KPMG

Key CSR issues for the media industry

Media organisations are in a position to promote creativity, enable freedom of expression, encourage good citizenship and act as a catalyst for community activity – all key elements of the Corporate Social Responsibility (CSR) agenda. Sustainable media organisations will be those whose work is credible, trusted and reflective of the diverse culture in which they operate.

In February 2004 the Media CSR Forum published a document focusing on the key CSR issues they believed the media industry faced. The group recognised this to be a starting point. As a consequence, in June 2004, 12 media organisations asked KPMG to carry out a stakeholder consultation and analysis. The objective was to help refine the media organisations' thinking about CSR and provide a platform for informed debate with some of their interested parties.

Background and methodology

KPMG's approach included identifying stakeholder groups to be contacted, conducting consultation and analysis, and reporting the findings. KPMG consulted over 130 stakeholders, external to the 12 organisations funding the project. The stakeholders were opinion formers drawn from the media industry, the CSR community (e.g. non–governmental organisations (NGOs), academics), socially responsible investors, and the financial community (e.g. ratings agencies). It did not include 'internal stakeholders' i.e. employees or suppliers. A range of methods was used, including face–to–face interviews, workshops, written feedback and a web–based questionnaire.

It is important to recognise that stakeholder consultation and analysis does not constitute, or act as a substitute for, stakeholder engagement. The aim is to identify stakeholders' views and concerns. It provides a sound basis for future engagement by the media organisations to explore, and more importantly respond to their stakeholders about relevant issues.

Key CSR issues for the media industry

A version of the diagram opposite was first developed and published by the Media CSR Forum in association with KPMG in February 2004, and was an initial interpretation of the CSR issues facing media organisations. It recognises the inter–relationship between the corporate and creative aspects of the media industry and identifies CSR issues for the media sector as a whole. It does not allude to how CSR should be managed and it recognises that the issues are not all necessarily relevant to each company. Organisations may approach and interpret CSR in different ways reflecting their individual culture, brand positioning and the needs and expectations of their stakeholders.

Media organisations' social responsibilities arise directly from the management of the business and its estate. As businesses, their responsibