplement in May 2007, Alan Rusbridger wrote: "Climate change is

one of the greatest injustices in the world today. The industrialised countries have grown wealthy while making life on our planet potentially unsustainable. In the underdeveloped south the changing climate is disrupting people's lives now – floods in Bangladesh are more frequent and ferocious, drought is shrinking the usable land in Kenya, glaciers are melting in Peru and temperatures are varying wildly.

"The poor of the world are most vulnerable to climate change: out of every 100 deaths caused by natural disasters in our time, 97 of them occur in developing countries."

Observer content

On February 4 this year, Allan Jenkins, the editor of the Observer Magazine, wrote: "The food we eat, where it comes from, how many air miles and poisons it took to produce it has become an all-consuming concern in our lives. Jamie Oliver tells us we have forgotten how to feed our children. Gordon Ramsay tells us we have forgotten how to feed ourselves. Nigel Slater tells us the only future for food is to support our local growers, grocers, butchers and bakers. In the spirit of this debate, the Observer Magazine has taken over an allotment for a year. We will clear it, compost it and grow our own organic fruit and vegetables. We will involve local schoolchildren and Observer readers. We will write about it, blog it, film it and eat from it."

The Observer allotment was a way of bringing the sustainability debate to life. Over the succeeding months, Allan and his team returned to the allotment, took pictures of themselves getting muddy, and enjoyed, literally, the fruits of their labours. From garden fork to dining fork, the journey was one recognisable to the reader, and one, through the internet, the reader could actually do themselves. At the same time it was making the wider point that everyone can start somewhere in effecting the change necessary to tackle the problem of sustainability in food production.

Such an approach has informed the way the Observer has seen its role complementing the Guardian's coverage of the issue of climate change, sustainability and biodiversity. Of course the newspaper has developed and reported in depth the broader issues: Juliette Jowit, the environment editor, and Robin McKie, the science editor, have lead the news agenda week after week.

In June 2007, the Observer Magazine's Ethical Issue detailed the winners of the Ethical Awards, the second year they have been given and voted on by a committed and increasing number of readers. From invention of the year – BioRegional Minimills (UK) Ltd, which makes sustainable paper from straw – to the school in Scotland which set up its

'The poor are most vulnerable: for every 100 deaths caused by natural disasters, 97 of them occur in developing countries'

Richard Evans, auditor, says:

●● An auditor who limits his work to verifying sets of data is likely to overlook the importance of materiality and the ways the company goes about its business. The Observer's approach to sustainability, described here, has focused very effectively on issues and actions that are relevant to its readers and encourage achievable changes in individual and public behaviour. ●●

own eco-council, each winner showed the difference practical action can make.

Across all sections, a similar attitude has prevailed. Every year the Observer Food Awards celebrate the best operators in the industry. There is also the Judges' Award for ethical contribution to the food industry which this year went to Friends of the Earth for their campaign to save the Sumatran orang-utan whose rainforest habitat is being destroyed by the production of palm oil, a widely used food ingredient.

Also in OFM, Nigel Slater, the Observer's food writer, has regularly written on the issue of sustainability and Alex Renton wrote an acclaimed investigation into coffee industry claims that they operate to fair trade guidelines. In Observer Woman Monthly, similarly, an ethical dimension has been witnessed in pieces on ethical shopping, ethical fashion and the work of ethical fashion leaders such as Katharine Hamnett.

"The main thing for both magazines, Food and Woman, is that we think ethical food and fashion is important and should be reflected in what we do," said Nicola Jeal, editor of the two magazines. "You could also say that as far as possible our buzzwords for OFM are ethical, seasonal and local."

The message on sustainability has fitted comfortably with the Observer's campaigning edge. In spring 2006 we launched with Amnesty the campaign for Freedom on the Internet, which led to a UN conference and questions in the House of Commons on threats to freedom of expression in the digital age. This year, to mark the campaign's first anniversary, we co-hosted a special webcasted conference with Amnesty. Leading internet experts and campaigners spoke and the campaign's website now has more than 73,000 supporters. Similar campaigns have now also been launched on Flickr and Protect Blogs websites.

With regard to issues of social justice, the paper has also campaigned to reverse the historically low conviction rate for rape, gain a better deal for parents with children with special educational needs and has led the way with a series of in-depth reports on Britain's judiciary. This year we also launched a campaign called Dignity at Home revealing how Britain's older people have been receiving less and less support for living at home, forcing them, often at great distress, into care homes or hospital.

The environment, sustainability and fair trade now make up an essential part of the Observer package. The issue is dealt with in a "can-do" way, aimed at not overwhelming the reader. It is focused on the individual. As such, it reflects part of the Observer's DNA.

Richard Evans, auditor, says:

●● The Bruntland Report's (1987) generally accepted definition of sustainable development: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs", makes clear that inclusiveness is fundamental. Our ambitions and aspirations have to be considered in light of millions of our present generation deeply compromised by economic and social inequality. Our sympathy is not enough and we should welcome GNM's continuing commitment to exposing injustice and analysing its causes. ●●

The Guardian and Observer have been criticised by readers over their coverage of certain types of holidays, but both have needed to strike a balance between encouraging green travel while reflecting the realities of what consumers want

Flying in the face of reader opinion?

Observer Travel

Climate change eclipsed animal rights last year as the issue most likely to feature in comments and complaints from Observer readers. In one instance, we received complaints after the travel section highlighted 10 of the Earth's most precious natural treasures threatened by climate change. Nine out of the 10 were accessible by plane.

"Is it not at best ironic that flying is helping to destroy just what we're being encouraged to fly to see?" was a typical comment.

The Observer's travel editor had acknowledged this from the start and wrote an accompanying article justifying why she had chosen to run the feature.

"We recognise the paradox," wrote Joanne O'Connor, "but while those of us fortunate enough to be able to afford the luxury of foreign travel agonise over our carbon footprints, the livelihoods of people in developing countries where tourism is often the backbone of the economy are also hanging in the balance ... Tourism has proved itself to be a powerful tool for encouraging local populations to protect their natural resources."

That argument didn't wash with some readers. "The hoteliers', guides' and trackers' income will vanish as soon as these 'wonders' become extinct," wrote one. "What on earth is the point of encouraging someone whose land is going to be inundated by the sea to think of themselves as its ecological guardian?"

Other readers thought the paper was encouraging a ghoulish fascination in



'Is it not ironic that flying is helping to destroy just what we are being encouraged to fly to see?'

doomed nature. "You make the lazy comment that it raises the issue. That's not good enough. Unless we start to make changes to the way we live, the planet is in unimaginable trouble. You have enormous power to influence your readership for the good. Please start to use that power."

The Observer does not have a policy of avoiding particular types of holidays or destinations, as such, but the travel section does aim to reflect the concerns and tastes of our readership. In the last 12 months we

DAVID MANSELL



Guardian Travel does cover ski holidays, but aims to strike a balance between downhill skiing, cross-country and other winter sports Photo: Corbis

have significantly increased the number of destination articles that do not require flights. There have been more high-profile features on rail-based holidays. There have been more UK and short-haul features, focusing on destinations that can be reached overland. As more and more hotels and tour operators wake up to the need to offer a sustainable product, so more of these types of holidays are becoming available and therefore we are able to feature more of this type of holiday in our section. We believe our readership is increasingly drawn towards low-impact, sustainably managed holidays and tourism projects, and we try to reflect this in our choice of editorial subject.

Rather than avoiding the subject of aviation and climate change as some travel sections do, the Observer has returned to the subject several times.

We were the first travel section to write about the growing band of aviation refuseniks – people who were choosing not to fly for environmental reasons – and were also the first newspaper travel section to raise concerns about whether carbon offsetting was an adequate response to the problem. The section returned to this subject as the cover story in July 2007, examining the current evidence about aviation and climate change and asking whether individuals stopping flying will actually change anything for the better.

Guardian Travel

Guardian Travel was the first national travel section to introduce a weekly green page and it continues to go from strength to strength.

Richard Evans, auditor, says:

“I welcome the travel editors of both papers’ willingness to be honest in this account about readers’ criticisms and responses of what they read. They have invested in responsible journalism, that recognises the demands of sustainability without getting preachy and losing sight of the reality that readers need and enjoy holidays! ”

The latest addition to our coverage is Kevin Rushby’s Grumpy Green column, which aims to tackle some of ethical dilemmas of travel but with a sense of humour. In his first column Kevin made it clear that he is not going to give up flying altogether. Naturally this prompted the odd letter asking how we can square having a green columnist who flies. Our view is that the column should reflect the way readers travel and the fact is the majority still fly. We are very conscious that we do not want to preach to readers or appear too worthy.

We are also introducing a regular column by Leo Hickman, the Guardian’s ethical columnist and author of *The Last Call*, which will look more deeply into some of the ethical issues surrounding tourism, such as whether there are too many safari lodges in Kenya.

Though we have a dedicated green slot, our coverage is not limited to that page. An awareness of environmental and social impact of travel runs throughout the section. We have regular UK features, many of which focus on green experiences such as camping, walking, wilderness courses and eco-friendly places to stay. We tend to avoid

large hotel chains, focusing instead on small, independent accommodations that are more likely to employ local staff and use local materials and food.

Our coverage of longer-haul destinations tends to focus on areas where tourism is relatively small-scale and benefits the local community, or low-impact experiences such as walking, cycling and wildlife safaris or lodges which work closely with the local community. A recent feature based on the TV series *Tribe* gave tips on how readers can have similar experiences. We were careful to recommend trips with reputable travel companies which we know manage the interaction sensitively. Nevertheless one reader accused us of insensitivity because we were encouraging tourists to visit fragile communities.

We do cover ski holidays although not as much as other national travel sections and we try to balance features on downhill skiing with those on cross-country skiing and resorts that are making some moves toward reducing their impact on the environment. The fact that Waymark, a specialist in cross-country skiing trips to the Alps and Scandinavia, has won the Guardian/Observer Award for best ski company three years running goes to show how popular this type of skiing is with our readers.

Above all we want the Travel section to be interesting, entertaining and inspiring, which means, of course, continuing to cover hotels and B&Bs – and holidays – that may not tick all the green boxes but which still tally with our commitment to finding small, independent, affordable and stylish places to stay and to visit.

Is the Guardian and Observer's coverage of motoring in conflict with our aim of promoting sustainability? Our auditor thinks so, but readers' views are mixed

Road rage

The issue of climate change throws up some interesting conundrums when it comes to our coverage of products that contribute to greenhouse gases. This is particularly true of our motoring pages in the Guardian and Observer.

In our latest readers' survey, 36% of Guardian and Observer readers felt that we have a responsibility to refuse to carry advertising for high emission cars such as SUVs (see page 28). But does that mean we should stop writing about these type of vehicles altogether in our motoring pages?

There have been few complaints about our current policy of writing about a broad spectrum of vehicles. Over the past year, 15 readers have criticised the Guardian motoring section about road tests of high emission vehicles, although the Observer motoring editor has not received any. The motoring correspondents of both papers see their role as primarily to entertain and do not expect their articles to be used as the sole basis on which to buy a particular car. They both emphasise "eco" cars and pay particular attention not to glamorise gas-guzzlers.

Guardian motoring correspondent Giles Smith reviews new models, from "eco" cars (the new bio-power Saab 9.3) to "dream" cars (Aston Martin Vantage); from everyday cars such as the Ford Mondeo to gas-guzzling SUVs (Cadillac SRX). Every review includes a car's CO2 emissions, and an eco-rating.

"I'm engaging with a sceptical audience," says Smith, "who are often hostile to, or even angered by, the appearance of a fast car anywhere in the Guardian. So I write sceptically, always challenging manufacturers' claims, avoiding glorifying cars, and acknowledging that a Guardian audience has mixed feelings about cars, but can't ignore them."

Hannah Booth, who edits the page in the Guardian Weekend magazine, says that the paper is currently reviewing whether to exclude certain gas guzzlers: "We do consciously try to include as many 'green' models as are available, because we know our readers – often fiercely environmentally aware – appreciate them. We are currently looking at ways of better reflecting the concerns and tastes of our readers, and are considering introducing an upper limit on the fuel consumption and emissions of the vehicles we review. In hand with this, we are now limiting the number of large SUV and 4x4 cars we feature, in favour of smaller models: in the next few months, we will



Observer motoring correspondent Martin Love gets to grips with a new Vespa Photo: Alex Maguire

'People are never going to stop using their cars but the ones we choose will have an impact on all our futures'

be reviewing the new Smart FourTwo, Fiat Bravo, Renault Twingo and Mini Clubman."

Observer motoring editor Martin Love says: "People love their cars and are never going to stop using them but the way we use them and the cars we choose will have a massive impact on all our futures and I always have this in my mind when choosing what to review."

"While my column is hopefully informative

and accurate, I do not intend it to be a motoring review as such but more of a humorous, non-macho, women-friendly, enjoyable lifestyle piece which gives you a flavour of the car and life on the road.

"I have a lot of feedback from the readers but very rarely any criticism of the vehicles I choose to write about."

"I am always aware that it is the Observer that I am writing for, so I believe the readers are ethically aware. However, I do not think that it would be interesting to only review eco-cars. I therefore will happily step into a Range Rover, but will be sure to talk about its fuel consumption, emission figures and environmental impact."

"I am also drawn to vehicles that have a story – the resurgence of Jaguar, the success of Aston Martin. Even though these vehicles belong to the least-sustainable class on the road (performance two-seaters), they also have a history and a timeless appeal that the readers want to know about."

"I take my chance to cover environmental issues, too. I have test-driven electric scooters, bicycles and bio-fuel cars. I have taken an eco-driving test and written about whether old cars should be scrapped or kept on the road (scrapped, I'm afraid). I also always put a vehicle's mpg rather than its top speed in the fact box."

Richard Evans, auditor, says:

☞ Would it be asking too much of the motoring editors to stop treating car ownership and use as a special case? It seems inconsistent to do so when a more holistic approach to sustainability is being adopted in news, science, economy and business coverage as well as other 'lifestyle' subjects. I would welcome some serious investigation on the part of GNM's motoring correspondents on readers' views on car ownership and use as well as alternative, more sustainable forms of transport. ☞

Case study Economics



Heathrow's new terminal five: economic boon or environmental bane? Photo: Ian Jones

Economics

There was a time when covering the economy was simple. Success was measured by size, so if growth of 2% one year was followed by growth of 3% the next, that was considered good news, while a fall to a 1% growth rate was deemed bad news. The judge and jury of economic policy was gross domestic product – the measure of how much a country produces in any one year.

Times change. Policy makers, businesses and individual consumers are now faced with the unmistakable contradiction between unbridled growth and the future of the planet. Building a new runway at Heathrow, for example, may bump up GDP by providing lots of new jobs and by attracting overseas tourists, but at what cost to the environment? The threat by climate change has eroded the old certainties of the economics profession; more is not necessarily better.

Reflecting this in what we write is not easy. On a daily basis, the government churns out economic data that allows journalists to gauge how well things are going according to the traditional way of measuring things. We know what happened to spending in the shops, to the output of factories, to the value of goods coming into and out of the country. Measures of mankind's environmental footprint are few and far between.

So what to do? We can't insist ministers change the way they think about climate change unless we do the same. Yet change is happening. First, we have recognised that we have to abandon a silo-style approach to economics. Clearly, economics does not exist in a vacuum, so when the government launched the Stern report into the economics of climate change in the autumn of 2006, it was seen as blatantly obvious that the story should be covered jointly by the Guardian's economics and environmental teams.

Second, we have tried to give a different slant to our comment pieces on the economy. We have written about different ways of measuring success, such as the Index of Sustainable Economic Welfare, which takes into account rising crime, environmental degradation and higher levels of depression to conclude we are no better off now than we were 40 years ago. The economics column is now just as likely to extol the virtues of solar panels as to call for lower interest rates.

This is a work in progress and it probably won't be complete until the Guardian runs a story saying that a fall in the economic growth rate is good news for Britain. The risk posed by climate change suggests that that day had better not be that far off.

Larry Elliott is the Guardian's economics editor

Richard Evans, auditor, says:

☞ If we fail to radically reframe our global economic system – and the 'western' model in particular – many, including Guardian and Observer writers, have argued sustainability will not be achievable. Larry Elliott has stated the case succinctly and mapped a trajectory for change in the paper's economic coverage. ☞

Sustainability is only one part of the Guardian's vision to become the world's leading liberal voice, says Alan Rusbridger. Continuing the independent, compassionate and frequently radical journalism that has been the hallmark of the Guardian over the last century will ensure its success in the next

Getting the message out

One of my favourite gizmos is a piece of software that can tell you for any given day where every reader of Guardian Unlimited is accessing the site from. On the day I write this, for instance, it reveals that the site has been read in 226 countries (are there really that many of them?) including Kazakhstan (1,660 readers), Mongolia (765), Burkina Faso (181), Kiribati (45) and Tokelau (2).

Sadly the program does not tell us whether our two readers in Tokelau were drawn by our exhaustive examination of the new X-factor line-up or our unrivalled reporting of the legacy of the six-day war, but it's a powerful reminder that the Guardian now has a global reach far beyond anything John Edward Taylor can have imagined when he founded a newspaper to "zealously enforce the principles of civil and religious Liberty" and "warmly advocate the cause of Reform".

Now, 186 years and some 50,000 issues later we can talk without fear of ridicule of seeking to become the world's leading liberal voice. But what does that mean, exactly? We understand the liberal bit well enough: it is about carrying on a tradition of independent, brave, compassionate, frequently radical journalism that goes back to Taylor via the paper's 90s exposure of Tory sleaze, its trenchant criticism of the Suez invasion and hugely unpopular condemnation of Britain's Boer war concentration camps. More recently it's about the extraordinarily courageous and clear-eyed reporting from Iraq of Ghaith Abdul Ahad and Sean Smith's searing images of the conflict there. It's about Sarah Boseley's relentless scrutiny of the shadiest corners of the international pharmaceutical industry and Felicity Lawrence's devastating

revelations about the way our food is produced. It's about David Leigh and Rob Evans hounding the bribers of BAE for the better part of a decade (see BAE case study opposite) and Declan Walsh laying bare the reality of the conflict in Afghanistan.

In the field of commentary, where Comment is Free has blazed a trail admired by newspapers across the world, it's about fielding the most persuasive and original liberal voices, but also about reflecting a diverse range of views – and increasingly, sometimes uncomfortably, allowing our readers to have their say too. A slew of awards this year, from columnist of the year for Polly Toynbee to the coveted Cameron prize for Ghaith, have offered a reminder, if one were needed, of the health of our journalism.

But just as Alastair Hetherington brought the paper to London in search of a wider audience, the second part of our goal is to make the Guardian the first port of call for liberal English-speaking people anywhere. And all the signs are encouraging: in August 2007 Guardian Unlimited was visited by nearly 16 million users, some 10 million of them outside the UK (see map, right). That represents an annual increase of over 20%, putting us at least on level terms, and arguably ahead, of US liberal media giants like the New York Times and the Washington Post. The Guardian's global appeal had already been recognised by a third successful

Now, 186 years and some 50,000 issues later we can talk without fear of ridicule of seeking to become the world's leading liberal voice



Detainees in north-west Iraq being led to a helicopter for questioning Photo: Sean Smith

Webby award for best newspaper on the web.

In the next phase of our development we will become a genuinely 24/7 news organisation, providing our journalism wherever and whenever our readers want it. And in the US, where there appears to be a growing hunger for our brand of independent, irreverent journalism, Michael Tomasky will seek to build from our already sizable beachhead with a new Guardian America site.

Our new strategy throws up no shortage of challenges: how to sustain the quality and energy of our print titles as we focus increasingly on the Guardian's digital incarnation, how to maintain our domestic edge as we take an increasingly international view of our audience, how we pursue a greater global audience while remaining true to our journalistic ideals. But it is an extraordinary tribute to how far we have come that not even our critics could brand our aim of becoming the world's leading liberal voice hubristic.



BAE systems

The major campaign by the Guardian's investigation team to expose the issue of bribery in the British arms trade culminated in 2007. David Leigh and Rob Evans have published scores of articles and travelled all over the world in the course of the last few years, in order to pursue the truth behind allegations that BAE Systems plc, the largest arms company in Europe, has been engaged in systematic corruption.

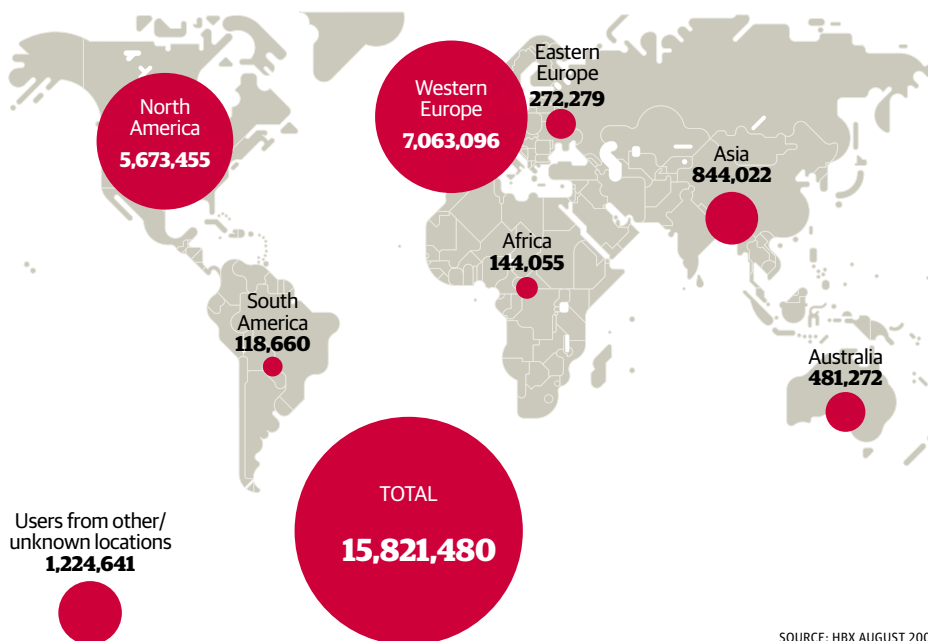
Leigh and Evans' work culminated in the publication of a pioneering website on Guardian Unlimited, called the BAE Files. Unprecedented in British journalism, it took three months to build. The site enables the Guardian's worldwide audience to access the originals of hundreds of documents, which have been obtained from government archives, use of the new Freedom of Information Act, and confidential sources.

The site contains a detailed history of Britain's involvement in overseas bribery for the past 30 years. It is also a multimedia platform, with video and audio clips of key players, picture galleries of the weapons involved, and interactive graphics pin-pointing worldwide weapons deals and offshore money trails. All this material is now freely available to other journalists and campaigners across the world who want to pursue their own investigations.

The consequences of the Guardian's work have been internationally seismic. As a result, prosecutors have launched criminal investigations in three continents, some of which have led to political uproar. In Britain, the then prime minister, Tony Blair, and his attorney general, Lord Goldsmith, came under widespread criticism when they forced a halt to Serious Fraud Office investigations into the sale of arms to Saudi Arabia. This followed pressure from BAE and the Saudi royal family.

The Guardian was able to reveal the facts behind these events. The paper disclosed in a series of front-page stories that the Serious Fraud Office had wished to bring charges against the chairman of BAE; that the police were on the verge of obtaining Swiss bank records linked to the Saudi royal family when they were stopped; and that the government had authorised the payment of at least £1 billion and the provision of a personal Airbus jet to one of the most prominent Saudi rulers, **continued on page 22 >>**

Guardian Unlimited unique monthly visitors



Case study Arms trade



The Guardian's story led to investigations into the sale of arms to Saudi Arabia. Armed guards in Saudi Arabia Photo: Associated Press

Prince Bandar bin Sultan, then ambassador to the United States. The newspaper's reporters disclosed that BAE stood accused of paying £1 million in secret commissions to former president of Chile Augusto Pinochet, who at the time was wanted in Europe on charges of torture and murder. And they also disclosed that a controversial radar sale to Tanzania, one of the world's poorest countries, had been forced through the Cabinet by the British prime minister despite the fact that secret commissions totalling 30% of the price had been paid by BAE into a Swiss bank account.

There have been four full-scale parliamentary debates into the Guardian disclosures, three brought by the Liberal Democrats and one by the Conservatives. Under the new Gordon Brown administration, political reforms now include the removal from office of Lord Goldsmith and a promise to protect the post of attorney general from future political influence. The new government has announced its intention to disband the arms sales department of the Ministry of Defence, whose role in past bribery had been spotlighted by the Guardian. They have also promised to give fresh priority to reforming Britain's inadequate corruption laws.

In Europe, the scandal has led the Organisation for Economic Cooperation and Development (OECD), which polices an international bribery treaty to which Britain is a signatory, to express its serious concern that the treaty has been breached, and to mount a special inspection of the UK in the coming year. The Swiss federal prosecutor in Berne has launched a money-laundering

The newspaper's reporters disclosed that BAE stood accused of paying £1 million in secret commissions to Augusto Pinochet

investigation into the use by BAE of Swiss banks and Swiss-based companies.

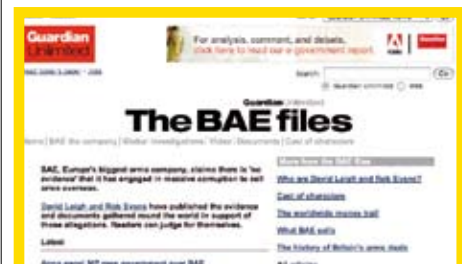
In the US, the disclosures led to calls for action, ranging from a protest by senator John Kerry of the foreign relations committee, to a leading article in the New York Times. Against British opposition, the justice department in Washington has now launched its own investigation into the use of the US banking system during the Saudi deals, under the US Foreign Corrupt Practices Act. Washington has served demands to cooperate on the UK government, provoking a fresh diplomatic crisis.

At the Hague last year, prosecutors met under the auspices of Eurojust. They came from Britain, Sweden, Austria, Switzerland and the Czech Republic, to forge a coordinated investigation into the Guardian's disclosures that millions of pounds in secret commissions had been paid to promote sales of the Anglo-Swedish Gripen fighter to the government in Prague. A parliamentary commission in Budapest has been set up to probe similar allegations in Hungary.

While investigations in Chile have been halted following Pinochet's death, prosecutors in Romania are pursuing the Guardian's allegations that £7m in a secret commission was paid to promote the sale

of two British frigates to Bucharest. And in South Africa, UK authorities are now seeking cooperation from the Pretoria prosecutors to probe the massive arms deal to sell a fleet of Hawk and Gripen aircraft there, in which it is alleged that the late defence minister, Joe Modise, received bribes.

At BAE, the chairman Sir Richard Evans has stepped down, and the company, while denying any wrongdoing or illegality, has been forced to appoint the retired Lord Chief Justice, Lord Woolf, to give a clean bill of health to the company's new anti-corruption procedures. It must be rare for a single newspaper's investigations to have brought about so many international consequences, and the paper's team received a special commendation from the British Press Awards for their initial work.



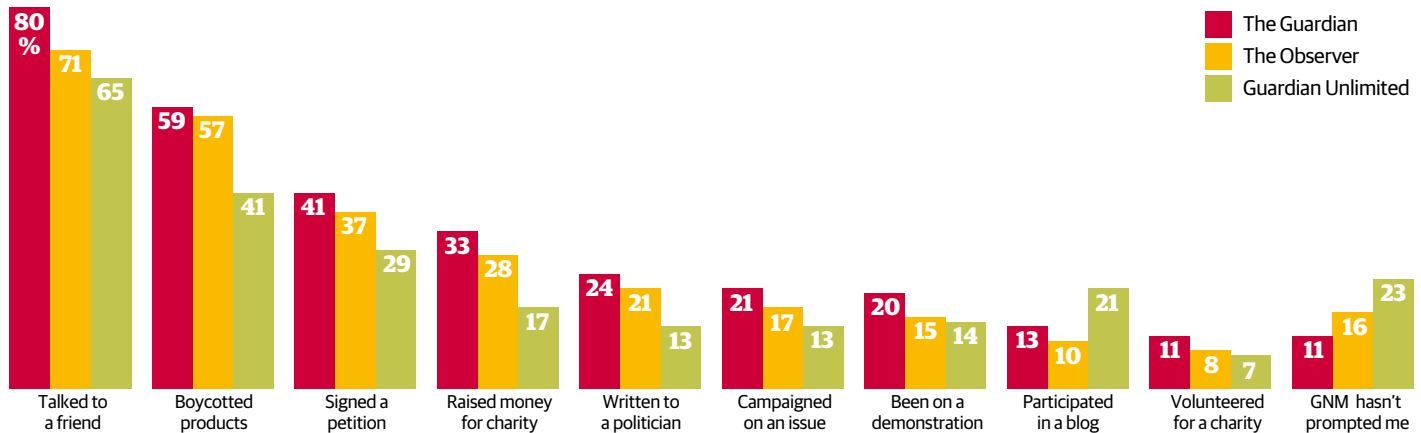
Richard Evans, auditor, says:

“I would encourage readers of this report to access the information on guardian.co.uk/baefiles for themselves. They are a remarkable record and testimony to a remarkable piece of journalism.”

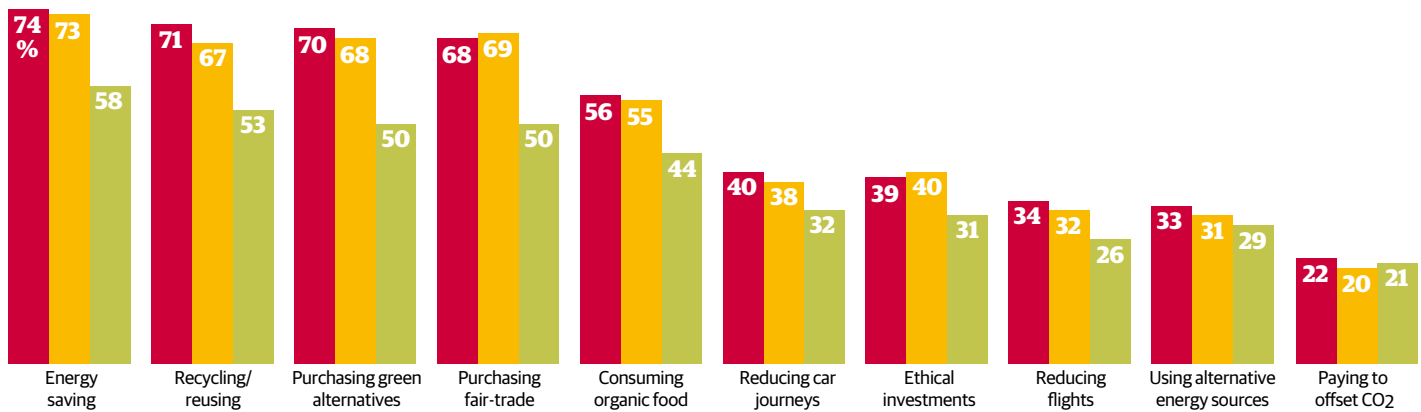
Impact on society

Reader influence

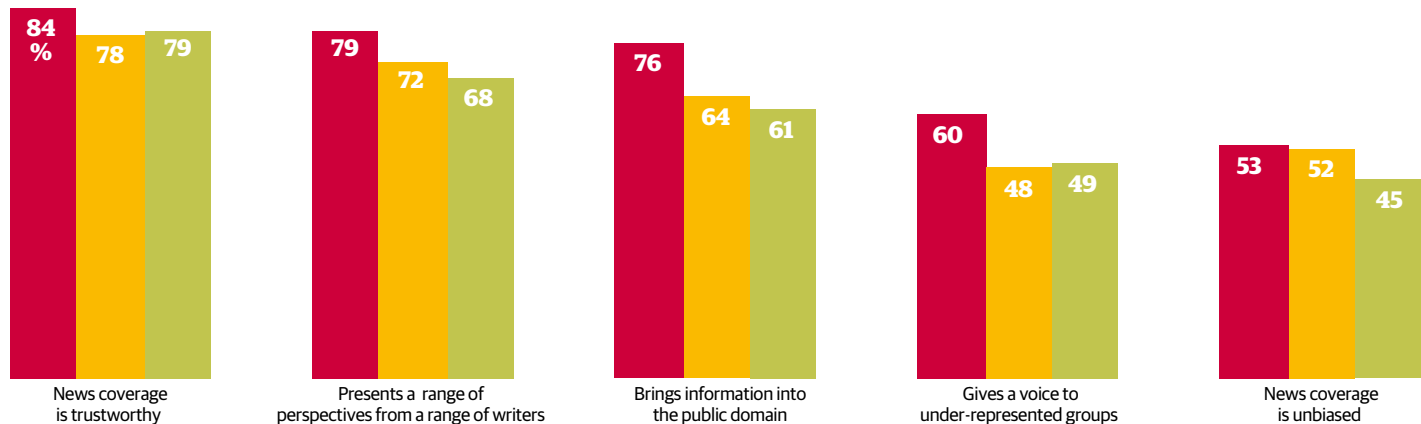
Readers who believe that our coverage has prompted them to play a more active role in society in the following ways:



Readers were asked to what extent they believed our coverage had influenced their behaviour in relation to the following. % indicates some/strong influence



Readers were asked to what extent they agreed with the following statements about our editorial coverage, % slightly or strongly agree



SOURCE: GNM READERS SURVEYS 2007

The Guardian and Observer were borne out of the Age of Enlightenment, the source of critical ideas, such as the centrality of freedom, democracy and reason as primary values of society. This desire to challenge the status quo and give people information and knowledge to become active citizens has not faltered. But while we pride ourselves on the breadth and depth of our coverage, do we actually have an influence on our readership?

To seek some answers we questioned more than 4,000 of our readers and web

users on whether they were more active in society as a result of what they read and saw in our publications and online. The results showed that 89% of Guardian readers, 84% of Observer readers and 77% of our website users believe our journalism has prompted them to take action in one or more ways, ranging from boycotting brands to writing to their MP or raising money for charity.

This is inextricably linked to data from the survey showing that the overwhelming majority of readers and web users trust our news coverage and believe we present them with a range of perspectives from a range of writers. More specifically, in the arena

of sustainability, our survey has shown for the third consecutive year we have had significant influence over people's behaviour in a number of areas ranging from saving energy and recycling to purchasing green alternative products. Large numbers are also being prompted to reduce flights and car journeys.

While our influence has grown in a number of categories among web users, over time it has declined among our newspaper readers in the areas of consuming organic foods and supporting environmental charities. This is likely to be due to respondents already having incorporated this into their lives.

Readers' editors

The past year has seen complaints from readers on issues ranging from MMR and its link to autism, to a leak about a secret plan from Iran to force the US out of Iraq

Our response ...



The Guardian

It is 10 years since the Guardian became the first British newspaper to have its own independent ombudsman.

When Ian Mayes took on the role of readers' editor, the number of calls, letters and emails reached just over 5,000 in the first 12 months. We like to think it is a measure of his success, rather than more mistakes, that has led to the total increasing in the past year to around 19,000. Published corrections remain fairly constant at around 1,600 a year.

Mayes stepped down in 2007 to be succeeded by Siobhain Butterworth, previously head of the paper's legal team. Liz Forgan, chair of the Scott Trust, says Mayes' work contributed "much to our claim to be guided by the values CP Scott laid down". This is backed up by the results of our survey which showed that 78% feel that the presence of a readers' editor makes the newspaper more responsive to their views.

Over the past year, the readers' editors on both the Guardian and Observer have become increasingly involved with the correcting process on the website. As a general rule, requests for the removal of articles from the online archive, such as older restaurant and hotel reviews, are refused in order to maintain the integrity of the archive, as far as possible, as a historical public record.

But there are exceptions. Articles are removed for legal reasons and occasionally on compassionate grounds, especially where children and vulnerable people are concerned. In one case, the parents of a disabled child were receiving hate mail from

people who disagreed with the choices they had made during the child's birth. Both reader's editors are working on devising a coherent policy for this issue.

One of the more controversial articles in the Guardian during 2007 was a front-page story with the headline "Iran's secret plan for summer offensive to force US out of Iraq". The readers' editor received more than 180 complaints, many of whom objected to the fact that the Guardian relied, primarily, on a single anonymous source, "a senior US official" and did not appear to show any scepticism about what it was told.

The readers' editor wrote a column about this: "The duty editor believes that the Guardian has a responsibility to be open-minded about information and that it should not have a preset attitude. The story was written by a respected and experienced journalist who has reported from Iran three times in the last year. The reliability and status of the primary source was also considered. He was highly placed, was not paid to talk to the press and had given accurate information before. One of the consequences of relying exclusively on anonymous sources is that the paper is, inevitably, asking readers to trust its judgment."

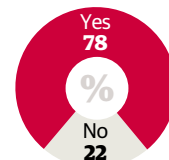
The readers' editor also considered that the article should have been presented differently. The headline had only added to the confusion. The absence of quotation marks suggested that the Guardian took the statements at face value.

One of the issues that comes up repeatedly is the use of offensive language. For example, there were two stories in the paper on November 22 2006 about an incident in which

Readers' views

Readers were asked if the existence of a readers' editor makes them feel that the paper is responsive to their views and opinions?

Guardian



Observer



SOURCE: GNM READERS SURVEYS 2007

US actor Michael Richards used the word "nigger" on stage. There were no complaints from readers but the readers' editor felt that because the issue generated vigorous debate on the editorial floor, it was worth airing and asked for readers' views.

Our Los Angeles correspondent, Dan Glaister, had spelt out the word in a news story, in accordance with the Guardian's style, but a feature by Joseph Harker used asterisks. Harker said he took the decision because "it is different to the many other racial insults there are against black people. Its history is rooted in slavery and it comes with a message of white supremacy and black humiliation."

Some 30 to 40 readers responded to a follow-up piece in the Open Door. Most thought it appropriate to spell out the word. One reader wrote: "You ask for our views. Mine is that your policy is absolutely right. Use this and other offensive words when reporting. Otherwise we do not get the full picture. If some readers are shocked – well, so they should be, as should we. That's the whole point."

SCIENCE PHOTO LIBRARY, GETTY

The Observer

Stephen Pritchard has been readers' editor of the Observer since March 2001. In that time he has dealt with some 40,000 complaints and queries from readers and published more than 1,600 corrections and clarifications.

One of the big changes during the year was the addition of a long-overdue clause to the Editors' Code. This was prompted by concern over "copycat" suicides. The clause says: "When reporting suicide, care should be taken to avoid excessive detail about the method used."

A case in point was a moving story in the Observer Magazine of a Liverpool lawyer who ended his life by throwing himself from the top of the city's Anglican cathedral. Some readers were distressed at the level of detail we gave and at the use of a series of photographs showing where he jumped. The piece also failed to add contact details for agencies which help people affected by the issues raised in such coverage, something the magazine acknowledged it should have done.

The Observer caused considerable disquiet within the medical and scientific community when it published a news report headlined "New health fear over big surge in autism" on its front page. The article disclosed details of an unpublished report by the Autism Research Centre, which, the paper said, showed that a statistical analysis of autism prevalence in primary schoolchildren in Cambridgeshire concluded that as many as 1 in 58 could be suffering from forms of the disorder, nearly double the presently accepted figure of 1 in 100. The piece said two of the report's authors believed that in a small number of cases the MMR vaccine could be linked to autism.

Subsequently, the paper published a lengthy clarification on the status of the report, its statistics and the position of Dr Carol Stott, one of the report's authors. The paper accepted that lower figures found in the report of 1 in 74 and 1 in 94 should have been included, and pointed out that Prof Simon Baron-Cohen, the director of the ARC, had subsequently said that the data was still being analysed and was therefore incomplete.

Dr Stott, who was described by the Observer as believing that there may be a link in a small number of cases between MMR and autism, subsequently posted a statement on the Observer's website, denying that she held these views. That statement was published in full as part of the clarification, along with an apology to Dr Stott for misrepresenting her.

The execution of Saddam Hussein



On New Year's Eve, the Observer's front page carried a picture of Saddam Hussein with a noose around his neck seconds before his execution. The following day, the Guardian carried on its front page a large photograph of the newly executed Iraqi dictator.

Hundreds of readers of both papers wrote to express their shock. Some Guardian readers accused the paper of being complicit in "pornographic ghouliness", of promoting "snuff pornography", and of making "an inexcusable error of judgment", while Observer readers described it variously as "endorsing execution as a form of entertainment" and "macabre voyeurism".

The seriousness of the issue led to both editors responding. Observer editor Roger Alton said this was clearly a vastly significant event and it was a newspaper's duty to report it: "I am not of the view that papers should conceal anything from their readers. It was an event which this country, its leaders, soldiers and people have been involved in. It was not the execution of a leader of a remote nation with which we have had no involvement."

Several readers were angry that children might be upset by the image. "Well, I take that point; perhaps that's true," said Alton. "I would not want to upset anyone gratuitously. But a newspaper is a grown-up thing, the matters it deals with are grown-up, and sometimes they will be shocking. Frankly, I feel that adults often shelter their own objections behind children's feelings and that's unpleasant. Children are on the whole much more robust in their view of shocking and violent things than grown-ups."

Alan Rusbridger, the Guardian's editor, wrote to

the 250 readers who had complained: "We thought long and hard about the use of the picture. Few would argue that the quasi-judicial execution of a former head of state was an insignificant event. Saddam was one of the most controversial political leaders of the past 50 years. Billions of dollars and thousands of lives have been expended in bringing about his downfall. Our own government has been in the forefront of seeking this outcome. The circumstances of Saddam's trial and hanging may prove to be of great consequence within the region and beyond. So we were satisfied that this was a news event of considerable importance."

"Both the occasion and the image we published were, in the eyes of many, repellent and shocking. But it seems to me that newspapers tread a dangerous course when they shy away from such material simply because of its unpleasant nature. A newspaper which retreats from reporting the cruelest realities of the world is, in an important sense, retreating from its duty of bearing witness."

Fifty people responded saying they were dissatisfied with Rusbridger's response. The readers' editor sought comment from Guardian journalists who were divided almost equally, with a slight overall majority believing that it was wrong to use the photo either on the front page or inside the paper. Their views closely reflected the objections raised by readers.

The readers' editor concluded in a column on the subject that when we take predictably controversial decisions we should include an explanation at the time of publication. "That, I believe, is what the Guardian should have done on this occasion," he wrote.

Richard Evans, auditor, overall assessment of editorial section

●● The consistent theme throughout this section of the report on the journalistic output of Guardian News & Media is that sustainability now has to be explored and incorporated into news coverage, economic analysis and lifestyle issues. It is no longer merely a subject of scientific and political interest confined to the environment pages, opinion columns and occasionally political analysis.

Two aspects of this are striking. Firstly, the chapter opens not with trumpeting the papers'

scoops or with bemoaning the difficulties of maintaining circulation, though both these are essential for the papers' and website's vitality. It opens with a sober statement that editors have "a very great responsibility to cover the issue of sustainability thoroughly and continuously" since these matters are "by far the biggest issues we are facing today."

The second striking aspect is that Guardian News & Media papers and website tackle many aspects of readers' individual choices and

behaviour that can contribute to greater sustainability as well as the larger global scientific, political and economic issues.

Most importantly, this report gives a detailed account of the considerable resources specialising in reporting on sustainability issues and the evidence that sustainability is part of the entire journalistic culture of the organisation. It has avoided aspirational rhetoric and reports what has been achieved already and what must be achieved in future. ●●

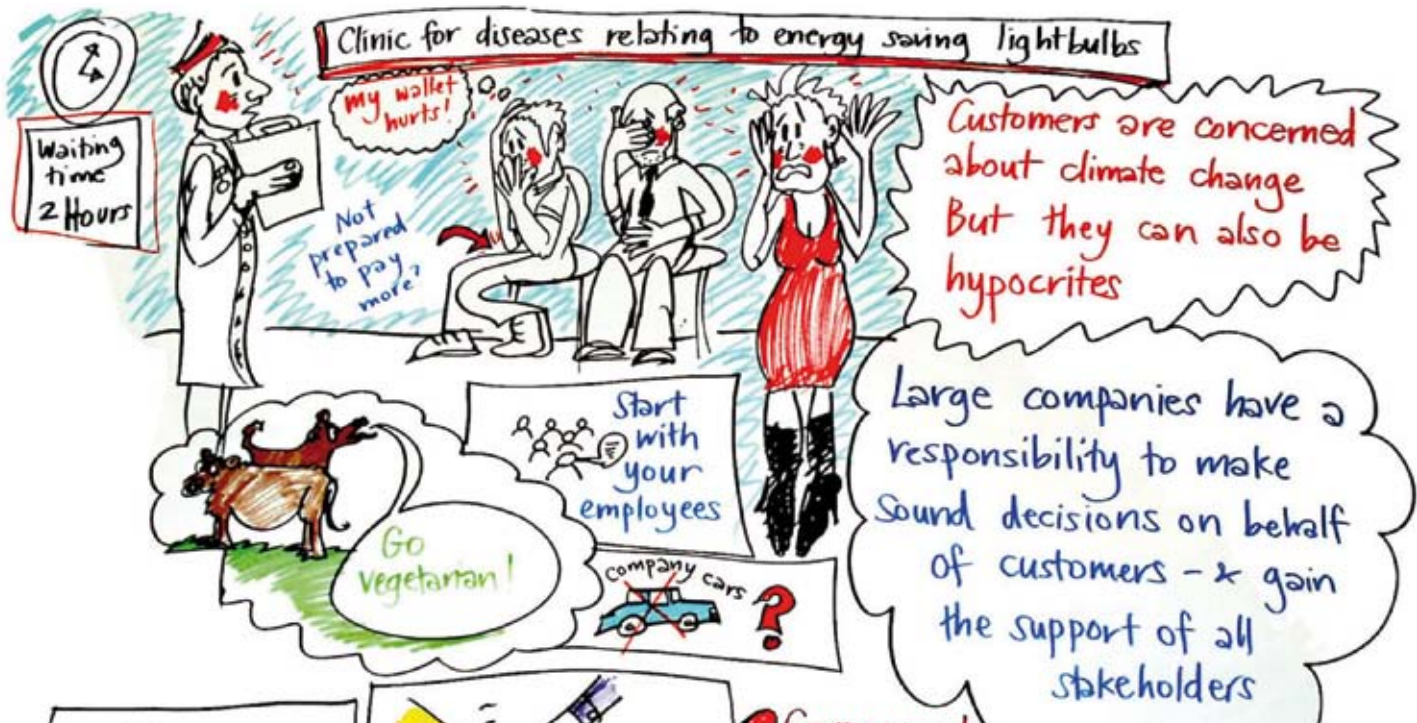
Commercial

Our vision

Guardian News & Media's reputation puts us in a strong position to benefit from the growing trend of businesses moving toward a more sustainable future. We will support our large existing clients in this endeavour as well as enable small and emerging companies to develop their markets. We recognise that tensions can arise between our need for advertising revenues to sustain our business and being a medium for promoting consumption. Our role is neither to hector our readers nor to censor on their behalf. Our editorial coverage informs and influences our audience in their choices. We will work with our readers and users to gain a deeper understanding of what products and services they want in this area, and use this knowledge to engage with our advertisers and sponsors on the issue of sustainability.

Greenwash fatigue

Consumers are demanding genuine action from businesses on sustainability and GNM initiatives, such as the Climate Change Summit, are helping them achieve it



Cartoonist Pen Mendonca covered the Climate Change Summit, and here depicts the many sides of the debate gathered under one roof

This is the beginning of an interesting and dynamic journey for the commercial departments as we look at how to implement our commitment to become a successful sustainable media company.

We recognise it will neither be easy nor quick, and answers rarely present themselves in simple black and white terms.

Our first step has been to become the first media organisation to employ a full-time commercial sustainable development manager. The creation of the post was the result of our work with Forum for the Future (see page 8). **New targets >>**

This will help build our knowledge and help us to understand both the issues and the opportunities. We will be able to provide market-leading consultancy in sustainable development to our staff and customers, ensuring that we inform and influence our advertisers, recruiters and suppliers. We feel that engaging with our clients is a much more creative way forward than going down the route of banning certain categories of advertising.

By working across our advertising, recruitment, and reader offers departments, we hope to generate new revenue streams, as well as coordinating and monitoring

sustainability-focused activity from existing advertisers across our various departments.

New targets >>

One of the key activities during 2007 was to commission a piece of ground-breaking research exploring the true extent of green consumerism in the UK. Produced in association with Henley Centre HeadlightVision, this piece of quantitative and qualitative research investigates levels of green behaviour across different segments of the population, and will help clients, planners and creative designers on a range of subjects, including who they should be talking to and how they should be saying it.

For example, the research clearly showed a distaste of consumers for "greenwash" and that companies should only promote their sustainability credentials if they can fully back them up. The research and associated planning tool are being made freely available to agencies and their clients.

Our business-to-business division, Guardian Professional, is planning a number of initiatives in the sustainability field and in 2007 ran the first ever Guardian Climate Change Summit. Although there was considerable controversy around the event, both internally and externally, around our sponsorship from Shell, in

Richard Evans, auditor, says:

●● The appointment of a commercial sustainability manager is a positive move by the company. I also welcome the green consumerism research and the way it is being used to raise awareness among Guardian clients. It could be a significant contributor to cooperation between the company and its advertisers to encourage more sustainable consumerism. I will expect a report on its impact on client relations and advertising in the next Living Our Values report. ●●

the end it proved a huge success, for both sponsors and delegates.

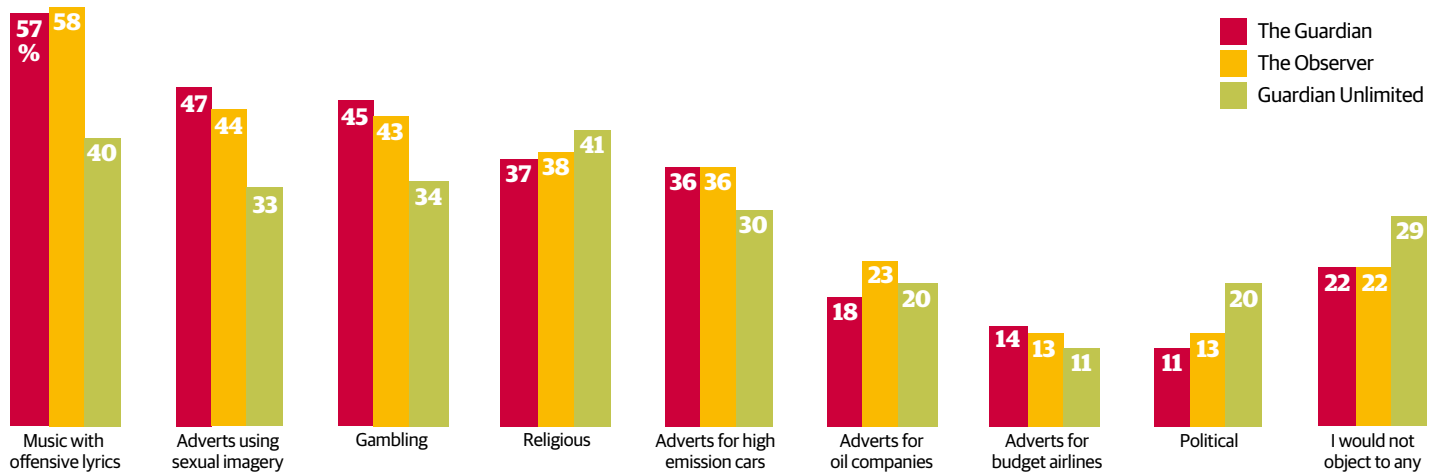
The diverse range of speakers demonstrated that all "sides" of the debate could be gathered under one roof to exchange experiences and views with utter directness, but no rancour. Policy-makers, too, benefited from hearing from green groups speaking on the same platform as corporates.

High-profile speakers included keynotes from Ken Livingstone, Sir David King and Jonathon Porritt, who covered strategies for mitigating climate change, and for business and public service delivery success in a low carbon economy.

Case studies Advertising

Advertising

Percentage of readers who think we have a responsibility to refuse to carry the following types of advertising



SOURCE: GNM READERS' SURVEYS 2007

A question of choice?

The Guardian's own columnists and readers have been engaged in a complex debate over whether certain categories of advertising should be restricted

The Guardian has a long tradition of allowing our own columnists to criticise various aspects of our coverage or business activities within our own pages. Simon Jenkins wrote a piece in May 2007 accusing the paper of not making clear that a special section had been paid for by the government's housing market renewal partnerships (see facing page).

Our environmental columnist George Monbiot raised a more fundamental issue. He was accused of hypocrisy by the campaigning website Medialens, for writing for a paper that carries advertising for products and services that damage the environment. He responded by writing a column in August 2007 that called on readers to lobby the Guardian and other newspapers to drop certain advertising categories, such as high-emission cars and direct adverts for flights.

He wrote: "I write all this with the blush of the hypocrite, for I have been forced to concede that I too am complicit in the strategies of corporate power.

"You cannot open a newspaper without being confronted by a host of incongruities. Yesterday, the Telegraph urged people to share their car journeys as 'a simple way to lessen your carbon footprint'. Beside this exhortation, and at six times the size, was an ad by Ryanair for £10 flights to France. Johann Hari in the Independent urged people to join the climate campers at Heathrow, then that newspaper pressed its readers to take advantage of its own special offers – to fly to Spain, Kenya or California. The Guardian led on its story about the government's

renewables policy, then ran an ad for renewable energy by E.on, which (in view of its plans to build new coal-burning power stations) looks to me like greenwash."

"Newspaper editors make decisions every day about which stories to run and which angles to take. Why can they not also make decisions about the ads they carry? While it is true that readers can make up their own minds, advertising helps to generate behavioural norms. These advertisements make the destruction of the biosphere seem socially acceptable. If there is a case for banning ads for tobacco and unregulated gambling sites on the grounds of the social harm they cause, then there is a stronger case for blocking ads that promote the greatest social hazard of all."

Monbiot's column drew a number of responses when it was posted the same day on the Guardian's Comment is Free site, with many different views expressed.

One wrote: "Brave piece, George. Always difficult to bite the hand that feeds you. But sad to see from their comments how little real thinking the Guardian has done on this matter. How can a newspaper maintain its independence and offer real coverage of environmental concerns (the key issue of our times) when it relies on the polluters' money to survive?"

Another offered a very different view: "I would suggest that George give us Guardian readers a bit of credit. We do read the editorial (including his columns) as well as the adverts (actually I can't remember the last time I consciously read an advertisement for a car/flight/oil company) and as we still live in a free society I think we are pretty

much able to make up our own minds about what individual actions we can undertake to reduce our carbon footprints. I find the implication, that we'll see an ad for a cheap flight and, like a bunch of lemmings, rush out and book it, patronising. I fear that the real world and real people (including readers of the Guardian) are a lot more complicated than George and his friends would like to think."

Even before Monbiot's piece, we had carried out research asking more than 4,000 readers of the Guardian and Observer, and users of Guardian Unlimited, whether we have a responsibility to refuse to carry a number of categories of advertising. While a third objected to adverts for high-emission cars, only around a fifth were unhappy with promotions for oil companies, with even fewer criticising those for budget airlines (see graphic above).

Far higher on people's register of concerns were music with offensive lyrics, adverts using sexual imagery and those promoting gambling. Furthermore, over a fifth of our newspaper readers and nearly a third of web users did not object to any of these categories.

The issue of advertising has, over the past year, been the subject of much debate by

'I find the implication, that we'll see an ad for a cheap flight and, like a bunch of lemmings, rush out and book it, patronising'



An E.On coal-fired power station, whose advertising has been questioned Photo: David Sillitoe

senior editorial and commercial executives within Guardian News & Media, and has been acknowledged in the sustainability vision we drew up in partnership with Forum for the Future, which stated: “We recognise that tensions can arise between our need for advertising revenues to sustain our business and being a medium for promoting consumption. Our role is neither to hector our readers nor to censor on their behalf. Our editorial coverage informs and influences our audience in their choices.” (See page 6 for full vision.)

Quality newspapers generally are suffering from losses in circulation and profitability and the simple fact is that all media organisations that are not state subsidised are built on an economic model that relies on advertising, and without it we would all go out of business (see page 30).

Alan Rusbridger, the Guardian’s editor, says: “It is always useful to ask your critics what economic model they would choose for running an independent organisation that can cover the world as widely and fully with the kind of journalism we offer and I am yet to meet a single critic of the purist variety who is even interested in answering the question let alone offering a sensible answer. Their general response is that it is up to you.”

“But it is a really serious question because someone has to pay the salaries of George Monbiot, our environment correspondents John Vidal and David Adams, and keeping our 30 foreign bureaux open in parts of the world that have no commercial rationale.

“And of course there is a compromise. There is a very good passage in Francis Williams’ ‘Dangerous Estate’ – the 1958

classic history of the press in Britain – about how it was advertising by ‘men of commerce’ which effectively set the British press free.

“If you don’t have this kind of financial underpinning of journalism, you will have to return to state subsidy or have much smaller circulations and will be bought by people of wealth. That is not a desirable situation.

“The journalism we do matters much more than the advertising. That is obvious. That is why the PR industry exists and why people try to buy space nested in the journalism context. As long as the journalism is free and we allow George Monbiot to criticise us, and we feel free to criticise the people who advertise, that is more important than the advertising.”

Richard Evans, auditor, says:

“George Monbiot is well known to readers of the Guardian for his provocative and thought-provoking columns. Publishing his critique of the Guardian’s advertising gives real credibility to the paper’s claims to be both liberal and self-critical and to its commitment to ‘a radical reframing of every issue’.

Alan Rusbridger’s response is very clear in showing that the issues are complex. The case is well made that the continuation of a powerful and authoritative voice on sustainability issues is the priority, even if it involves compromise when it comes to accepting advertising. I welcome the representation of readers’ views in this account and the appointment of a commercial sustainability manager, mentioned elsewhere in the report, to work with the paper’s customers. ●●

New commercial targets

- Create a full time position within commercial to develop and implement a commercial sustainability strategy.
- Identify and understand commercial revenue that can be attributed to “sustainable” advertising.
- Work with new and existing commercial suppliers to raise awareness of our sustainability vision and ensure that all future tendering processes include a sustainability element.
- Ask our flight offer suppliers to ensure that all future flight offers advertised in our publications will include a voluntary carbon-offset.
- Investigate future potential green partnerships.

Sponsored supplements

The Guardian and Observer are publishing editorial guidelines for its sponsored supplements. All newspapers run supplements that are paid for by third parties but we believe we will be the first to give readers, as well as sponsors and journalists, a reference explaining how these sections are commissioned, written and produced.

Some may ask why we produce sponsored supplements at all: the answer is that they are an important source of revenue and allow us to explore, in more depth than editorial budgets would otherwise allow, topics that we hope are of interest to readers.

But the involvement of a commercial or government organisation in editorial work can be tough to explain to readers and journalists, which is why we decided to formalise the guidelines. Soon after our work began, Simon Jenkins, in one of his Guardian columns, attacked a supplement about inner-city regeneration, sponsored by the government’s housing market renewal partnerships. Jenkins accused the Guardian of disguising PR as journalism and failing to properly label the report as an “advertising supplement”.

Following his column, he told the Evening Standard, “I can’t think of any other paper on Fleet Street that would run so self-critical a piece. It stands to its credit.” He was also quoted in Press Gazette, saying: “It’s to the paper’s credit that it published the piece. It’s difficult. I know, I’ve been in that position.”

The piece did indeed contain a lot of criticism, not all of which was accurate, as a correction to the article explained the following day. Jenkins’ broadside proved beyond doubt the necessity of having a clear set of guidelines: if one of our own writers, and a distinguished former newspaper editor, wasn’t clear about these supplements, how could our readers be?

The guidelines require that all associations are made clear in the masthead and that we state clearly who paid for the supplement. The guidelines are being published online. [>>](http://guardian.co.uk/supp-guidelines)

Richard Evans, auditor, says:

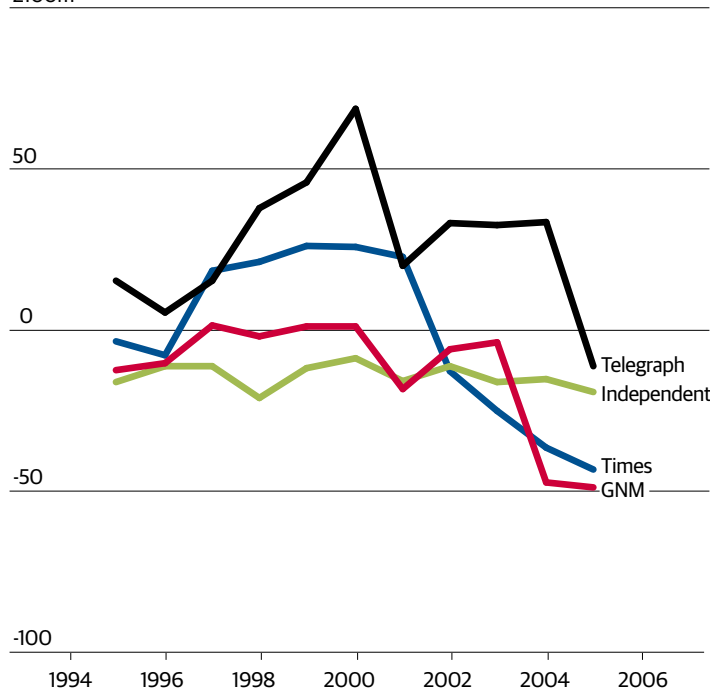
“This is a helpful clarification and the transparency required by the new guidelines for these publications is most welcome. ●●

Commercial realities

Profits and revenue of the quality press

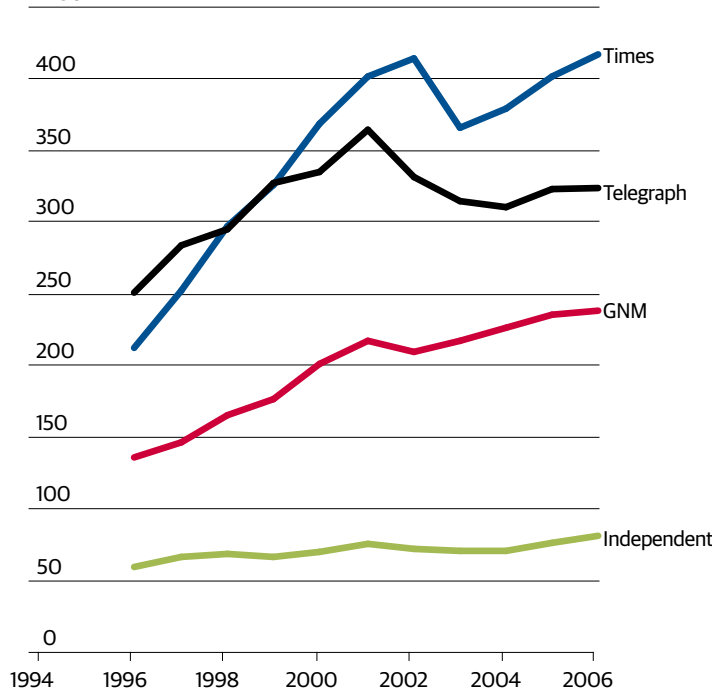
Quality press profits after exceptional costs, £m

£100m



Quality press revenues, £m

£450m



SOURCE: COMPANY ACCOUNTS

Economic challenges

Editorial independence comes at a price. But despite operating losses and changing audiences, GNM's revenue base and reader growth remains strong

It's all very well having a sustainability vision, but it would present enormous challenges for us to implement it across the entire company unless we remain commercially and financially strong.

The commercial environment remains challenging for all UK newspaper publishers and will continue to be so for the foreseeable future. Although the combined turnover for the four quality press houses tipped the £1bn mark in 2005, the latest date for which information is publicly available, the costs of competing across the two fronts of newsprint and digital meant that combined losses, after exceptional costs, totalled £128m.

Declining profitability is a fact of life for newspaper publishers throughout the western world and although the pace and scale of change may vary by country, the drivers of change remain the same. Fewer people are buying newspapers on a daily basis while increased numbers are accessing their news online or deciding that free sheets are "good enough" to fill their journey time.

Advertisers, too, are redistributing their spend as audience behaviour changes; in 2006, UK advertisers for the first time spent more money online than they did in national

newspapers. Although GNM's operating loss, before exceptionals, improved in 2006/07 to -£15.9m (-£19.3m in 2005/06), we clearly need to develop and adapt our business to deliver true sustainability within this new environment. The Scott Trust and GMG provide an enviable framework of support but we are still required to play our part, as the Scott Trust states, as "a profit-seeking enterprise, managed in an efficient and cost-effective manner" (see GMG section opposite). This means we need to deliver an appropriate cost structure while also achieving growth in revenues across the business as a whole.

Sustaining success in the UK newspaper market remains a critical goal, as this is where the majority of our revenues are earned today and will still be earned in three years' time. However, with our traditional revenue

Sustaining success in the UK newspaper market remains a critical goal for GNM, as this is where the majority of our revenues are earned

streams of circulation and advertising under pressure, we will have to fight harder than ever to deliver this growth and to hold market share for our printed papers. Format change has reinvigorated the quality market in recent years and for GNM the shift to the smaller format has helped both the Guardian and the Observer to grow share across the week and to increase the number of copies sold at the weekend, against the trend for the market as a whole. The same is true in the display advertising market where GNM's revenue growth has far outpaced market growth since we changed to the Berliner format, mainly as a result of going full colour and advertisers liking the new smaller size.

Digital growth both in the UK and abroad is critical to our future success. In 2006/07, digital advertising contributed 13% of total ad revenues, marginally above the Association of Online Publishers industry average. With an increase of 60% year on year, this is by far our fastest growing revenue stream.

Through our website Guardian Unlimited we have attracted new audiences and advertisers but we have also deepened our relationship with existing readers and advertisers and we spent time last year researching both these strands.

Commercial realities



In an industry first, we researched the size of our total audience reach in the UK by looking at duplication between the Guardian, Guardian Unlimited and the Observer. From this we have been able to demonstrate that one in 10 UK adults (over five million people) access our content during an average week (see graphic opposite). The importance of Guardian Unlimited's role in this is evident from the fact that 26% of our online users do not read either of our papers, by far the highest uplift across the market. What this means is we are now reaching an extra one million people with our content and therefore achieving one of our core aims of gaining a much greater reach for our independent liberal journalism.

Beyond our traditional UK base, there is now our broader global vision for GNM to be the world's leading liberal voice and broader commercial opportunities to realise on the back of this. Just as global, digital competitors have come into our market, we in turn have entered theirs. Guardian Unlimited's international success means we have more people reading and engaging with our content in New York and Washington than we have in Birmingham and Edinburgh. We know that our international readers value our balanced, international and independent perspective together with the energy and interaction of Comment is Free and we now need to build our international strategy around this.

So while this is a challenging time for GNM commercially, it is also an expansionary time that is full of possibilities for growth. Our goals for 2007 reflect the need for change across the organisation but also emphasise the things that must remain – our reputation for innovation, quality, trust and integrity.

Richard Evans, auditor, says:

☞☞ GNM has committed itself to a new vision of promoting sustainability while at the same time expanding its UK and global reach in a way that is compatible with that vision. In this explanation of the real and constantly changing challenges and opportunities, we are given an unusually frank insight into the issues that face the directors and owners. While many organisations would regard this as commercially sensitive information GNM has been true to its commitment to ensure that its readers, customers and staff are kept fully informed. ☞☞

UK weekly audience

Total by newspaper group

Times, Sunday Times, TimesOnline

6,962,000
(15%)

Telegraph, Sunday Telegraph, Telegraph.co.uk

5,945,000
(12%)

Guardian, Observer, Guardian Unlimited

5,023,000
(10%)

Independent, IOS, Independent.co.uk

3,077,000
(6%)

1,348,000
(3%)

Financial Times, FT.com

SOURCE: GNM AD PLANNING; GNM TOTAL AUDIENCE RESEARCH 2007 (WAVE 1)

GMG

In order to allow the Guardian the opportunity to pursue its high ideals, the Scott Trust has through the Guardian Media Group built up a series of profitable media businesses over the past 30 years.

GMG runs a portfolio of profit maximising businesses – Trader Media Group, radio, regionals and a new property division – with the sole aim of securing the editorial and financial independence of the Guardian. Over the past four years, GMG has invested £240m in GNM and will continue to invest in the financial year ending March 2008 to cover losses and fund digital expansion.

Guardian editor Alan Rusbridger calls the arrangement “almost a miracle. We, as journalists, are free to produce what we hope is a great newspaper along the lines that we – and we alone – determine. And over us is a benign presence that will make sure that, within reason, we have the resources to do what we all believe in. There is no proprietor or conventional corporate structure telling us what to think. Our only relationship is with each other – and with the readers.

“For the arrangement to work, both bits of the organisation need a fairly subtle understanding of the unique nature of the deal. Guardian journalists appreciate that the rest of the company is run on tough, commercial lines, both in terms of profit expectations and rewards. And our colleagues in the other divisions show an understanding that, constitutionally, legally and morally, they are there to support liberal journalism at its best, the production of which may not

‘Over us is a benign presence that will make sure that, within reason, we have the resources to do what we all believe in’

always conform to how you might behave were the market alone to rule.”

GMG made a pre-tax profit of £97.7m (£66.4m) in the year ending March 2007 on turnover slightly ahead at £716.1m.

Chief executive Carolyn McCall says that in order to support the Guardian's ambition to become the world's leading liberal voice, the group “will need to diversify our revenue streams, both through careful investment in acquisitions and by continuing to transform our existing businesses.”

A key plank in this restructuring was the sale of a minority stake in Trader Media Group, which valued the company at £1.35bn.

Richard Evans, auditor, says:

☞☞ Guaranteeing the editorial budget is a remarkable commitment. This fuller explanation of the relationship of GNM to the Guardian Media Group is helpful. It might be enhanced in future reports. Since “colleagues in the other divisions show an understanding that, constitutionally, legally and morally, they are there to support liberal journalism at its best”, GNM, I believe, has a duty of accountability to these stakeholders that might be served by comments from managers from other divisions on GNM's performance and its reporting. ☞☞

People and change

It would be impossible to keep pace with the revolution in the media industry without radical changes to the structure of our company. Guardian News & Media needs to transform itself from what is still a largely print-based UK newspaper company operating 16 hours a day, six days a week into a digital media business offering text, pictures, audio and video 24/7 to an audience across the world.



Our ownership structure has insulated us from the repeated cycles of reorganisation and redundancies that many public companies are subjected to. While this has given us a strong and stable foundation from which to build innovative products, it has created an internal culture that is not accustomed to such a fundamental re-engineering of the business.

This was one of the key reasons behind appointing Tim Brooks, only the second externally appointed managing director in the company's 187-year history. His programme of change, begun by his predecessor, is involving some painful decisions, such as making redundancies in areas where business is shrinking and cutting any duplication of activities to become more efficient and be able to adapt quickly to market changes.

Brooks, who joined GNM in September 2006, says: "The prize is not a more efficient organisation but our ability to continue the transformation of this business from a simple newspaper company a decade ago to being a genuinely international digital business that has every prospect of surviving the 21st century as it survived the 20th century."

"The changes we are going through now are the most fundamental that the company has gone through since the move from Manchester to London at the beginning of the 1960s. Staying still is not an option. In corporate life you are either moving forwards or backwards."

"We need to adjust our costs in respect of our newspaper publishing operation to match the fact that, like our competitors, revenues

are under pressure and declining in some key areas. At the same time we must make sure the organisation is sufficiently resourced to take advantage of the explosive growth in the digital business.

"So, although some members of staff may see this period as one of redundancies, we have in fact increased our staff numbers over the past year from 1,550 people to around 1,700. That is, in part, the result of taking over our London printing operation, which is a significant step to take, but also because we are adding people in the digital area at a very significant rate."

"The objective of the Scott Trust is to preserve the Guardian in perpetuity, but it is also to ensure that it is a profit-seeking enterprise managed in a cost-efficient manner. We can't just settle for the 'in perpetuity' bit and ignore the cost efficiency, because they go together."

The board of directors signed up to a number of structural principles when it engaged consultants to review the commercial operations (see box above). One was that wherever possible the company should do things "one time and in one place". A good example is software development.

Richard Evans, auditor, says:

●● The emphasis that Tim Brooks places on the transformation of GNM into a successful international digital business, rather than merely increasing efficiency, is important. Efficiency often translates as cost reduction to maintain or increase returns to shareholders. This is about being 'fit for a re-envisioned purpose'. ●●

Restructuring principles

- The Scott Trust values must not be compromised in any way
- Editorial independence must be retained at all costs
- Activity/processes must take place at one time, in one place and have one single point of accountability
- Bureaucracy must be kept to a minimum
- Decision-making should be pushed as deep as possible into the organisation
- People must be treated with respect
- GNM must retain its status as a "good employer" at all times
- We should work across as few technology platforms as possible
- There should be no discrimination of any kind and diversity should be celebrated
- There should be no fear of failure
- There should be a visibility and transparency in how we do business
- Where practical and possible, any redundancies should be achieved through voluntary means

This was being carried out in a number of areas, but would benefit from being centralised to enable the sharing of resources and learning.

Brooks points out that unlike the approach of many other companies, there were no top-down targets imposed anywhere and senior management in each department did their own work on the right size and shape of their areas of the business. The whole process has been managed through a weekly committee.

While a great deal of reorganisation has already taken place across commercial departments, the most fundamental change will be within editorial. The restructuring will not involve any cuts to the annual editorial budget of more than £70m, which allows us to employ more than 600 journalists and many more freelancers.

Richard Evans, auditor, says:

●● Guaranteeing the editorial budget is a remarkable commitment. It would help readers to put it in context if it were possible to provide some comparison with other UK newspapers and media organisations. ●●

The restructuring will, however, involve a greater level of integration of editorial resources, which are currently split across our three main products, the Guardian, the Observer and Guardian Unlimited.

Guardian editor Alan Rusbridger says: "With the ability now to produce digital graphics, video and audio, we have new and powerful ways of telling stories and holding debates. But we are not efficiently or sensibly structured for the world we are moving into. We still more closely resemble a newspaper but the web is much more fragmented, with a variety of audiences who require subject matter in different depths and different temporal zones."

"We are not very good yet at tapping into the whole web 2.0 community stuff or at producing large amounts of video and audio."

Staff engagement



A cross-section of staff taking place in the Chase Corporate Challenge Photo: Graham Turner

“This is, in part, because we are not very good at putting our heads together and pooling our resources, which are the envy of most media organisations in the world.

“There is a huge revolution in journalism and how people want to consume news. It is happening now. We can all argue about how permanent some of these changes will be. But on any assessment of risk, we would be mad not to take this extremely seriously and to make sure the resources we allocate are sufficient to the digital challenge being faced by all media companies right across the spectrum from music and film to publishing and news.

“As if that is not difficult enough, we have to do that at the same time as maintaining the traditional print presence when the investment demanded of us means we cannot lay on infinite extra resource.”

While the need to change is being driven by technological advances, GNM is also under intense time pressure because of a planned move to new offices in King's Cross by Christmas 2008 (see page 46).

This is a complex process at the best of times but made more difficult by the need to know, ahead of the move, exactly how the various commercial and editorial parts of the business will be organised and relate to each other in the future.

‘There is a huge revolution in journalism and how people want to consume news. It is happening now’

Staff consultation

Read any book about change management and it will focus on the critical importance of communication and consultation with staff. GNM's liberal values mean the company has always approached change through an iterative process rather than solely a top-down approach. Last year a commitment was made to consult with editorial staff on how best to adapt to the digital challenge, and Rusbridger says a broad consensus has emerged from these discussions. **2006/07 targets >>**

“Rather than imposing a template on the staff, we have had a lot of discussion internally in groups of 300 down to 10 to think about broad issues right down to nitty-gritty issues around how you would report specific stories or situations,” says Rusbridger.

“We have had more than 200 members of staff take part in ‘hypothetical workshops’ where we sat and listened to how people felt we should arrange ourselves and work in this new world. So there has been an awful lot of consultation and listening, all of which is genuinely going into the process of how we arrange ourselves. That is a completely different process from, for example, the Telegraph where a small group moved out of the new building, imagined the new world and then imposed this vision on the staff.

“It is interesting how much consensus comes through. It's very empowering to know you are on the right lines because of tapping into the collective thinking of very good journalists who are practically minded as well as strategic and visionary.”

To ensure that views are heard from across the business, managing director Tim Brooks has set up two monthly meetings. The first, an informal discussion with senior commercial staff, and the second an update with the heads of the two main unions. This is not a negotiating meeting but to inform them of what is going on in the company and to get their input.

Brooks is also hosting informal meetings with a mix of staff from across the business to talk about the change programme and is going to specific departmental meetings to increase his understanding of the issues faced in particular areas.

The other change during the year was the decision to create a consultative committee to inform the move to our new offices at Kings Place. An initial plan to create a staff forum was amended after talks with the unions. This body of 22 elected departmental and union representatives is meeting every two months to discuss everything from the type of furniture required to helping choose the catering contractor.

On a more general note, Tim Brooks launched an email box on the intranet, which staff can use to anonymously get directly in touch with him with questions and suggestions. Spike has become an increasingly important tool in communicating with staff, complementing but not substituting the process of consultation. The average daily number of visits has risen by a third to 1,533 over the past year. The 2006 employee survey showed that 72% of staff find it useful.

Our reorganisation is being made easier because staff recognise the need to adjust to

Our reorganisation is being made easier because staff recognise the need to adjust to the digital world

the digital world. In our last employee survey in the summer of 2006, nearly two-thirds of staff said there was a strong need for GNM to change, with only 13% actively disagreeing (see graphic, right).

Furthermore, the overwhelming majority of staff recognised they may need to change the way they work, with only 3% disagreeing.

Detailed communication plans have been created for each commercial department going through reorganisation to ensure that staff have a clear understanding of the impact of the changes. Where there have been redundancies, the emphasis has been on working with staff at risk of redundancy to help them find alternative employment and to ensure they have all the support and help. Plans in editorial to adapt to the new 24/7 strategy are proving controversial and leading to complex and sometimes difficult negotiations with the National Union of Journalists (see union view, page 36).

Brooks says: "I hope the unions welcome having regular access to me. This company has nothing to hide in terms of what it is trying to achieve and it is entirely appropriate we should be in open dialogue."

"There are two areas in particular where the unions have played a constructive role in the last year. Because we will only be tenants in our new offices, we will no longer need the facilities management staff we currently employ. We had a constructive and open consultation with Unite and resolved the issues arising from that."

"Also the work done by volunteers from the two chapels of the National Union of Journalists on pensions has helped move the company along in terms of its thinking."

Richard Evans, auditor, says:

●● It is clear from talking to all levels of staff that a great deal of effort has been put into listening to them, and incorporating their views into the change planning process. Management has also ensured that all staff are kept informed about changes and plans. Staff views on how management has handled communications and change planning will be an important part of the next staff opinion survey. ●●

Employee survey

One of the key ways of getting feedback on our performance as a company is through our staff survey.

Departments have been working hard over the past year to address issues that were raised in the last survey in the summer of 2006.

While we had made a commitment to carry out a survey annually, the reality is that Carolyn McCall's promotion to chief executive of the GMG in February 2006,

The need to change

I understand that I may need to change the way I work over the next 2-3 years, % of staff

Agree /agree strongly

80%

Neutral 17

3 Disagree /disagree strongly

There is a strong need for GNM to change, % of staff

Agree /agree strongly

63%

Neutral 14

13 Disagree /disagree strongly

SOURCE: GNM EMPLOYEE SURVEY 2006

meant that there was a hiatus while a new managing director was recruited.

The next survey will therefore take place before the end of the current financial year in March 2008, around 18 months after the previous one. **2006/07 targets >>**

Tim Brooks says: "The survey is important because it sends a powerful signal to staff that their opinions matter and is a very useful and robust way of tracking, over time, changes in the way that people are thinking and alerting us to problems."

"It is nice to have high scores but much more important is to pay attention to the areas where we have low scores."

"Also if you don't have a formal across-the-board survey you run the risk of assuming that the people most vocal in an organisation are representative of the general mood."

The last survey showed that 91% of staff are proud to work for GNM, way above industry norms, with a similar proportion saying they choose to put in extra effort over and above their basic job requirements.

On the other side of the equation, staff expressed concern at the lack of feedback and the inability of some managers to confront poor performance (see training and development, page 37). The other key areas of discontent were pay and career development.

Individual departments drew up action plans to address the specific issues in their department and reported back to the board on progress. **2006/07 targets >>**

Jenny Davenport of People in Business, the consultancy that carried out the survey, says the departmental feedback "reveals an impressive range of actions taken on

all the main areas. It seems that varied local actions have been appropriately applied, usually in consultation with employees." Examples include the advertising department implementing a new, more transparent incentive scheme, Guardian editorial launching a diversity plan (see diversity, page 39), including mandatory advertising of internal vacancies and the IT department ensuring one-to-one meetings for all staff with their line manager at least once a month.

What came across loud and clear from most departments was the perceived lack of training and development opportunities. As a result, a new department, the Organisational Development Unit (ODU), has been created to be more strategic and impactful in this arena.

Richard Evans, auditor, says:

●● I have challenged the reasons given for the delay in conducting a staff survey. If GNM had kept to its commitment of an annual staff survey, made by the board last year, they would have been able to test the effectiveness of management strategies to communicate and consult on change while it is happening. However, I accept that the plan to carry out a survey by the end of March 2008, with the next in the first quarter of 2009, after the move to Kings Place, also has merit in tracking the impact of all these changes on GNM staff. In light of the extensive consultation and communication that is taking place, I am satisfied that the company is not in any way avoiding criticism or questioning of what it is doing. ●●

A test of fairness

Unions are involved in the move to a 24/7 digital workplace to make sure change doesn't equate to worsening conditions for staff or the loss of editorial standards

NUJ

It has been, to say the least, an eventful year as we gear up to unprecedented change. Periods of flux and change are unsettling and stressful for managers and journalists alike. But a long-standing relationship always helps in times of difficulties, and we have no reason to believe it won't stand us all in good stead.

What the NUJ strives for is fairness for the workforce. Our main point of disagreement is that we do not believe plans to collapse the boundaries between the Guardian newspaper and the Guardian Unlimited workforce and the move to a 24/7 multimedia operation need to equate with a worsening of conditions for staff, and by implication, standards.

On standards, it's fair to say that when CP Scott drew up the Guardian ethos, he could have no inkling that the newspaper, whose values he espoused and cherished, would expand to become a digital operation, that Guardian Unlimited would become a global brand name, that audio and visual media and blogging were now part of the mix. He, like our editor, would not expect new forms of media as a bar to the same high standards.

But delivering on different media platforms with the same number of journalists is a worrying formula, unless colleagues are to work excessive (and unpaid) hours and/or to drop depth of reporting in favour of coverage across different media. Essentially, we all want the same thing: good, professional journalism which meets readers' expectations and a motivated and contented workforce. On a down note, there was widespread disappointment that management took so long to respond to the Federated Chapel reps' requests for talks on the move to Kings Place, King's Cross, next year, which will affect every individual in the workplace. Then a wobbly moment when the GNM managing director attempted to set up a staff forum to discuss the move to Kings Place.

This unhelpful distraction was shelved after the Guardian's unions collectively opposed attempts to bypass the well-worn union mechanism in a workplace which has 95% NUJ membership. We agreed, on a one-off basis, to invite non-union reps from weakly unionised areas of the workplace (non-NUJ areas) to join our federated chapel structure to discuss the move to Kings Place with management. We made clear this set no precedent. At times like this, with so much change and uncertainty in the air, mutual respect is of the highest order.

Helene Mulholland is the joint mother of chapel of the Guardian NUJ



Helene Mulholland Photo: Martin Argles

Unite

While the National Union of Journalists has a membership of 95% among the editorial staff, Unite has a membership of 150 or around 15% within all the other commercial departments, which obviously puts us at a disadvantage as far as negotiating strength is concerned.

We have borne the brunt of the changes made so far under GNM's organisational renewal programme as the editorial sections have only been marginally affected so far.

There is concern among our members about the levels of redundancies being announced. Rather than getting one overall reorganisation plan, we have been receiving a drip feed of redundancies on a department-by-department basis. This is causing some disquiet because we do not know when the next phone call will come asking us in to discuss further changes in staffing.

Also, we are aware that in other companies a move to new premises often heralds large-scale redundancies of up to a quarter, and hope that this scale will not be repeated here.

Another concern are plans to outsource areas such as the post room, switchboard and security when we move to Kings Place, as this can lead to a fall in the levels of service; agency staff are unlikely to have the same loyalty as permanent employees. We would

There have been some positive signs, like an alternative redundancy package, which does benefit a number of Unite members

also want to see management maintaining levels of pay in these areas over the years ahead for all employees being outsourced.

The new managing director clearly came into this job with a green light to bring major changes to the company. Communication about the need for change has been more than adequate and there has been a good level of support to those being made redundant, but this does not change the fact that numbers are being cut across the company.

Beyond this, there have been some positive signs, like an alternative redundancy package, which does benefit a number of Unite members. The company should be lauded for the improvements that have been made to the pension policy, which should mean that staff under 40 who remain with GNM until they are 65 will be on average 30% better off.

However, these changes would not have happened without the initiative of the Federated Chapel, which is made up of Unite and the NUJ, and we have had to fight long and hard to get them implemented. Even with the changes, the pension scheme still does not match the security offered by the previous final-salary plan that was disbanded in 1990.

The Federated Chapel meets on a monthly basis to discuss mutual concerns and interests, and this is playing a very important role in the Kings Place consultation committee, which has been set up to oversee the move to King's Cross next year. We were unhappy with the original management plan to set up a staff forum as we felt there was a danger of bypassing existing negotiating frameworks.

Looking to the future, it is important, from the perspective of both management and unions, that there is mutual respect and negotiations are conducted in a civilised and adult manner. Of course there will always be differences of opinion and the cut and thrust of debate; this is the nature of negotiation. But if the parameters are set, then both sides will be the eventual beneficiaries.

Mike Pike is father of the chapel of GNM Unite

Richard Evans, auditor, says:

☞ Sustainability reporting should provide opportunities for different stakeholders to 'speak' to one another and hear the other's point of view. With all the changes going on at GNM, this is important for staff and management generally, as well as the departments that are affected differently by change. The views of the NUJ and Unite are a very valuable antidote to a narrow and partisan view. ☞

Training/development

In recent years, training had been devolved to individual departments and a separate Executive Development Unit had been looking after the needs of the top 200 managers.

The remit of the new Organisational Development Unit (ODU) department is to take a more strategic view of training and development and ensure that all learning and development initiatives are aligned with the company's key objectives.

Managing director Tim Brooks says: "I have always been passionate about this subject. It's not just about skills training. Clearly if we are asking print people to do digital work, skills training for the time being becomes extremely important because staff need to master new ways of working.

"More importantly, in the long term you will get better results out of an organisation that takes its own development seriously and modifies its behaviour as a result."

Three new learning and development managers have been recruited, one of whom has sole responsibility for working with editorial departments. The other two will work closely within commercial and support departments, ensuring their learning and development strategies reflect their area's broader objectives and needs.

2006/07 targets >>

ODU is also in the process of consolidating individuals' training records, meaning that every employee's development can be easily tracked over time. This will help the learning and development managers to take into account individual need when making strategic training decisions.

2006/07 targets >>

During 2007, change leadership and change management has been high on the agenda with the board of directors plus around 60 senior commercial managers attending training awaydays and workshops. In September 2007, our editorial management teams began their own change management programmes, working together across both papers and the website for the first time.

ODU will now start to look at developing programmes for middle managers and will also consider how best to include and engage all staff in the change process. Work will begin in November 2007 and will continue through 2008. **2006/07 targets >>**

Another high priority is to provide support to all our editorial managers at a period of profound and unprecedented change.

It is fair to say that the culture of editorial departments, both at GNM and other newspaper companies, has traditionally leaned towards getting the pages out on deadline rather than a holistic view of management. As a result, few editorial managers have gone through any formal management training despite consistent negative feedback in past employee surveys from journalists about a lack of feedback as well as a failure by editors to confront poor performance.

Viv Taylor, Director of ODU, says: "Editorial managers face a difficult dilemma. If you



A more strategic approach to staff training and development is being taken Photo: Helen Ochrya

Few editorial managers have gone through any formal management training despite consistent negative feedback

become the editor of a section, you do not stop doing the day job to become a manager. This is often in direct contrast to the commercial departments where management is a full-time role.

"So the new training we have put in place in editorial takes a look at that dilemma and how you manage your time and find the balance between putting pages together and looking after your team."

By the end of the financial year ending March 2008 over 70 members of the senior editorial management team across the business will have had a consistent form of management training. **New targets >>**

Appraisals

For the second year in a row we have failed to meet a key target of ensuring that at least 60% of all employees receive a formal appraisal. While the commercial areas of the business achieved a level of 65% during the financial year ending March 2007, editorial departments achieved 10%, making the overall figure for GNM 37%, compared with 30% the previous year. **2006/07 targets >>**

This is despite the fact that our auditor criticised us in the last Living

Our Values report, pointing out that "a target (unquantified) was set in 2003 as a key response to the employee survey to 'introduce regular consistent appraisals across the company'."

Taylor offers no excuses and instead points to the fact that she believes that we need to approach the issue of appraisals in editorial in a new way.

"Targets are important and will continue to be a measure of improvement in this area, but I do think we need to turn this whole subject on its head. You can't expect editorial managers who have not yet received basic management training and who are busy editing the paper to carry out successful appraisals. There should be a logical sequence of development that gets an editorial manager to the point where they are ready to appraise their staff, and that is exactly what ODU is working to put into place with our editorial colleagues.

"It goes without saying that underdeveloped managers are not best placed to carry out successful appraisals and that it would be counter-productive for the business, particularly at this point in our history. We will start to make progress when editorial managers feel more confident about their appraisal skills, and that is when we will start to see improvement in the figures and achieve some degree of 'stickability'.

"We have made a really good start this year with the introduction of a foundation management programme for all editorial managers, and next year we will start to add other components to the portfolio: performance management, handling difficult messages and carrying out appraisals will be

at the top of that agenda.”

Observer editorial has started to move ahead quickly, helped by the fact that departments on the Sunday newspaper are smaller, and hope to have completed appraisals for more than half its staff by the end of 2008.

To ensure success within Guardian editorial, a commitment has been made that, by the end of 2008, editor Alan Rusbridger will have evaluated all heads of department (this includes a 360-degree feedback process) and that this group will have received management and appraisal training. Beyond this, each editorial department will have a formal system in place and be able to set implementation targets for future years. A similar plan will be implemented in Guardian Unlimited.

Due to the organisation renewal programme and redundancies in some parts of the business, the commercial departments expect to maintain appraisals at the current level of 65%. **New targets >>**

Richard Evans, auditor, says:

“The company needed to recognise that editorial departments lacked the ability to effectively manage staff and performance back in 2003, rather than ‘at this point in our history’. When Guardian Newspapers Ltd published its first ‘Living Our Values’ report in 2003, these issues were well known to managers and clearly identified as a concern of employees in the staff survey that year. In the 2004 report I stated, ‘I am satisfied, on the basis of my interviews with senior staff and review of working documents and board reports that changes will happen in most areas within the next year.’ I apologise for my overconfidence.”

Pay and reward

To help ensure transparency around salary discussions, we developed a system of making decisions about individuals’ pay at two fixed points in the year. This helps managers to forward plan and to take into account the aspirations of all staff.

The policy has only been partially successful, with a significant number of “out of cycle” salary increases still being made, which last year, represented 12% of the total (9% in 2005/6). Commercial departments have improved their adherence to the agreed pay points but this has not been as robust in editorial.

To try to limit out-of-cycle increases, all requests for salary increases are reviewed by both the head of reward and the managing director. Alongside this and to try to improve consistency on pay, both within and across departments, we now have a career pathways model in place. This has been tailored by each department and consists of seven levels detailing key job roles, seniority levels and indicative salary ranges based on external market data. All the different roles within the organisation have been assigned a level within the model. **2006/07 targets >>**

The career pathways framework has also

been used to run an equal pay audit. At the time of writing, analysis of this was not yet complete, but the findings will be covered in next year’s Living Our Values report. There were two equal pay claims at GNM in the past year; both of these claims were resolved informally. **2006/07 target >>**

Career development

The most recent employee survey showed that only 38% of people felt there were opportunities for them to develop their careers within the business.

As a result, HR has been working with managers in several ways to help support career development opportunities, in addition to the new career pathways framework and our commitment to ensuring staff are offered a regular appraisals (see appraisals, previous page). HR has also been making recruitment processes much more transparent and fair, particularly within editorial departments, which have traditionally operated informally. This will involve openly advertising all vacancies internally on the intranet, and, where appropriate, externally.

The proportion of vacancies filled internally is now being tracked. In the past year, internal candidates took almost a third of all vacancies advertised, the same percentage as the previous year. While this shows there are good opportunities to move within the organisation, it also reveals why our attempts to create a more diverse workforce are slow to bear fruit (see staff diversity section, facing page).

Health and Safety

In October 2006, a new permanent health and safety manager was recruited to replace an interim manager who had been covering between permanent posts. Since then, GNM’s health and safety policy has been reviewed and publicised to all staff. A copy is given to all new staff and it can also be viewed online at guardian.co.uk/sustainability.

To ensure that health and safety issues are kept on the agenda, the health and safety manager chairs a regular steering group, and updates are included in the monthly board report. In the past year, GNM has taken on the management of the Guardian Print Centre (GPC) at Stratford, which prints the Guardian and the Observer. The site has its own health and safety manager and site-specific policies which underpin GNM’s main policy. All accidents are reported and monitored through an online log, which is reviewed by the board on an annual basis. Where necessary, investigations are held and appropriate action taken to prevent the likelihood of further incidents. From January to June 2006, three serious incidents were reportable to the health and safety executive, none of which were a result of unsafe working conditions. These figures exclude GPC which we commit to reporting on next year.

All GNM staff are entitled to join the company’s free healthcare scheme and access the employee assistance programme which offers free confidential advice by phone on a range of issues including legal, financial and personal matters. The service also provides more in-depth face-to-face counselling.



FRANK BARON

Diversity matters

The Guardian's report card on diversity in its workplace reads well, but more effort is required to attract employees from a far greater mix of backgrounds

Diversity and inclusiveness are key concerns for any company seeking to take its responsibility to society seriously. It is particularly so for the Guardian given that one of our core editorial principles is a commitment to social justice and giving a voice to those sections of society that are often excluded and marginalised.

We recognise that change will only come from a commitment at the very highest levels of the company, which is why we have a diversity champion on the board who chairs a regular steering group made up of senior representatives from across the business.

Bonus schemes of directors and heads of departments in the commercial departments are linked to the delivery of their departments' measurable objectives. A total of 107 diversity objectives were set across commercial departments, of which more than two-thirds have been achieved. To ensure progress, the equality and diversity manager holds quarterly meetings with directors to review their measurable objectives.

New targets >>

A presentation was made to the board in July 2007 on all equality and diversity initiatives to enable a review of activity and progress. Diversity updates are also included in the monthly board report.

We continue to run regular diversity awareness workshops, which 56% of our staff have attended. Although this fell short of our ambitious 67% target, it did mean that 455 additional people took part during the past 12 months. **2006/07 targets >>**

To further raise awareness, we ran our first diversity week in October 2007. The week kicked off with an all-day open-space session introduced by managing director Tim Brooks, to which staff were invited to provide input into how best to achieve the company's equality and diversity goals. The programme included talks and discussions on topics ranging from women and technology to a debate around whether GNM is an inclusive culture, something that was raised as a concern in the 2006 staff survey.

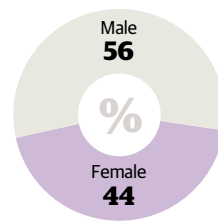
2006/07 targets >>

Staff diversity

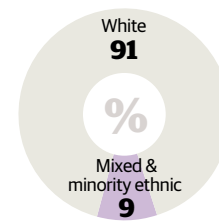
The impact of our initiatives on the overall staffing figure has so far only been modest. The proportion of employees from a minority ethnic background has hovered around the 9% mark for the past three years, which although low is almost double the proportion across the UK print and publishing sector (2004 Labour Force Survey). The number of women employed at GNM currently stands

Staff diversity

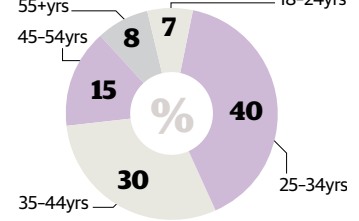
Gender



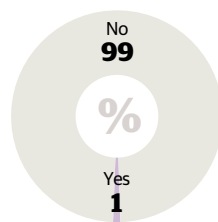
Ethnicity



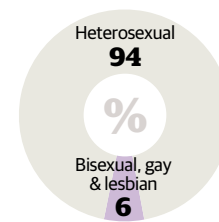
Age



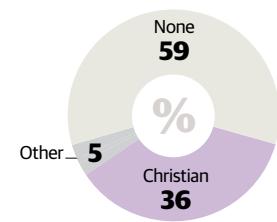
Disability



Sexual orientation



Religion



SOURCE: GNM DIVERSITY MONITORING, JUNE 2007

at 44% and those with a disability at 1% (see graphic above). For the first time this year, we looked in more detail at diversity figures for different seniority levels within our organisation. This revealed that staff from ethnic minorities are primarily working in lower levels of the organisation (see graphic below). **2006/07 targets >>**

One of the main ways to try to create a more diverse workforce is to attract job applications from under-represented groups. Whenever we advertise a position through an external agency, rather than just on our own jobs site, we ensure that it is also promoted by Rare Recruitment, an agency that deals with ethnic minority candidates. Openings are also advertised in both the Voice and Able magazines that are targeted at ethnic minorities and people with disabilities respectively.

Despite our efforts, there has been virtually no change in the proportion of people applying from under-represented groups over the past year. Mixed and ethnic minorities made up 17% of applicants, and 10% of subsequent hires. This compares with 8% ethnic minority population of the UK and 31% of those living in Greater London. The proportion of applicants who said they had a disability remained static at 1%, none of whom were eventually hired.

We are aware that change in this arena takes time, and will continue our efforts to attract and increase the number of candidates from under-represented groups.

New targets >>

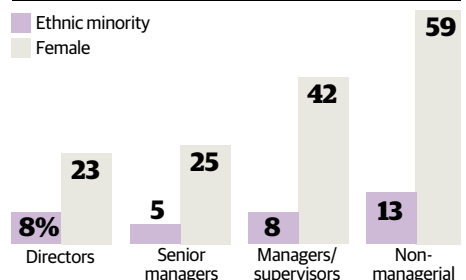
In terms of gender, 52% of applicants were female and a slightly larger proportion

actually took the jobs. This is significantly higher than the UK employment market, which is 44% female.

Diversity is particularly important in our editorial departments because of the need to accurately reflect the breadth of our society in our pages and on the web.

A report published in June 2006 by the Sutton Trust revealed that top news journalists in the industry as a whole are disproportionately – and increasingly – from private schools and Oxbridge backgrounds. It referred to the 2004 Labour Force Survey, which revealed that the number of ethnic minority editorial staff in London is so small, it did not even register in the results. In comparison, ethnic minorities across our editorial departments now account for 5% of staff. Last year, our social auditor called upon our editorial teams to act. He said, “The data on the current employment of people from ethnic minority groups at all levels in editorial departments clearly indicates the need for diversity action targets.”

Staff diversity



Case study Diversity

Since then, a comprehensive set of objectives has been developed with a focus on making the recruitment and promotion processes more transparent. Guardian editor Alan Rusbridger has signalled diversity as a major priority to all journalists. He reinforced this message at a lunchtime meeting of editorial managers and sent an email to all journalists explaining the importance of diversity, the challenges faced by editorial and how the Guardian plans to address them.

Rusbridger wrote: "It's increasingly clear that we are not making sufficient ground in hiring and promoting journalists from diverse backgrounds. Some of the reasons for slower-than-ideal movement in editorial are understandable; people like working at the Guardian and the world outside is cold. So we have a relatively stable workforce, with less turnover than at many similar companies. But, allowing for this (indeed, celebrating it), we must think hard about how to improve."

"It is notable that there are no ethnic minority journalists on the home, foreign, Weekend, City, features and sports newsdesks. In fact, there are only three members of staff from ethnic minorities who are directly in charge of content on the Guardian. Our ambition is to have a staff whose diversity in all its forms bears a closer relationship to the population at large. One of the first steps is to become a fair and open recruiter, giving employees and non-employees alike a fair chance of applying for most vacancies and of being successful in their application."

"As most of you know, GNM has an equality and diversity policy which states our aim to ensure that we do not discriminate unfairly at any stage of the recruitment process; that equality of opportunity has to be embedded in all our employment policies, procedures and practices; and that all staff and stakeholders must be aware of what action is required of them."

A new policy was introduced in May 2007 to ensure that all vacancies are advertised internally and, where appropriate, externally. All entry-level positions will be promoted in the Guardian's media section and the minority media, with the hope that over time these journalists will be promoted to more senior positions. Only in exceptional cases will positions not be advertised. Reasons might be because a chain of vacancies has to be filled within a very short time or a journalist is head-hunted from another paper. Only the editor will be able to invoke this election procedure and he is committed to keeping these cases to a minimum.

To ensure that these and other objectives are followed up, a senior executive editor had been appointed to oversee the diversity action plan within editorial. As with other parts of the business, managers' appraisals will take into account how much they have done to implement the diversity policy.

Beyond direct recruitment, GNM has been at the forefront of seeking to encourage more people from ethnic minorities to choose a career in journalism. While we have been running various internship and bursary schemes for several years, we have this year looked at them more strategically and come

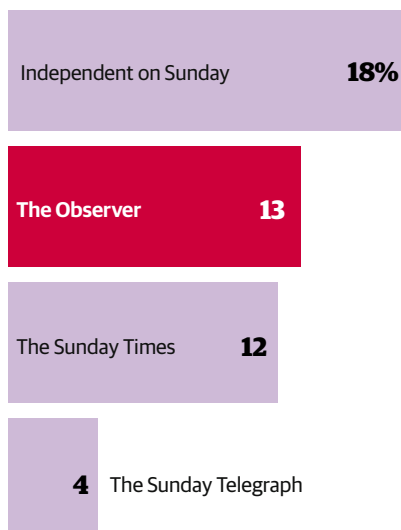
Ethnic diversity of quality newspaper readers in the UK

Mixed and ethnic minority readers

Daily newspapers



Sunday newspapers



SOURCE: NRS OCTOBER 06-MARCH 07

up with a more coordinated programme which will launch in January 2008. The programme will have diversity as its main focus and will include opportunities at all levels, from community-level support to postgraduate training. **2006/07 targets >>**

Diversity content

Rusbridger also raised the importance of ethnic diversity in the Guardian's coverage: "We should periodically put time aside to consider how non-white readers perceive the Guardian's coverage. This is important both editorially and commercially in a country where more than 8% of the population comes from an ethnic minority background."

According to our latest survey of Guardian and Observer readers, just over two-thirds believe our content reflects our diverse society, but it is important to set this against the fact that only 9% of respondents were minority ethnic readers. In the same survey, two-thirds of readers said they feel that multicultural society is adequately represented in the composition of Guardian writers, an increase from 43% two years ago.

Richard Evans, auditor, says:

“I called on Guardian editorial last year to develop effective plans for advancing diversity in their area of the business and therefore welcome the initiatives that are being taken by the editor Alan Rusbridger. While I acknowledge that achieving change is not easy, I look forward to seeing what impact the programme has in future reports.”

A contrasting picture is portrayed by research we commissioned in 2004 with focus groups of black and Asian readers and non-readers. These findings were also sent to journalists. The research revealed that:

- All quality titles, the Guardian included, are considered similarly poor in terms of their coverage of ethnic minority related issues.
- There is a common perception that negative stories are rarely balanced by positive depictions of ethnic minority communities.
- There is a strongly held belief that ethnic minority writers are under-represented on the editorial staff of all quality titles and that the balance should be redressed.

Gender

In order to monitor our progress and commitments to gender issues, we took part in Opportunity Now's benchmarking survey for the second year running. Opportunity Now works with employers to realise the business benefits that women at all levels contribute to the workforce and is chaired by Carolyn McCall, chief executive of our parent company, Guardian Media Group.

This year we achieved Gold, the highest level award. The assessors marked eight areas as "impressive", including our clear gender strategy, goals and business case and our work to address gender segregation, particularly in IT. Areas that were identified for further work included completion of the equal pay audit, and providing evidence for fair and transparent processes for internal recruitment and secondments.



Trevor Phillips contributed to an editorial workshop during diversity week Photo: Anna Gordon

Disability at work

To support our efforts to attract more people with disabilities to work at GNM, we have recently redrafted a full disability policy to ensure that all staff clearly understand the framework for recruiting and working with staff who have a disability.

Disability was also one of the key themes of GNM's recent awareness-raising diversity week (see diversity introduction, page 39). The week included a session for managers on hiring, retaining and working with disabled staff, as well as a British Sign Language taster session open to all staff.

To raise awareness externally of our commitment to disability, all GNM job adverts carry the two ticks "positive about disabled people" logo.

We are aware there is still a lot more to do to attract and retain more disabled

people at GNM. For the first time this year we took part in the Employers Forum on Disability benchmarking standard, in which our performance compared poorly with our leadership positions on other diversity issues such as ethnicity and gender. We scored 46%, just below the private sector average of 52%.

The disability standard has two functions: to accurately measure companies' performance on disability and to recommend actions for improvement. We are currently awaiting the action plan which will help to inform our future work in this area.

2006/07 targets >>

Disability issues are also being taken seriously ahead of the move to our new offices at the end of 2008 (see page 46). To ensure full compliance with Discrimination Disability Act (DDA) legislation, GNM has appointed an independent DDA consultant to review all our fit-out plans and designs.

Readers with disabilities

GNM is keen that its products are available to all sectors of society, including people with disabilities. While visually impaired people can obtain our papers through the Talking Newspaper Association, access to the internet is an increasingly assumed part of everyday life. The vast majority of websites, however, are difficult or impossible to navigate by people with certain disabilities, thus restricting their access to everything the web has to offer. This can have huge negative impacts on people's lives, as people are denied access to information and opportunities in all areas of their lives.

However, we are making easy navigation a key part of the redesign process of Guardian Unlimited, as well as speaking with our suppliers to ensure they do the same.

Over the past couple of years we have worked with the Shaw Trust, a charity that empowers people who are disadvantaged in the workplace by their disabilities. We commissioned the Shaw Trust's web accessibility team to test new page templates, using a range of adaptive technologies. Any problems they identify are then fed back to the design team. This ensures a greater level of assurance than just checking the World Wide Web Consortium (W3C) accessibility guidelines are met.

In our commercial departments, we increasingly work with third parties who produce co-branded websites that sit within Guardian Unlimited. Commercial departments are working hard to ensure adherence to W3C guidelines and increase accessibility to all the sites they work on.

Guardian Professional, our business-to-business division, always takes accessibility issues into consideration in the websites it produces for clients. For example, its newly created DirectgovKids site is an interactive Flash site, a format typically held to be difficult to make accessible. The production team, however, did extensive development, ensuring that the majority of the site can be read by those who use screen readers and be navigated with specialist keyboards.

People targets

New targets 2007/08

- All senior editors to undergo management training.
- Appraisals: 65% of commercial and 50% of Observer editorial staff to be appraised. All Guardian editors to undergo appraisal training and develop a plan to appraise their staff.
- Directors and heads of departments to deliver on equality and diversity measurable objectives.
- Increase the number of applications for GNM vacancies from under-represented groups: ethnic minorities from 17% to 19% and people with a disability from 1% to 2%.
- Procurement department to ensure that diversity is considered in supplier tender process

Looking back: 2006/07

- Consult with editorial staff on how best to adapt to the digital challenges ★★★
- Based on the employee survey findings, as well

as engagement with staff, all directors to devise action plans for their area of the business ★★☆☆

- Run an employee survey every year ★☆☆☆
- 60% of employees to receive a formal appraisal ★☆☆☆
- Each department to create a learning and development strategy ★★☆☆
- Centralise the monitoring of all internal and external training data ★★☆☆
- Develop a leadership development programme for middle managers with high potential [no stars]
- All managers and heads of departments to start using the career pathways model in career development and salary discussions ★★★
- 100% of staff to be assigned a level on the career pathways model ★★☆☆
- Use the career pathways model to run an equal pay audit ★★☆☆
- Board members and senior managers to deliver on their equality and diversity measurable objectives,

and communicate progress to staff ★★☆☆

- Board to have diversity on the agenda every six months to assess progress ★★☆☆
- Increase the number of applicants for GNM vacancies from under-represented groups ☆☆☆
- Create a more structured programme of training bursaries and internships for journalists and aspiring journalists ★★☆☆
- Monitor and analyse promotion and hierarchy by gender and ethnicity ★★★
- Run a diversity awareness week for staff ★★☆☆
- 67% of staff to have attended the Diversity Awareness Workshop ★★☆☆
- Take part in the Employers Forum on Disability benchmarking survey ★★☆☆

- ☆☆☆ No progress
- ★★☆☆ Modest progress
- ★★☆☆ Good progress
- ★★★ Target completed

Operations

Our vision

Our ambition is to be environmentally regenerative. We will investigate how we can become carbon positive – go beyond carbon neutral and positively affect climate change. Our offices and print sites will be of the highest environmental standards and we commit to minimising waste and maximising both efficiency and recycling. We will avoid unnecessary energy use, reduce our energy consumption where possible, use renewables and offset emissions only where there are no real alternatives. Sustainability will be at the heart of our procurement processes, as we recognise that our suppliers represent a key part of our operational impact. We will consistently increase the amount of recycled and certified virgin newsprint in our products and will work across the industry to minimise the ecological footprint of paper supply and newspaper distribution. We will empower and inspire everyone who works at Guardian News & Media to act by encouraging sustainable behaviour. We will achieve this through leadership, raising awareness and incentives. By the time we move to our new offices in King's Cross, our working culture will aim to minimise waste and we will make it easy for all of us to act responsibly

Positive thinking

Last year Guardian News & Media teamed up with the Carbon Trust to audit our carbon footprint, the final aim of which is to make the company carbon positive

Telling other people what to do is normally easier than having to do it yourself. This is especially true of newspapers, whose leader pages often urge companies and governments to take action that they, as companies, may not have thought about or acted on.

One of the key purposes of this Living Our Values audit over the past five years has been to look publicly and consciously for gaps between our editorial thinking and our corporate behaviour, and then to bridge them.

As Liz Forgan, the chair of our owner, the Scott Trust, makes clear at the start of this report, "The Guardian and Observer cannot honourably take the stance they do in their editorial pages unless we apply our minds with equal seriousness to the way we run our company."

This is why we have gone beyond the norm by committing to a vision to become carbon positive as a company, going beyond carbon neutral to positively affect climate change. We have not tried to set a date by which to achieve this target because we are at the start of the journey and don't want to make promises we cannot keep. But what we have done is outline the key steps we need to take towards this goal.

First and foremost has been the need to establish our current carbon footprint. We therefore teamed up with the Carbon Trust, a government-funded company that helps organisations manage and reduce their carbon impacts. The Carbon Trust has completed an energy audit of all GNM sites, and provided us with recommendations for improvements.

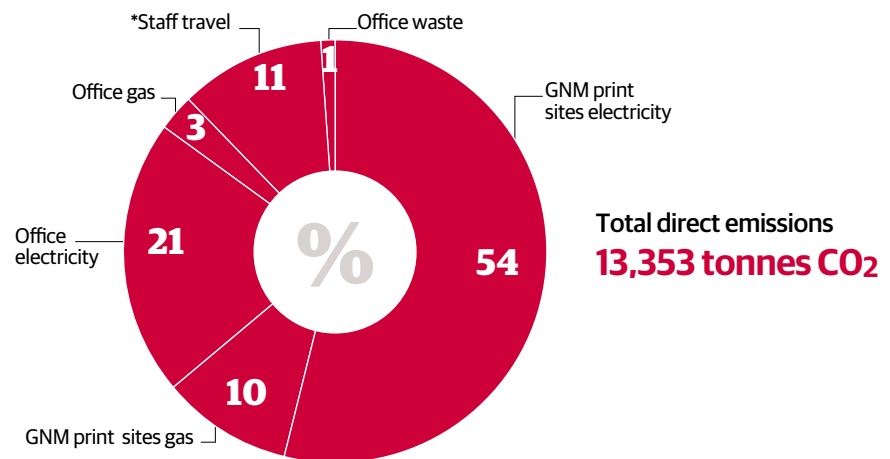
The work with the Carbon Trust is a precursor for a much wider body of work across the whole of Guardian Media Group. Over the next year we will be working with them to audit the carbon footprint of the whole of GMG and develop a carbon management programme for each division, including GNM.

The Carbon Trust's audit of the CO₂ emissions from our offices and print sites has been augmented by data we were already collecting in areas that are owned or controlled by our company, such as fuel used by company cars and company air travel. The Greenhouse Gas Protocol's (GHG) Corporate Accounting and Reporting Standard defines these as scope 1 and 2 emissions, which for GNM totalled 13,353 tonnes of CO₂ for April 06-March 07.

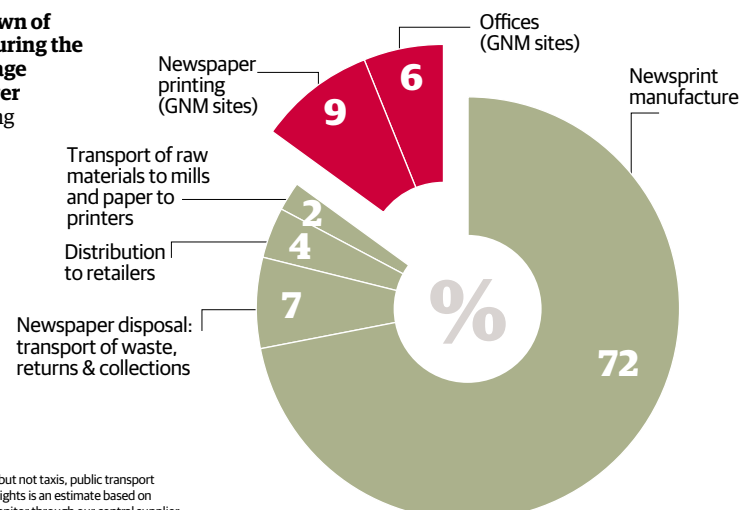
Like most other companies, our direct emissions tell only a small part of the story because they do not include the

Carbon footprint

GNM's direct operational carbon footprint, April 06-March 07



Estimated breakdown of carbon produced during the lifecycle of an average Guardian or Observer newspaper excluding magazines



*includes business car and air travel but not taxis, public transport or commuter travel. The figure for flights is an estimate based on data that we are currently able to monitor through our central supplier

NOTE: OPERATIONAL FOOTPRINT IS BASED ON GNM'S MONITORING. ESTIMATE IS PROJECTED FROM CARBON TRUST'S CARBON FOOTPRINTS IN THE SUPPLY CHAIN 2006

Richard Evans, auditor, says:

“Measuring its carbon footprint and setting targets for achievable reductions will be a first important step in GNM's aim of reducing its ecological impact and working towards becoming a more sustainable business. The work that has been done this year has already identified the need and opportunities for more effective management of energy consumption.”

impact from our supply chain.

The production of paper is by far the biggest contributor to emissions for a newspaper company. Research by the Carbon Trust showed that it accounted for around

70% of the total carbon footprint of the Daily Mirror – a figure that would be roughly similar for the Guardian and Observer.

Our second largest impact is from printing our newspapers, which accounts for 9% of our emissions. Our offices account for 6% of the total (see graphic above).

By next year we are aiming to have an independently audited carbon footprint for our direct emissions, as well as more accurate information on indirect emissions produced through our major suppliers of newsprint and distribution. **New targets >>**

While we are starting to use our influence to encourage our suppliers to act more responsibly, our most immediate impact is within the print sites and offices we directly control.

Print sites

Printing

By far the biggest contributors to our direct carbon footprint are GNM's newspaper print sites: Guardian Print Centre (GPC) in east London, which is owned by GNM, and Trafford Park, Manchester, whose ownership is split between GMG and Telegraph Media Group. Last year we committed to putting together environmental improvement plans at both sites, which we have now done with the help of the Carbon Trust and environmental consultants CSRnetwork.

2005/06 targets >>

CSRnetwork's latest audit shows that both sites have improved their benchmark scores since last year, through ensuring legal compliance as well as developing environmental management procedures.

In the previous year, particular concerns had been raised about some of GPC's health, safety and environmental procedures. CSRnetwork confirmed that these have now been addressed and commended it for the "ambitious target" to establish an ISO14001 accredited environmental management system (EMS) by the end of 2007.

The next step is for GPC to ensure that the new EMS is implemented, and that the specific actions identified by CSRnetwork's recent review are followed up. These include the monitoring of losses of HFC refrigerant gases and a planned review of energy consumption. The Carbon Trust's recent energy survey has already noted a number of improvements that could be made to lighting, air compressors and the efficiency of cooling and heating systems.

The auditor said Trafford Park was on top of its environmental management, concluding: "TPP appears to continue to have its environmental affairs well under control. The new safety, health and environmental management controls that were inspected last year are evidently being steadily implemented. Legal requirements are adequately understood and the site is complying with its core LA-PPC Part B permit conditions and other legal requirements."

Trafford Park now has detailed performance targets for reduction of waste and energy. Waste has been reduced to 5.7%

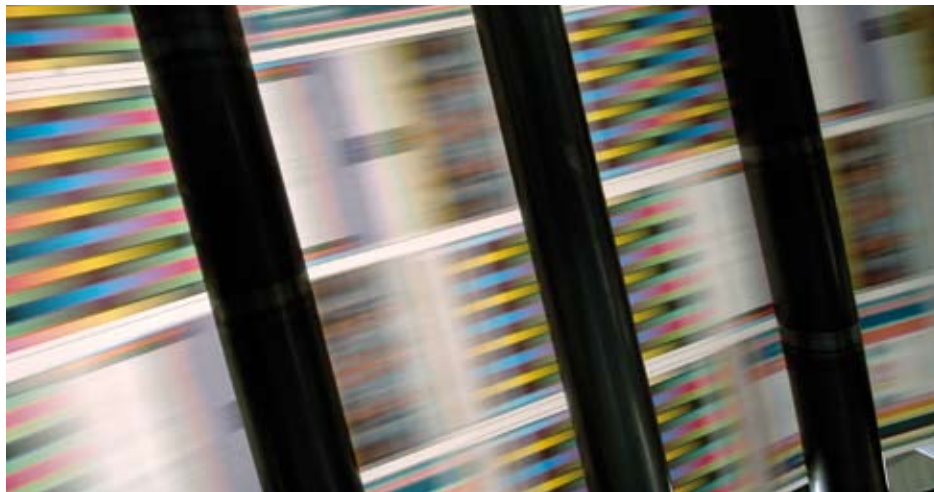
(from 7.0% the previous year), and the site has medium-term commitments to decrease energy by 10% and water by a similar amount.

In terms of energy efficiency, the Carbon Trust was impressed with Trafford Park's processes. Their recent report concludes: "Trafford Park is currently working through the recommendations highlighted, including introducing an energy team into the management structure, having the full backing of the CEO, introducing a switch-off campaign for all lights, raising staff awareness, encouraging staff to include energy awareness in their day-to-day work. The company is also in the process of installing variable speed drives to many of the motors on site and has recently secured capital expenditure to upgrade BMS software used on site. In addition to this, the site has installed extra light switches that enable lights in areas not in use to be switched off."

All recommendations from both print sites will be monitored by the print representative on GNM's sustainability leadership group in the coming year. **New targets >>**

Richard Evans, auditor, says:

●● I have reviewed CSRnetwork's report and can confirm the statements above and their recommendations for future actions. ●●



Most of GNM's carbon emissions comes from our printing presses Photo: David Levene

Energy and water

The purpose of this audit is to be transparent about any problems we discover and then seek to resolve them as soon as possible. A case in point is our discovery this year that we had wrongly assumed that our main office and visitor centre were being supplied with 100% renewable energy.

In 2004 we signed a contract with a renewables company. But an audit by the Carbon Trust of our operations in the summer of 2007 queried our belief that we were using only green power. An investigation showed that the contract had in fact stipulated that there may be times when the supplier would have to supplement its supply with energy from "brown" sources, such as coal and gas.

We requested an analysis from the supplier which showed that over the past three years renewables accounted for around a fifth of our energy, with the rest coming from gas, coal and nuclear (see graphic opposite). As soon as this error came to light, GNM switched to a guaranteed 100% green tariff.

GNM chief operations officer Derek Gannon says: "This was a genuine mistake, but clearly should have been picked up during contract negotiations. Even before this issue came to light, we had recently tightened up our contract approval system. Our new central

Polybagging

Like other newspapers, we use clear plastic to wrap some sections at weekends — a practice that many retailers, in particular supermarkets, now insist upon. From a commercial perspective, polybagging is essential. We estimate that our circulation on weekends would fall by around 10% if we had to rely on manual insertion of the different sections, due to delays in getting the papers out for sale on time. In addition, polybagging reduces the problem of missing sections, which causes some of the most vocal customer complaints.

Although the current polybags we use are recyclable through some council recycling schemes and some supermarkets, we are aware that a biodegradable alternative may be more sustainable. This is something that readers feel strongly about with our recent survey showing that 92% feel it is

important for polybags to be either biodegradable or made from recycled material.

We agree, which is why we successfully trialled the use of a bioplastic bag made from potato starch — both biodegradable and compostable, at Glastonbury Festival this year. However, the use of a potential food source as packaging as well as the methane produced when bioplastic degrades in landfill could make the bag less sustainable than it seems.

To ensure that any change of material has a markedly better environmental footprint, we are undertaking a comparative life-cycle analysis of bioplastic with the help of Wrap, a government-funded organisation that advises businesses on sustainability issues. An independent scientist will measure the total environmental impacts of

bioplastic versus normal polythene, which should show us the comparable impacts of the two materials. **New targets >>**

Richard Evans, auditor, says:

●● It would be helpful if GNM were to publish the results of this further research into the sustainability of alternatives to polybagging when it becomes available. As well as readers' preference for biodegradable packaging there is the issue of the volume of "unsolds" and whether these should be processed by recycling plants or end up in landfill. I would welcome some quantification of this issue and actions to reduce the problem in next year's report. ●●

Supply and consumption

Water use

Usage at main headquarter building, m³

2002/3	10,268
2003/4	8,275
2004/5	10,991
2005/6	12,601
2006/7	12,481

Energy use in main offices*

Million kWh

Electricity	Gas
2002/03	5.2 2.66
2003/04	5.22 2.86
2004/05**	5.1 2.72
2005/06	6.17 1.67
2006/07	5.56 1.61

*accommodates about two thirds of staff
**partially renewable electricity introduced in Oct 2004

CO2 emissions

Tonnes

2002/03	2741	2741*
2003/04	2786	2786*
2004/05	2518	1613*
2005/06	2434	412*
2006/07	2121	n/a

*incorrectly reported in last years social audit

Recycling and waste

Tonnes per month

Waste to landfill	Paper recycled	Total*
2002/03	47	6 53
2003/04**	31	6 37
Furniture recycled		
2004/05	35	14 5 54
2005/06	30	17 6 53
2006/07	31	14 1 46

*excluding other materials that are reused or recycled: IT equipment, toners, mobile phones, cardboard, cans, glass and batteries. ** 2003/04 may be inaccurate as only based on three months monitoring

Electricity supply from Ecotricity

Renewables	Coal	Natural gas	Nuclear	Other
17.4% 2004/5	22.3	30.3	24.7	5.3
20.2 2005/6	20.2	24.7	30.3	4.5
24.1 2006/7	23.8	22.8	25.9	3.3

We had wrongly assumed that our office and visitor centre were supplied with 100% renewable energy

procurement team will have the expertise to ensure this will not happen again.

"We will also in future be requesting that for the period of each contract we are issued with a REGO (renewable energy guarantee of origin certificate) from our supplier.

"I acknowledge the fact that we need a higher level of expertise within the company on environmental issues, especially given the adoption of our sustainability vision by the board. This is why we have decided to employ a full-time environmental manager."

New targets >>

The environmental manager, once in place will, among other things:

- develop environmental strategies to ensure we move towards our sustainability vision
- lead the implementation of environmental policies and practices
- coordinate all aspects of resource use, pollution reduction, waste management, environmental health, risk assessment and employee involvement
- ensure compliance with environmental legislation
- audit and report on environmental performance to internal and external clients and regulatory bodies.

The Carbon Trust's energy survey of all of our sites made several recommendations that we are exploring to ensure that energy management processes and behaviours are

Richard Evans, auditor, says:

☞ I have discussed this error with senior managers and reviewed the original contracts from the supplier. I accept that there was some ambiguity in the terms and conditions of supply and that this gave rise to the original error. More careful scrutiny by the procurement manager, and questioning the supplier where terms were ambiguous would have avoided this.

However, in each of the Living Our Values reports I have audited since 2003, I have expressed concerns about the lack of established environmental management systems in the main office locations and the lack of qualified staff to manage these systems.

In last year's report I stated that "performance reporting is not systematic or by any means complete" and that "it is important that the person appointed to oversee environmental management has the necessary knowledge and experience, as well as the leadership qualities to engage the whole organisation in achieving high levels of initiative and performance." This was not done and has led in my view to the failure of the system in this case.

I welcome the prompt action to change to a 100% renewable tariff as soon as the error was discovered, the disclosures in this report, and changes to centralise procurement and to tighten scrutiny of contracts and tenders to ensure compatibility with GNM's values and environmental policy.

I also welcome the decision that has now been confirmed to recruit a qualified and experienced environmental manager. ☞

introduced prior to the move to King's Cross. This includes forming a company-wide energy policy, which would help to give a strategic focus to energy-saving initiatives.

Our water use has decreased slightly over the past year, while at the same time the number of the employees using the offices has increased (see graphic above).

Our current consumption of 11.32 m³ of water per employee in our main building is higher than the best-practice target of 7.7m³ that the UK government is currently working towards. However, according to the government's Envirowise website, we still compare favourably with an average office-based business, which is 38.4m³ per person.

Recycling and waste

While there has been a slight reduction in the amount of waste we are recycling, there has been no corresponding increase in waste to landfill, which would suggest that our consumption has been decreasing. We have reduced our average total waste per month by around 15% during the past two years.

This could in part be due to the recent campaign among staff to encourage them to print and photocopy double-sided. This would also correlate with 15% reduction in the amount of paper purchased per employee over the past two years. Each employee still uses around 4,400 sheets of paper per year, so there is still some way to go.

To build on our initial campaign, the IT department is looking at setting printers to default double-sided mode wherever it is possible to do this. **2006/07 targets >>**

Offices

Kings Place

GNM will move to a new building in King's Cross, London, late in 2008. A key consideration was its leading-edge sustainability credentials, evident by the fact it is on course to achieve a Breeam/EconHomes "very good" rating for its environmental performance.

The building has several highly energy-efficient features, including a triple skin, externally ventilated facade, and low-energy displacement ventilation air conditioning. These will reduce energy consumption by 30%-40% compared with a conventional development, significantly reducing CO2 emissions. The building will also incorporate green roof areas, materials from renewable sources and highly efficient lighting.

Although as a tenant we have no influence over the overall design of the building and its systems, we are responsible for our own fit-out. All of the external design team have had GNM's environmental policy included in the terms of their appointment to ensure the rigorous application of sustainable principles to each and every aspect of the project.

In addition, surveys are being undertaken into furniture, fixtures and fittings from our existing properties that might be redeployed at Kings Place. Any items that will not be reused will be recycled in line with GNM's existing practice.

Regular meetings are also being held with Broadgate Estates, the company appointed by the developer to service Kings Place, with a particular emphasis on the waste management strategy of the building.

Provision for cyclists at the new building will be much better than our existing facilities and will include cycle racks, showers and lockers. There will be secure, covered space for at least 150 bikes for sole use of GNM employees. Only two car spaces have been allocated in order to maximise the space available for bicycles.

GNM has also met with Islington council to see how we can make use of local companies for the fit-out and servicing of Kings Place.

In the secure covered area, only two car spaces have been allocated in order to maximise the space available for bicycles

Richard Evans, auditor, says:

☞ I have attended one of the series of meetings the developer, architect and civil engineers have held with GNM staff. I was impressed by the detail of information provided; the innovative approaches to achieving high levels of sustainability, utility, comfort and social integration; and the willingness of the developers to listen. I have observed a good level of confidence on both sides that Kings Place will be compatible with GNM's sustainability vision. ☞



Kings Place has received a 'very good' environmental rating Photo: Keith Paisley

Its Directory of Construction Contractors and Suppliers has been sent to the fit-out contractors during pre-qualification interviews.

Transport

Company travel accounts for a relatively large part (11%) of GNM's operational carbon footprint, of which the vast majority results from air travel (see graphic, page 43).

This is not surprising given that we have hundreds of reporters covering news across the globe. While the quality of our journalism is paramount, editorial heads of department have discussed factoring sustainability into their thinking when making decisions about whether to send reporters on assignments abroad.

For our staff in the UK, we promote public transport, walking and cycling as the greenest travel options on our staff intranet. However, because there are many occasions where more carbon-intensive transport is necessary, we offset these emissions through a partnership with Climate Care. This means funding projects that absorb, reduce or avoid an equivalent amount of greenhouse gases elsewhere, such replacing diesel-powered water pumps in India with more reliable manual treadle pumps. guardian.co.uk/climatecare >>

In the past financial year we offset 1,059 tonnes of CO2, which accounted for all car fuel use as well as around two-thirds of all our flights. The recent centralisation of all our travel purchasing from a multitude of disparate suppliers to just two, will mean we can start monitoring and offsetting all air and rail travel in the coming year.

2006/07 targets >>

We have also appointed the sustainable taxi firm Green Tomato Cars as one of two centralised taxi services. Their fleet is made up of hybrid cars and they are committed to offsetting all of their emissions. We have gradually been reducing our own fleet of company cars, which has been halved over the past five years to just 68 vehicles. New staff are offered cars only if they are essential to their job.

We have a keen cycling community with around 10% of staff regularly cycling to work. To encourage more people to take up cycling, we have recently signed up to the government's Cycle to Work initiative, which gives employees the chance to buy a tax-free bike through regular payroll instalments, cutting the cost by up to half.

There is an active cycle group who are consulted on changes to facilities and who have been involved in discussions around the new improved cycling provision at our planned accommodation at Kings Place.

Chain reaction

A new central procurement team has been installed to make sure that all of our suppliers comply with the necessary conditions for keeping us sustainable

In the journey to establish a complete carbon picture of our company and products, all paths sooner or later lead to our supply chain. This is why we state clearly in our vision that “sustainability will be at the heart of our procurement processes, as we recognise that our suppliers represent a key part of our operational impact.”

Paper

Perhaps the greatest potential that we have for affecting the environment is through our paper purchasing, which is why we have spent the last year creating a policy and carrying out an exhaustive audit of our activities in this area. **2006/07 targets >>**

We were very clear that we wanted the new policy to act as a spur to action, and not merely sit in some filing cabinet, which is why we included a commitment to set annual improvement targets.

The paper policy, which has been signed off by the board of GMG and covers GNM and the group's other divisions, is structured around a number of core commitments that are intended to provide confidence that the paper for our publications comes from reputable sources. These commitments cover the key areas of:

- Dialogue with paper suppliers
- Recycled fibre content
- The use of legally felled timber
- Content of certified virgin fibre
- Pollution control at paper and print plants.

The first step in implementing the new policy has been to seek a standard set of information about these issues from each supplier not only to show them that we are taking these issues seriously but also to provide the basis for assessing whether or not any of our paper supply chains represent



Room for improvement: 93% of our newsprint is either recycled or certified Photo: Sarah Lee

a high risk, in terms of their environmental and social profile.

The results of this audit by consultant CSRnetwork shows that while there is room for improvement, we have a firm foundation from which to build. In total, 93% of our newsprint is either recycled or comes from virgin fibre that has been independently certified, with a corresponding figure of 64% for our magazines (see graphic).

While the initial audit focused on issues such as recycling and certification, we have set an objective in the current year to better understand the issues surrounding carbon emissions associated with the manufacture of paper to see what actions we can take in this complex area. **New targets >>**

All the paper used to produce our newspapers and magazines is bought by PPML, which is jointly owned by our parent company GMG and the Telegraph Group. In 2006 GNM consumed 112,130 tonnes, marginally higher than the previous year.

Recycled paper

Our paper purchasing policy says: “Increase the proportion, where possible, of paper that is recycled and ensure the overall proportion of recycled fibre in GMG newsprint does not fall below any agreement between the UK Government and the Newspaper

Publishers Association.”

The amount of recycled fibre content in our newspapers rose in 2006 from 75% to 82%. We have made a commitment to at least maintain this at the current high level for the next buying round that sources supplies for 2008. Using recycled fibre not only reduces landfill but also uses less energy than virgin fibre and reduces the need to cut down trees.

The newspaper industry has a voluntary agreement with the UK government to have a minimum recycled content of 70%. This target is based on a measure that relates the amount of waste paper used for making pulp to the total tonnage of finished newsprint – on this measure the maximum recycled content is not 100% but between 115% and 125% because there is some fibre loss when recovered paper is used in pulp production.

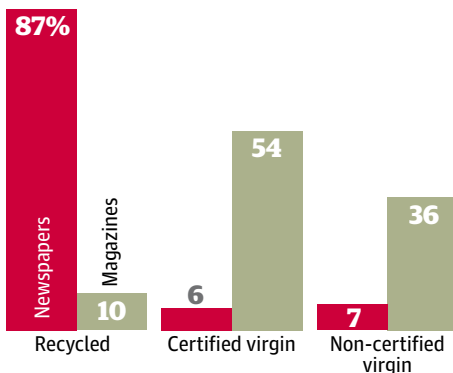
The measure we have used, expresses the percentage of recycled fibre in the finished product, where the maximum possible is 100%. Nevertheless, we estimate that our figure of 82% recycled content equates to around 105% using the voluntary agreement methodology.

Beyond our use of recycled newsprint, it is also important to note that relatively little carbon is released during our publishing process because such a high proportion of our paper and magazines get repeatedly recycled.

Around 95% of Guardian and Observer readers say they recycle their old newspapers

Paper supply

Paper used in GNM publications



Supply chain

(reader survey 2007) and the 20% of papers that are returned to wholesalers in the form of unsold copies are also sent to recycling plants. On top of this, waste paper from our print sites also gets recycled. This figure has nearly halved to 5.6% over the past two years, due to the introduction of more efficient new presses. The total paper wastage on Guardian Weekly had been at 27% but this will fall sharply now the printing of this publication has been moved to our own presses.

Our performance is not so strong when it comes to our magazine paper, with only around 10% originating from recycled paper. This is not through lack of trying but because so little is available on the worldwide market, as recycled paper does not easily meet the more demanding performance characteristics of magazine paper.

While technological developments are starting to change this, there is currently only one supplier that produces lightweight magazine paper that has a significant recycled content, and no recycled paper is yet available for more glossy publications such as the Guardian's Weekend magazine.

Despite these restrictions, our intention is to increase the percentage of recycled paper in our magazine supplies when more becomes available. **New targets >>**

Virgin paper

Our paper purchasing policy says: *"Put in place procedures to ensure, as far as possible, that fibre is not derived from illegal sources or from uncertified forests in areas of high conservation value. Increase the proportion, where possible, of paper that comes from credibly certified, well-managed forests – this will currently include certification under any of the following schemes: FSC, PEFC, FFCS, SFI, CSA, UKWAS, although we will review this list annually."*

It is necessary for a proportion of the newspaper industry's newsprint to be sourced from forests because over time the fibres wear out and lose their capacity to bind together to form strong paper.

Because of the destruction of forests around the world, often through illegal logging, it is therefore important that we source this paper responsibly.

The greatest risk factor is likely to be the country of origin. Countries that have traditionally supplied wood (Scandinavia, western Europe and Canada) generally have mature programmes for the conservation of forests and are likely to enforce regulations. But new sources of supply in areas such as the former Soviet bloc, south-east Asia, south America and China are more likely to have poor regulation of forests and to have lower standards of forest management. Fears have been voiced about opening up new tracts of virgin forests for exploitation in countries such as Russia, where there are also concerns about the involvement of organised crime.

These worries do not mean that all virgin fibre derived from emerging economies is unacceptable, or that some problems may not exist in mature supplier countries, but they do highlight the need for vigilance.

The situation is more complex still as



Some newsprint must be sourced from forests as paper cannot be recycled endlessly Photo: Alamy

we feel we have a responsibility to support emerging economies that rely on finding markets for their goods. We have therefore committed to include a proportion of our paper that is derived from selected forests in emerging economies, where the quality of forest management is actively monitored. We also intend to promote schemes in emerging economies to develop sustainable forestry.

This is why GMG is supporting a project, along with German newspaper group Axel Springer and Greenpeace Russia, to trace Russian wood exports. The project was set up by UPM, one of our main virgin paper suppliers. UPM is working closely with its Russian wood suppliers to ensure they recognise the importance of good practice in terms of human rights and the environment. **upm-kymmene.com/tracingrussiawood >>**

The audit by CSRnetwork has given the majority of our suppliers a clean bill of health but highlighted two Russian suppliers, which supply only 1% of GNM's total paper supply, as potentially high risk across a wide range of categories, including uncertainty about wood procurement and tracking schemes, low levels of fibre certification and the absence of environmental management systems.

Both Russian suppliers have made some commitments towards forestry certification

The audit gave the majority of our suppliers a clean bill of health but highlighted two Russian suppliers

and they have around 10% and 13% respectively of their feedstocks FSC-certified. They also claim to be active in promoting good environmental practice in Russia.

While the Russian suppliers do not appear to have documented procedures for tracing wood, they both appear to have recognised the importance of this issue and can point to some initiatives that they are involved with. For example, one claims that suppliers must confirm legality in writing and is participating in the Principles of Responsible Timber Trade of Russian Wood Scheme. The other company is a member of Environmentally Responsible Wood Users of Russia and has formally agreed to implement the WWF Russia standards for wood procurement.

Given that both suppliers have appeared on our risk register, our paper purchaser is seeking clarification from them, including what plans they have to improve standards.

The other main high risk area that came out of the audit was the surprisingly high proportion of fibre being used by our two main established suppliers, UPM and Stora Enso, that is estimated to have come from Russia (18%-19%).

While CSRnetwork makes it clear that both companies have strong tracing programmes in Russia, including the UPM programme that GMG is a partner of, it has nevertheless recommended that we seek further information in view of the significant tonnages involved.

Only a third of the virgin fibre used in newsprint is certified, according to a study carried out in 2005 by the Newspaper



Chain-of-custody verifies that products from certified forests are not mixed with uncertified-forest supplies

Chain of custody

Our paper purchasing policy says: *"Increase the proportion, where possible, of paper that we buy that includes third-party certification of the chain of custody from the forest to delivery to GMG, with a product label."*

Chain-of-custody certification gives an extra level of confidence because it verifies that products from certified forests are not mixed with products from uncertified forests at any point in the supply chain.

It assures buyers and customers that the paper they buy is genuinely the product of a well-managed forest because it requires that certified products are identified, segregated and accompanied by appropriate documentation at all stages.

GMG has agreed to carry out a feasibility study to see whether it is possible to demonstrate full chain-of-custody certification on individual publications.

New targets >>

Forest conservation

This involves highly sensitive issues ranging from the replacement of ancient or "old growth" forests with plantations of single, commercial tree species to the exploitation of forests over which indigenous peoples claim rights.

All the major pulp and paper suppliers, based in the regions that have traditionally supplied the UK newspaper industry (Scandinavia, north America and western Europe), have adopted policies and programmes in relation to forest conservation. Nevertheless, even established companies operating in well-regulated countries such as Canada and Sweden are periodically involved in controversial debates with action groups – typically regarding logging in old growth areas and the claimed abuse of native people's rights.

For example Greenpeace published a report in the summer of 2007 entitled *Consuming Canada's Boreal Forest: The Chain of Destruction from Logging Companies to Consumer*. The report claims that Canada's ancient boreal forest is under serious threat from logging and that in the provinces of Ontario and Quebec large parts of the forest are being subject to environmentally destructive clear cuts, with individual cuts sometimes extending over 10,000 hectares. It adds that logging is occurring in the traditional territory of many of Canada's aboriginal First Nations without their prior and informed consent. This is having serious negative impacts on the environment, endangered species and human rights.

One of the companies Greenpeace highlighted was Bowater, which is one of our suppliers. We wrote to the company seeking

assurances of their forestry practices.

Bowater sent back a detailed response to the allegations and concluded: "Bowater takes pride in being an industry leader in the sustainable management of the forest lands on which we operate. We have strong and credible environmental policies in place and, equally importantly, our foresters and other workers in the Bowater's Sustainable Forest License (SFL) areas are trained and empowered to give these policies real effect."

"Unfortunately, not everyone is aware of the stringent forestry management and environmental practices Bowater has undertaken to protect the boreal forest."

"This includes not only the use of Sustainable Forestry Management Systems (SFM), protection of wildlife habitats and breeding grounds, and interactions with First Nations, but energy-use reduction, increased use of biomass, recycling, and many other initiatives designed to reduce our environmental footprint."

Management systems

Our paper purchasing policy says:

"Put in place procedures to ensure, as far as possible, that all paper manufacturing operations comply with relevant local and national legislation, and continually increase the proportion derived from operations that have third-party certified environmental management systems that include programmes to reduce emissions of adsorbable organic halogens (AOX), SO_x, NO_x, Biochemical Oxygen Demand (BOD), chemical Oxygen Demand (COD), solid waste and hazardous waste. Avoid paper that has been bleached using technologies other than totally chlorine-free or elemental chlorine-free."

Pulp- and paper-making have the potential to create significant pollution. Concerns typically focus on high energy consumption, the use of chlorine for bleaching, liquid discharges with high AOX, BOD and COD levels, emissions to the atmosphere of SO_x and NO_x and the disposal of solid wastes.

While compliance with local pollution regulations is clearly important, the trend over the past decade has been for major industrial organisations to exceed basic regulatory requirements by voluntarily implementing environmental management systems that are independently certified to internationally recognised standards. The two dominant environmental management system standards are the ISO14001 (global standard) and the EMAS (EU Eco-Management and Audit Scheme).

Our audit shows that our mill supply base has an excellent coverage of certified environmental management systems. All of the mills that supplied paper during 2006 are certified to the ISO14001 environmental management system standard, with the exception of the two mills located in Russia. A further 28 mill sites (56%) are certified to the EMAS standard.

While both the Russian mills are mature companies, which claim to have invested in pollution control technologies in recent years, they operate in a much weaker regulatory regime than other suppliers, which is why

Publishers Association, the industry body that represents newspaper companies.

By contrast, GNM's audit shows around half of our newsprint and around 60% of our magazine paper comes from certified sources. We have set an objective to progressively increase our certified fibre content to 70% within five years with progressive annual increases starting in 2008. **New targets >>**

There are currently a number of forestry certification schemes, some of which are country specific and an intense debate has been going on for years over whether some are more superior to others.

Some activist organisations such as Greenpeace recommend only the Forestry Stewardship Council (FSC) scheme, but as CSRnetwork points out: "There is considerable disagreement about the credibility of the various schemes available and the associated politics are complex."

To gain a better understanding of these issues, we have asked CSRnetwork to undertake a study of the various schemes so we can make an informed decision.

Richard Evans, auditor, says:

☞ While the editor's and production teams priorities will understandably focus around quality and production values in the competitive magazine market, I would welcome some market testing, if technically feasible, of alternative papers for magazines to establish what would be acceptable to readers in terms of quality, recycled content and coatings. ☞

Supply chain

Richard Evans, auditor, says:

“I commend GNM for the thorough investigation it has undertaken into paper and virgin pulp sourcing and the environmental and human rights impacts of its production. The statements of policy give a clear statement of where the company is headed, and there must be some satisfaction that the results of the investigations so far indicate that paper and pulp purchasing for the greater part of its supplies meet with the terms of the policy.”

we have asked for more information from which to make a proper assessment.

Feedback also showed that all the 50 mills reported that they are either elemental chlorine-free or totally chlorine-free.

Magazine print sites

While GNM owns press centres for printing our papers (see page 44), magazines are produced using contract printers. We request annual environmental updates, but this year we also commissioned environmental consultants CSRnetwork to evaluate progress made since its 2004 audit. **2006/07 targets >>**

The most pronounced improvements have taken place at Trader Media Group's Apple Web plant, which is majority controlled by our parent company, GMG.

The audit said: “It appears that Trader Media Group has made a step-change improvement in the environmental management arrangements within its print division since the last audit. The development of a formal environmental management system, which is in the process of being independently certified to ISO14001, has formed the basis for what appears to be a transformation in the environmental performance of the Apple Web site.

“Based on the evidence of this review (which has not involved a site visit), the site now appears to understand its environmental legal obligations and is able to demonstrate that outstanding questions in relation to permitting and consent have been resolved. Most of the outstanding environmental performance issues that were raised during the last audit appear to have been addressed, or plans are in place to do so.”

The large Polestar site in Sheffield, which prints Guardian Weekend magazine, opened in 2006 with modern, efficient presses and state-of-the-art environmental controls. On completion, it immediately set out to put in place an ISO14001 accredited environmental management system, which it has now achieved. CSRnetwork was suitably impressed with the site's processes to award it a “good practice” level. Future plans at the site include the development of a rail link as well as the generation of renewable energy.

Of the three sites, the Quebecor works at Corby, which prints the Observer's magazines, has made the least progress. This is particularly evident in the delayed implementation of the planned improvement programme intended, among other things, to improve the storage and handling of



GNM owns the press centres used for printing our newspapers, though not for our magazines

All the companies that tendered for the contract were asked to supply their environmental performance

hazardous liquids and waste segregation. This setback is largely due to the recent closure of part of the site, which has caused general disruption and redundancies.

On the plus side, however, the plant has successfully achieved authorisation under Part A2 of the IPPC regulations. This imposes a tight regulatory framework on the plant, for example in terms of emissions of solvent vapours to the atmosphere.

Recommendations for improvement at all of the print sites will be shared with them, and progress monitored over the coming year. **New targets >>**

Richard Evans, auditor, says:

“As with the GNM-owned print sites, I have reviewed CSRnetwork's report and welcome the improvements in environmental management and clear identification of future actions.”

Distribution

We recently extended our newspaper delivery contract with Ceva (formally TNT Newsfast/Network Logistics). All companies that tendered for the contract were asked to supply details of their environmental

performance and ambitions for the future in this area.

Although Ceva is not currently able to give us figures for the carbon emissions arising from the distribution of our papers to wholesalers, they have recently appointed consultants to work on this at our request. Hopefully in the coming year we will have some initial data around distribution to feed into our carbon footprint work. **New targets >>**

On other environmental matters, Ceva says it is constantly seeking to reduce vehicle emissions, the amount of fuel used, tyre wastage and increase vehicle efficiency.

Richard Evans, auditor, says:

“Data on the distribution contractor's environmental performance will be very welcome in next year's report, and GNM is to be commended for developing a cooperative approach in achieving this advance.”

Procurement

GNM currently has more than 2,500 suppliers across all its departments, which is not only cost-inefficient, but makes it hard to work with suppliers on our sustainability and diversity goals (see People target, page 41). However, a new central procurement team has recently been established to manage our suppliers more centrally, which will enable us to ensure our own sustainability standards are echoed through our supply chain.

A handful of our larger contracts have historically been managed centrally.

Suppliers tendering for such contracts or renewing existing agreements must provide comprehensive information on environmental performance, equal opportunities and health and safety, as well as the usual criteria of cost and quality. Each aspect is scored and weighted, according to the significance of its impact. This type of screening process will be applied to all central purchasing as we move to a more consolidated system.

In the past year, our travel provider was the only centralised contract that went to tender. The winning company's scores for environment and health and safety were top of those considered, and were rated "very good" across the board. We will be working closely with our travel suppliers on monitoring our travel emissions in the coming year (see page 16).

Richard Evans, auditor, says:

☞ With the growing globalisation and complexity of supply chains, this is widely recognised as a major area of potential risk to a company's reputation. GNM's adoption of good practice in this area of management is welcomed. ☞

Supplier payments

For any relationship to be successful, there has to be understanding on both sides. So while we are seeking to influence our suppliers, we also have a responsibility to meet their concerns. Chief among these is prompt payment. Our editorial and non-editorial supplier payments are managed using two separate systems. While non-editorial payments improved for the third consecutive year to 29 days, payments to freelance writers and photographers have risen slightly to 23 days, slightly missing our 20-day target. These figures compare favourably with the UK average for other large companies of 81 days (Experian 2007). **2006/07 targets >>**



Catering

Strong environmental credentials were an influential factor in the choice of our catering provider Directors Table, which in July 2007 achieved ISO14001 accreditation for its environmental management system at GNM. **2006/07 targets >>**

Practically all packaging and cleaning materials are now either biodegradable, recycled or recyclable and all waste is segregated and disposed of in line with the company's sustainability commitments.

We have also been working with Directors Table to monitor the proportion of ethically sourced foodstuffs purchased. The number of lines with improved sustainability credentials has more than doubled in the past nine months, with 45 products that are fair-trade, organic or locally sourced, such as sustainable fish, locally sourced meat, organic milk and free-range eggs. Coffee is triple certified (fair trade, organic, rainforest alliance) and bottled water is supplied by eco-company Belu.

By consolidating deliveries to the Guardian's two separate catering outlets, Directors Table has also cut delivery miles by half. **2006/07 targets >>**

Looking ahead: new operations targets

- Produce an independently verified carbon footprint for our direct carbon emissions, and provide more accurate information on GNM's indirect emissions resulting from newspaper production and distribution.
- Monitor the progress and environmental performance at our newspaper and magazine print sites based on recommendations produced by the Carbon Trust and CSRnetwork.
- Undertake a comparative life cycle analysis of bioplastic versus regular polythene, to give clarity on the environmental impacts of polybagging weekend newspapers.
- Appoint an environment manager (pending approval from TB).
- Research the issues surrounding carbon emissions associated with paper manufacture.*
- Improve the percentage of recycled paper in our magazine supplies, subject to issues of quality and availability*
- Progressively increase the certified fibre content of virgin paper to 70% over five years.*
- Carry out a feasibility study looking at full chain-of-custody certification for individual

publications by end of 2008.*

*Note: all newsprint targets are subject to there being no major unforeseen changes in market supply of paper.

Looking back: 06/07

- Approve a paper purchasing policy to ensure sustainability issues are prioritised when sourcing newsprint. ★★★
- Agree action plans for environmental improvements at our two newspaper print sites, based on recommendations from the recent independent audits of the facilities. ★★★
- Independent auditor to review progress at our contract magazine print sites. ★★★
- Each department to produce an action plan to reduce its environmental impact. ★★★
- Encourage individual members of staff to reduce their environmental impact via a continuing awareness intranet and poster campaign, focusing on recycling, energy and waste reduction. ★★★
- Extend the new health and safety manager's

job description to incorporate environmental management. ★☆☆

- Offset emissions from business car travel. ★★★
- Ensure that all staff flights are booked through preferred suppliers to enable GNL to offset 100% of resulting CO2 emissions. ★★★
- Our catering outlet, Directors Table, to work towards ISO14001 environmental management system accreditation for the catering area. ★★★
- Directors Table to monitor the range and proportion of ethically sourced food and drink purchased. ★★★
- Directors Table to actively promote Fairtrade food and drink options to staff. ★★★

Suppliers:

- RCS team to work with relevant desks to improve payment efficiency for pictures and artwork, towards an overall payment target of 20 days. ★☆☆

☆☆☆ No progress

★★☆ Modest progress

★★★ Good progress

★★★★ Target completed

Richard Evans, auditor, overall assessment of operation section

☞ The work with the Carbon Trust on measuring energy consumption and carbon footprint; the reviews of print sites by CSRnetwork; the research on newsprint and paper pulp sourcing and other efforts to reduce the company's ecological impact through waste reduction and management, water conservation, transport and polybagging reported here are all very positive.

There are many factors that have to be considered if GNM is to achieve its vision of sustainability. I believe that the company has identified some high-impact effects, which it has

real possibilities of managing successfully in the coming years.

In the longer term, GNM might also consider beginning to measure its ecological footprint. The ecological footprint is a resource management tool that measures how much land and water area a human population or a business requires to produce the resources it consumes and to absorb its wastes under prevailing technology. This will not only provide a more holistic measure of the company's contribution to sustainability but will be useful in identifying the severity and magnitude of the environmental impacts of its business.

This analysis can then support a more strategic approach to change.

regionalsustainability.org >>

However, sustainability will not come by wishful thinking. The failure of the company to understand its contract for purchasing green electricity has a cost in CO2 emissions that cannot be recovered. It is essential that management has the capacity and the competence to manage its operations sustainably. I believe that at the time of this report there is neither enough resources nor sufficient expertise to do this. ☞

Communities

Our ability to interact with our various communities has changed radically since former editor CP Scott penned his centenary leader article in 1921, which enshrined “duty to the reader and the community” as a fundamental principle. Until the relatively recent creation of the internet, newspapers have operated a tablet-of-stone model, which involved handing down “truths”. The only interaction with readers, historically, has been the letters page, which could only ever publish a tiny proportion of responses. But now community is at the very heart of Guardian Unlimited’s strategy, with the launch over the past year of a number of new blogs, and a major expansion of our community team to generate greater interaction not only with our journalists but between our users. Scott would also have found it difficult to imagine that our corporate support of community initiatives would now span the globe, with journalist training programmes across eastern Europe and the Middle East, development projects in Africa, as well as volunteering schemes within a short distance of our offices in London and Manchester.

Making connections

With online communities growing rapidly in popularity, Guardian Unlimited is constantly exploring new ways to engage and connect with readers

Guardian Unlimited (GU) communities have seen rapid growth in the last 18 months, with traffic to our blogs increasing from 2% of our page views to more than 10%.

The launch of Comment is Free, as well as our sport, arts and entertainment blogs helped to bring about a dramatic increase in readership as well as the number of comments posted. We also launched blogs focused on climate change and ethical living to support our deepening commitment to sustainability issues.

Blogs can be a place where people meet to discuss their passions. A good example of this is our food blog Word of Mouth, which has turned into a buzzy, conversational place with people talking about everything from their favourite comfort food to their opinions about soft drinks or vegetarian fare.

Underpinning the growth of our online communities has been the rapid expansion of our community team: we now have a dedicated blogs editor and a new head of community and user experience. To support them, five new community managers have been recruited to help moderate debates and engage with members of Guardian online communities. They are available 24/7 to ensure that users all around the world are catered for.

CommentIsFree (CIF) and other GU blogs are post-moderated to encourage a more fluid interaction between users, and part of the community team's role is to encourage journalists who have written articles on the

web to join in any subsequent debate by responding to users' comments.

New Community Standards were rolled out in July 2007 making the moderation process more transparent, discouraging negative behaviour, but more importantly encouraging positive behaviour. We are constantly reviewing and changing how we handle all types of contributions on the site and, as part of a wider review of our community policy, we have revised our talk and posting guidelines into a clear policy." [>>](http://guardian.co.uk/talkpolicy)

'Enriching our journalism'

On our news blog, we are experimenting with new ways to engage our readers and tap into the wisdom in the crowds on the internet. Our readers responded when we allowed them to pose questions to Jean-Baptiste Kim, the president of the Voice of (North) Korea, and it added to the dramatic story of the summer floods in England when we linked to pictures taken on the photo-sharing site Flickr.

This new form of journalism is not without its risks. The Guardian was criticised for being insensitive when we tried to contact students through their blogs and social networking sites in the wake of the Virginia Tech shootings. One blogger called this "digital doorstepping", comparing it to the invasive methods used by media parking their cameras on the doorsteps of grieving families.

Part of the problem is that there was a media scrum as many news organisations sought to cover the tragedy, with the crush extending into online spaces. The answer is not necessarily for international journalists to stop covering such events, but rather to cover them more sensitively.

Staying small as we grow big

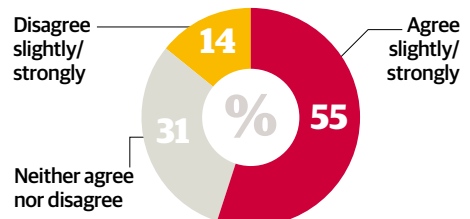
Expansion over the last year has seen some challenges. Community success isn't just measured by the number of comments because the more there are, the more difficult it can be for readers to follow conversations.

We recognise that the best online communities help people keep track of the threads of the conversation they are involved in while helping them make sense of the broader conversation. We have therefore introduced a system that allows readers to recommend comments on CIF, with a tab option to view only these selected entries.

As we look to the future, we know that blogging and online communities are

Online community

Users who have posted comments on a Guardian Unlimited blog were asked if doing so makes them feel part of a shared interest community



SOURCE: GUARDIAN UNLIMITED USER SURVEY 2007

evolving. People don't simply want to comment on content but also connect with each other. In our recent survey of Guardian Unlimited users, 55% of those who had posted comments agreed that it made them feel part of a shared-interest group. We are looking for ways that readers can build social connections with each other and also are better able to follow their conversations on the site.

Some of those solutions will be technical, but there are also many things we can do editorially to engage our readers, for example the simple route of giving our users a clear signal that our blogs are where we have discussions and debates. We will also be embracing our international readership by launching new experiments in global debate and discussion in the next year.

One such experiment has been the launch of the new Guardianweekly.co.uk. It has a unique editorial strategy of publishing first-person/eyewitness accounts from around the world, to add depth to the material printed in our Guardian Weekly publication. This reflects increasing interest in human news experiences, citizen journalism and a growing relationship between the media and its consumers.

Guardian Weekly has also built an online community area to harness the thousands of its international subscribers, to provide an incentive to share ideas and knowledge with each other and, ultimately, become a force for change. Users can register a profile and search for other registered users on a "reader map", searching by occupation or country for like-minded people with a shared passion for Guardian Weekly and the values it represents.

Users are also encouraged to contribute to the site's editorial if they experience something newsworthy. Already this is bearing fruit, with contributions from Weekly readers in countries including Iran, Ecuador and Zimbabwe.

User interaction

Ways in which Guardian Unlimited users have interacted with Guardian Unlimited

Read comments on any Guardian Unlimited blog **75%**

Followed a link at the end of an article **74**

32 Downloaded a podcast or audio file

21 Posted a comment on any Guardian Unlimited blog

15 Emailed feedback

12 Downloaded a videocast

SOURCE: GUARDIAN UNLIMITED USER SURVEY 2007

Community partnerships



Students of Elizabeth Garrett Anderson school were partnered with fashion designers to create a new uniform Photo: Frank Baron

Investing in the future

GNM continues to develop both existing and new programmes to create strong community links around the world and provide educational opportunities

It is not only through our editorial coverage that we have an influence over people's lives. As a company with 1,700 employees and an ability to tap into a wealth of resources, we are also having a direct impact on the lives of many thousands of people, both in this country and abroad.

In the past year this has included support for vulnerable communities which have been affected by climate change, training for journalists in countries ranging from eastern Europe to the Middle East, and mentoring projects in the UK.

We have also launched a ground-breaking multimillion-pound development project in Uganda which supports a community of 25,000 people living in a poor rural district affected by climate change and the aftermath of civil war.

As well as donating our own funding, expertise and staff volunteering to projects, we also aim to leverage support from others by seeking match-funding donations and pro-bono resource from individuals and partner organisations.

Scott Trust

The Scott Trust Foundation is the umbrella organisation for all charitable activities taking place under the direction of our owner, the Scott Trust. Its remit reflects one of the trust's key objectives of "promoting the causes of freedom of the press and liberal journalism both in Britain and elsewhere". It has three separate arms: the Guardian Foundation, the Newsroom visitor and archive centre, and the Scott Trust charitable fund.

Guardian Foundation

The Guardian Foundation is the Scott Trust's overseas training arm, supporting the creation and running of editorially independent newspapers. In the past year it has worked with journalists and news organisations from Lebanon, Syria, Oman, South Africa and the Balkans.

One of the foundation's activities is to put on seminars for journalists from around the world, with recent topics including reporting

climate change and the use of cartoon and satire in the media.

The two-day seminar on climate change was held for two dozen senior editors and reporters from eastern Europe and the Balkans. While Britain has put global warming high on the news agenda, across much of eastern Europe even the basic issues involved seem only partly understood.

Presentations were made by a number of specialist and political journalists from the Guardian and Observer and included facts, ideas and models for action in newsrooms.

To provide more intensive support and advice, individual journalists from our papers visited the Balkans last year to provide training on investigative reporting and election coverage.

Meanwhile, the Guardian's political cartoonist Steve Bell led a successful workshop in Damascus for Syrian cartoonists under the eye of watchful authorities.

Through a longer-term partnership with the Mail and Guardian in Johannesburg, the foundation continues to train young South African journalists. Past interns have gone on

Community partnerships

to take editorships of national newspapers and include the current editors of both the Mail and Guardian and the Johannesburg Sunday Times.

Richard Evans, auditor, says:

●● GNM and the Guardian Foundation are to be commended for focusing a significant part of their "community involvement" on their core activity – liberal journalism – rather than sponsorship of sporting and cultural events that bring publicity but have little other relevance to the business. It is also good to see GNM's commitment to sustainability allowing it to identify this as an issue and to commit resources to addressing it. ●●

Archive and visitor centre

Our archive and visitor centre in London, known as the Newsroom, runs a popular programme of free education workshops. School groups, further education students, adult learners and families work with trained education officers to create either a newspaper front page or a news website based on the day's news.

The Newsroom also runs a series of one-off educational events and conferences, many of which link in with the exhibitions in the adjoining gallery. Notable events in the past year include a seminar for sixth-formers entitled Understanding Globalisation, as well as the annual Big Draw event where children and their families work alongside acclaimed cartoonists and illustrators.

The Newsroom also has its own archive that preserves the heritage of our papers. Over 10,000 educational visitors benefit from the centre's activities each year.
[>>](http://guardian.co.uk/newsroom)

Scott Trust Charitable Fund

The Scott Trust Charitable Fund supports projects associated with independent journalism, journalist ethics, media literacy and journalist training, in the UK and abroad.

One new beneficiary of the fund was Manchester-based Radio Regen, a project that works with marginalised communities to tackle disadvantage through participation in community radio. Funding will provide journalism training for local people enabling them to shape their ideas into content, which can then be broadcast.

In the pilot project, broadcast journalists from Guardian Media Group Radio, the BBC and Granada/ITV will train volunteers at community-based radio station, Wytenshaw FM. If successful, Radio Regen's longer-term aim is to become a national training provider for community radio volunteer journalists across the UK.
[>>](http://radioregen.org)

The Pavement, a free monthly magazine providing information and advice for homeless people was another beneficiary of the fund. As well as providing a grant towards launching a sister publication in Scotland, the Guardian has also helped the magazine to improve its production processes, and

Community budget spend 06/07

For GNM it is virtually impossible to split our social and community impacts from our core business practices, as they are integral to so much of what we do, be it producing newspapers and websites informing society about social issues or sponsoring events and conferences which complement our editorial stance. We do, however, allocate specific funding for initiatives whose primary purpose is to benefit the communities that surround us

GNM charitable giving

£91,805

GNM community project management (administration, volunteer training, staff time)

£45,426

Other GMG divisions charitable giving

£93,197

Scott Trust Foundation: Newsroom archive and visitor centre, Guardian Foundation, Scott Trust charitable Fund and bursaries.
(Includes management and administration costs)

£1,281,223

Total

£1,511,651

assisted it with the sourcing of new and discounted computer equipment.

GNM

GNM's community involvement is centred around long-term partnerships with schools and charities based around our offices in Farringdon, London, and Manchester.

Alongside these local initiatives, we also support many national and international projects that are linked to editorial campaigns and appeals, or those that have a specific focus on journalism and development.

Given our move next year, we are currently looking to develop new partnerships in the King's Cross area. We will be sharing our new offices with two orchestras and a number of other music organisations and we will be working with them to devise a coordinated approach to local community involvement.

The Guardian has already established a successful pilot partnership with nearby Winton primary school providing volunteer reading and chess tuition, as well as donating £5,000 towards a new play area.

Education

Given that education is a key component of our editorial coverage, it is hardly surprising that it forms the central theme of our community involvement. We now have six partner schools in London and Manchester – three primary, two secondary and one special needs – where our staff are actively involved. Over 100 (7%) employees got involved in the past year, supported by a company policy allowing staff up to two days a year to volunteer.

GNM's community involvement is centred around long-term partnerships with schools and charities based around our offices

As well as facilitating volunteer reading, mentoring and special needs support, we also manage several large-scale initiatives. The most ambitious of these has been a rebranding project at EGA secondary school in Islington which was not only aimed at enhancing the reputation of the school in the local area, but also of building the confidence of the students who worked on the project.

The students worked alongside brand and design professionals to develop a new identity for their school, and their passion and belief in the project secured extra funding for it.

The girls presented their work to a group of chief executives as part of a Seeing is Believing tour run by Business in the Community, which led to Anglo Irish Bank donating £15,000 for the new signage around the school, while accountancy firm BDO-Stoy Hayward was so impressed it offered professional training for the girls to further develop their public speaking.

Generating the most excitement within the school was the creation of a new uniform, developed by the students in partnership with fashion designers Bella Freud and Annekatrin Lockton. The retailer John Lewis and local firm Rough Cuts turned the designs into uniforms, which were unveiled to thrilled screams at a school assembly.

The Guardian is committed to ensuring the new "without limits" brand identity is more than just a badge. We have recently agreed a film project in which a new group of students will work with film-makers from Guardian Films to explore what "without limits" means to them, both as individuals and as part of the school community.

The project will generate a film for the school, which will be screened online at guardian.co.uk and in local cinemas. Funding has been committed from the Guardian, Film London, and Camden and Islington council.
[>>](http://educationguardian.co.uk/schoolbranding)

Headteacher Jo Dibb says, "It would be easy to dismiss the project as an exercise aimed at promoting the school without any real substance. This is not how we perceive it and hope that the process as well as any outcomes will help us to focus on our central mission and purpose."

Community partnerships



The Christmas appeal helped support communities affected by climate change Photo: Sven Torfinn

Africa

We have spent the last few years developing projects in Africa. While we have consistently reported on development issues, we have now matched this commitment by creating a project in a rural community in Uganda called Katine, launched in October 2007.

The £3m scheme is aimed at supporting a community of 25,000, most of whom live on less than 50p a day and have been affected in recent years by civil war and climate change.

We have developed the project with a number of partners, including the Nairobi-based NGO Amref, and Barclays bank, which is match-funding readers' donations up to £1.5m. The initiative will focus on issues of health, water, education, livelihoods, financial inclusion and governance.

GNM paid the £100,000 cost of setting up the project and has committed major editorial resources, including the setting up of a dedicated website to follow in detail how the scheme develops. [>>](http://guardian.co.uk/katine)

One of the aims is to increase transparency around development. Millions of people give money to charities, but few get to see on a week-by-week basis whether their money actually made a difference.

Another aim is to act as a focal point for development issues and to see whether what can be achieved in Katine can be replicated in other parts of Africa and beyond.

We have also been supporting various education initiatives in Africa, including the Gumbi Education Fund, set up in 2004 following a Guardian article about a poverty-stricken village. Wholly fuelled by readers' donations, the fund pays for 55 children to attend secondary school, and in the past year enabled the rebuilding of the primary school.

Our financial support of the Saving Grace Foundation (SGF) helped fund free treatment for HIV-positive people in Malawi through life-saving antiretroviral drugs. These are now provided at no charge by the government, so SGF has realigned donations from Guardian readers towards HIV prevention.

Working in partnership with the charity Theatre for a Change, SGF is paying for a

group of Malawian facilitators to be trained in active and physical approaches to HIV prevention. This will form the basis for a five-year nationwide programme in which teachers will be trained in HIV prevention and awareness-raising techniques, with the goal of reducing the spread of the disease among young people and their families.

[>>](http://guardian.co.uk/savinggrace)

Journalism

In addition to the various activities that come under the Scott Trust Foundation (page 54), we support organisations that engage young people who have an interest in journalism.

This year we funded a new charity, the Children's Press Agency in India, established by the development charity Plan UK. The agency works with some of India's poorest children, giving them a voice through their own online and print journalism. A donation of £10,000 was given through the Media CSR Forum of which the Guardian is a member.

Closer to home, Headliners is a charity that gives disadvantaged youngsters in London a voice on topical issues through the articles they write. Guardian and Observer journalists support this through regular mentoring.

We are also continuing our successful partnership with Live, a magazine written and produced by young people for their peers in south London. Our journalists support the writers by providing advice on articles that fall within their specialism. Live's publisher Sam Conniff says what he most values is "the reassurance that the writers are receiving specialist guidance on sensitive story issues ranging from teenage gang rape to honour killings. Live magazine is uniquely placed to help a broad group of young people, prompting discussion on issues that might never otherwise come up among peer groups in day-to-day life. The Guardian team fully support us in that goal."

In addition to these projects which are exclusively targeted at the under-21 age group, we offer a host of training bursaries and internships to aspiring journalists from a range of backgrounds (see diversity page 37).

Christmas appeal

Raising awareness of vulnerable communities suffering the effects of climate change was the focus for the Guardian's most recent Christmas appeal. Facilitated by the charity Practical Action, journalists visited communities around the world who are already having to adapt to the disruption caused by an increase in extreme weather, including flooding in Bangladesh, droughts in Kenya, and melting glaciers in Peru.

The Guardian dedicated six weeks of coverage to Practical Action's projects, with money raised by readers going to projects encouraging the diversification of crops and the building of dams and emergency shelters.

Alongside the international appeal, we also supported the work of 11 grassroots mental health charities on the UK. One in four people experiences a mental health problem in their lifetime. Our appeal enabled some of their voices to be heard, with funds from the appeal paying for a range of therapies, supported employment schemes, crisis support, as well as research and campaigning activities.

The Guardian and Observer raised a total of £440,000 from readers, which was split between Practical Action and UK mental health charities. The Zurich Community Trust match-funded donations from Observer readers. Our traditional Christmas Appeal will this year give way to the longer-term Katine project, for which coverage and fundraising will run throughout the year.

Payroll giving and match-funding

While GNM supports various charities that fit with the company's values, our award-winning payroll-giving and match-funding schemes allow staff to choose their own charitable organisations to support. As well as matching employees' fundraising efforts for the first £100, we also encourage staff to sign up to payroll giving. Thirty-six per cent of our workforce donate collectively to over 200 charities, against a national average of just 4% according to a recent YouGov/Oxfam poll. As a result, charities received almost £100,000 additional funding over the past year.

Richard Evans, overall assessment

●● This is an impressive view of how GNM understands the concept of community involvement, packed with innovative thinking and very clearly focused on the company's purpose and the communities it relates to directly. The absence of any PR strategy is refreshing, as is the accessibility most of this activity allows to readers, staff and donors through this report and online reporting and interaction through the GU website. GNM should consider submitting its community involvement programme to the London Benchmarking Group (LBG) so that its work can be compared with other businesses and particularly those in the news media sector. This is, after all, part of the "new economics" of sustainability that Larry Elliott, the Guardian's economics editor, has written about elsewhere in this report. ●●

Measuring our sustainability

Is GNM really heading for a greener, more sustainable future or are we simply making the same old mistakes? Richard Evans delivers his conclusion

Opinion

This report describes the far-reaching work GNM has undertaken with Forum for the Future to identify what its contributions to global sustainability will entail.

The outcome is the beginning of “a radical reframing of every issue” relating to the company’s continued success, and, most importantly, the impact its journalism can have on global society and our future on planet earth.

Significant steps have already been taken to reduce the impact of GNM’s operations on the environment and to identify what more needs to be done. But reducing its own impact will not be enough.

It is apparent throughout the Editorial and Commercial Realities chapters of the report that other changes are already in progress in its journalism and in its business model. Larry Elliott, the Guardian’s economics editor has, I believe, addressed the need for a paradigm shift when he writes “Policy makers, businesses and individual consumers are now faced with the unmistakable contradiction between unbridled growth and the future of the planet ... The threat by global warming has eroded the old certainties of the economics profession; more is not necessarily better.”

This report provides many examples where GNM’s directors, editors and journalists have already committed themselves to persuading “us” to change our politics, economics and personal lifestyles and, at the same time, continuing to provide a platform for those whose lives and future are not cushioned from the damaging effects of our unsustainable way of life.

Verification and assurance

My responsibility as an independent assurance provider is to form a view, on the basis of detailed and systematic investigation, whether the statements and claims made in the report are trustworthy and adequately supported by evidence. In doing this I am seeking to apply the three principle tests set out in AccountAbility’s AA1000AS Assurance Standard. These are:

● **Materiality** – is the information relevant to stakeholders’ concerns and interests and will



it help them make informed judgments about the company’s performance?

● **Completeness** – does the information provide sufficient evidence that the company understands all its significant social, economic and environmental impacts?

● **Responsiveness** – does the report demonstrate the company’s responses and commitment to improving its performance?

In order to comply with these principles I have to form an opinion as to whether the information in the report: performance data, reporting of GNM’s stakeholders concerns, and their assessment of the company’s behaviour is accurate, consistent with its values and presented in a balanced manner. The level of assurance I can provide is inevitably limited by time and cost. I cannot guarantee that all claims are 100% accurate or that the information is complete in every detail. That is why we use the term “assurance” rather than the more literal “verification”.

Much of the assurance I can offer is the result of investigating the management systems and practices to determine whether they are likely to deliver claimed results and reliable data. Where I have doubts or can identify a higher risk of mis-statement or misrepresentation I investigate in greater detail. In some of this I rely on independent auditors and consultants the company has engaged whose expertise in their areas of specialisation is greater than mine. Where I have doubts about the accuracy or completeness of the information or the systems in place for monitoring performance, I have commented in the body of the report.

The failure to identify errors in reporting carbon emissions in the two previous reports is an error in assurance on my part, as well as a failure of management. While it may be some comfort to know that there were significant reductions in carbon emissions as a result of switching to a renewable electricity supplier in 2004, the claimed levels were incorrect. Without an audit process this may not have come to light for several more years and you would have no way of knowing.

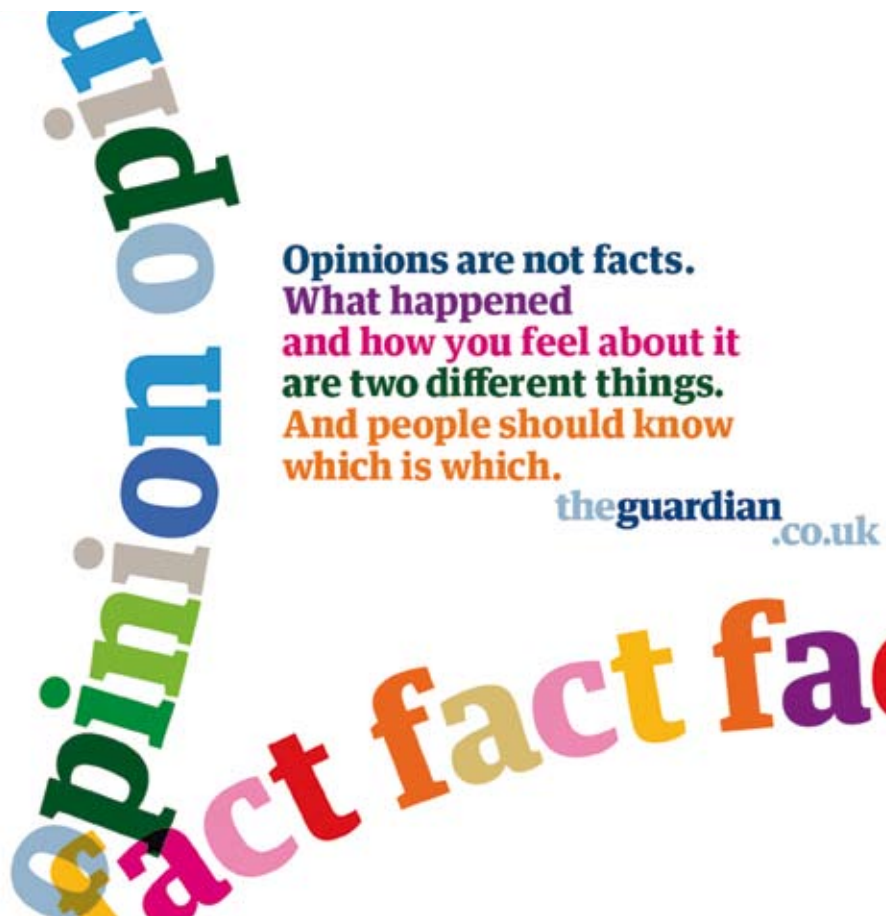
Steps have now been taken to switch to a guaranteed 100% renewable supply and to monitor performance rigorously. I have repeated my concern, expressed in each of my previous audits, that the resourcing of environmental management at GNM has not been adequate. I welcome the decision to employ a qualified and experienced environmental manager.

If an assurance statement is to serve the purpose of informing stakeholders’ judgments, it needs to do much more than provide an independent and critical view about the completeness, accuracy and reliability of the information. It needs to answer questions about how the company is addressing issues of transparency and fundamental purpose in its own business sector – the media industry – in the context of global issues of sustainability, injustice and interracial and interfaith distrust.

I believe the report illustrates this requirement particularly well in its discussion of the company’s dependence on advertising, while at the same time addressing pressing issues of national and personal consumption and sustainability. Journalists at GNM have written in this report about the importance of sustainability in the areas they report on and readers have responded to the debate and to the challenge.

An assurance process should also examine the extent to which the company, within its sphere of activity and influence, is contributing to a more informed, just, humane and liberal society within its workplaces, its community and the wider world. Nowhere is this more self-evident than in the news media and in the opinions propagated in our newspapers and on our television screens. Living Our Values 2007 provides some fascinating insights into rapidly growing communities built around GNM’s output that share those same values of liberal debate, accurate and incisive reporting, social responsibility and a vision for a more sustainable world.

Auditor's statement



Part of the Guardian's advertising campaign by Wieden + Kennedy London

Scope and basis of my opinion

My work has covered the whole of the activity of Guardian News & Media, which produces: The Guardian, The Observer, and GuardianUnlimited. I have evaluated the quality and scope of information in the report against this overview of the company's activities and the three criteria listed above (AA1000AS Assurance Standard criteria).

My responsibility as auditor

The content of the social audit report is entirely the responsibility of GNM's directors. I have not contributed any of the text or information apart from this statement, neither have I designed nor commissioned the systems for information and management control upon which the content of the report is based.

My responsibility is primarily to GNM's stakeholders: its readers, employees, suppliers, the community, and its owners. My task is to assess and report on the reliability, completeness and balance of the report and the extent to which the information provided is material to stakeholders' interests. The directors have agreed to publish my auditor's

I believe the company's report satisfies the principal tests of materiality, completeness and responsiveness

**Opinions are not facts.
What happened
and how you feel about it
are two different things.
And people should know
which is which.**

theguardian.co.uk

statement and comments in full.

I am not aware of any relationship with the Scott Trust, Guardian Media Group or Guardian News & Media or any of its stakeholders that could affect my ability to act impartially in auditing this report. ethics etc... is an independent social and sustainability accounting assurance provider.

Conclusion

On the basis of the work I have done I believe the company's report satisfies the principal tests of materiality, completeness and responsiveness and gives an honest, reliable and balanced view of the company's performance.

My comments and commentary in the body of the report are an integral part of this opinion and assurance statement.

Richard Evans, ethics etc..., Newcastle upon Tyne, October 12 2007

ethics etc... was established in 1997 as an independent sustainability and social accounting consultancy and assurance provider. Evans worked for 12 years in industry and then 20 years in two development agencies, Intermediate Technology and Traidcraft plc. He was responsible for developing the methodology for the UK's first independently audited social account (Traidcraft plc, 1993) and subsequently was a founding member of AccountAbility and chair of its board. He has been involved in developing sustainability accounting, stakeholder engagement and auditing methodologies and standards with AccountAbility and GRI since 1990

Managing our responsibilities

GNM has a dedicated sustainable development department, which consists of three full-time employees. Unlike other media companies, the person in charge of the department, Jo Confino, combines the role of executive editor of the Guardian with that of head of sustainable development for GNM. We believe it is important to have a senior editor leading this programme, given that our editorial content lies at the heart of our values.

As well as producing this report, a key part of the department's role is managing the implementation of GNM's sustainability vision and action plans. They are also working on the development of a sustainability strategy across the whole of the Guardian Media Group.

They liaise closely with managers across all areas of GNM, ensuring that Scott Trust values are considered and acted on. Another of their responsibilities is to manage all our community activities, both in the UK and overseas.

The team regularly reports to Shaun Williams, director of corporate affairs, and board champion for sustainable development. They also produce monthly board reports covering social, ethical and environmental issues.

Williams chairs a new sustainability leadership group, consisting of directors and senior managers. The main purpose of this group is to recommend to the board the strategic steps it is necessary for GNM to take in order to achieve its sustainability goals.

Targets

The sustainable development team consults with individual departments, producing appropriate targets and measurements, and ensuring that areas of poor performance are confronted. Once these have been agreed on and approved by the relevant departmental director, they will be owned by that department and will appear in the report. Before it is published, the sustainability report, including a summary of all targets, is signed off by the managing director of GNM, Tim Brooks.

In the year following the publication of the report, the team monitors progress by liaising with individual directors. Where necessary, they also advise on how best to achieve their department's objectives, and help to facilitate the necessary steps.

Communication of sustainability issues

Living Our Values is sent out to all GNM employees, the Scott Trust, GMG directors and community partners. We also send it to key players in the field of sustainability as well as academics and media companies around the world. The report is permanently available online at guardian.co.uk/sustainability and is promoted in our newspapers, so that readers can request a hard copy if they so wish. All new starters at the company also receive a copy of the report.

Regular updates and new sustainability initiatives at GNM are posted on the internal intranet for staff under the banner TomorrowToday and an annual summary also appears in the GMG employee report and GMG's annual report and accounts.

Tomorrowtoday
Acting now for a sustainable future

From strength to strength

GNM has enjoyed another stellar year with our achievements in editorial and commercial activities rewarded with a number of prestigious awards

In the past year the Guardian, Observer, and Guardian Unlimited have won a plethora of awards recognising excellence across the board, from editorial coverage and photography, to innovation in design and advertising. Guardian Unlimited continues to be recognised as the number one newspaper website in the world.

Sustainability awards

- CSR-environmental newspaper company of the year award in the Production Journal Awards, 2007
- ACCA award for innovation in social reporting and reporting on product impact, 2006
- Gold award from Opportunity Now gender diversity benchmarking, 2007
- Gold award for payroll giving from the Institute of Fundraising, 2007

The Guardian

- National weekday newspaper of the year, weekend newspaper of the year, newspaper printer of the year, and most outstanding use of colour at the Production Journal Awards, 2007
- Polly Toynbee was named columnist of the year; Tom Jenkins, sports photographer of the year; Patrick Wintour, political journalist of the year; and supplement of the year was awarded to the Guardian's Guide To ... series in the Press Awards, 2007
- Polly Toynbee was named political journalist of the year at the DODS & Scottish Widows Women of the Year Awards, 2007
- Best national newspaper award at the Plain English Campaign Media Awards for the second year running
- The graphics team won two international awards from the Malofiej competition. The gold award was for a graphic on the International Space Station, showing its size compared with the Sun, and the bronze was for a graphics spread on the world's distribution of military forces
- Four silver awards at the Society of News Design's Awards for graphics of the anniversary of 9/11 and a local elections results map, as well as breaking news coverage of last year's Middle East crisis
- "No Fear, No Frills" by Mary O'Hara was named best national article in the "For Diversity, Against Discrimination" category at

the EU Journalist Awards, 2007

- Guardian Money was judged to be the best personal finance section in any national newspaper at the Association of British Insurers' Financial Media Awards, 2006.
- Guardian Money also won the title of personal finance newspaper of the year at the Bradford & Bingley Personal Finance Media Awards
- Hannah Pool won the media prize at the European Federations of Black Women in Business, 2006
- Stephen Bates won religious writer of the year at the Churches Media Conference
- The G2 special that mapped immigrant populations across the UK won a Race in the Media Award
- Trafford Park Printers won Printing World's category of best printing of a newspaper for the Guardian
- Nick Paton Walsh won the Gaby Rado Memorial Award
- The Berliner Guardian won two prizes at the D&AD Awards: a Yellow Pencil in the best designed newspaper and a Black Pencil for best overall design
- Daily newspaper of the year at the London Press Club Awards
- Best-designed national title at the European Newspaper Awards, 2006
- Guardian Money has been voted the best national newspaper, consumer finance section, at the HeadlineMoney/Halifax awards, 2006
- Ghaith Abdul Ahad won the Martha Gellhorn Award, 2006
- Dan Chung awarded a special prize at the James Cameron Memorial Awards for his press photography, 2006

Guardian Unlimited

- Webby award for best newspaper on the web for the third consecutive year
- Best electronic daily newspaper at the PJ Newspaper Awards, 2006
- Best digital sales team at the Campaign Media Awards, 2006
- Online sales and editorial teams of the year for Comment is Free at the AOP Awards, 2006

The Observer

- National newspaper of the year at the British Press Awards, 2007
- Rachel Cooke was named feature writer of

the year at the What The Papers Say awards

- Nicola Jeal won the launch of the year award and the editor's editor of the year award at the BSME Awards, 2006
- Observer Sport Monthly won the sport award at the Race in the Media Awards
- Peter Beaumont won the national newspaper prize at the Amnesty Media Awards and the 2006 George Orwell prize for political journalism
- Alex Renton won food writer of the year and Tim Atkin wine writer of the year award at the Glenfiddich Food and Drink Awards
- Newspaper design of the year at the Production Journal Newspaper Awards, 2006
- Observer Sport Monthly named the best magazine at the Sport Industry Awards, 2006
- Bronze award at the Malofiej awards for newspaper graphics

Guardian News & Media

- Media owner of the year at the Revolution Awards, 2007
- The Manchester ads team won display advertising team of the year at the Fresh Digital Awards
- The team also received four awards at the Drum's Media Sales Team Awards, including: innovative team of the year, best for market research, customer service award, and national newspaper classified team of the year

GNM conferences

- Climate Change Summit
- Oxford Media Convention
- Public Services Summit
- Managing New Realities: Health, Housing and Social Care
- Changing Media Summit

Other events we sponsored

- Observer Ethical Awards
- Guardian Charity Awards
- Hay Festival
- Teaching Awards
- Fawcett Society – Inspiring Women
- Mental Health Today
- Learning Disability Today
- Frieze Art Fair
- Student Media Awards
- Debates on subjects ranging from freedom of expression to Islam

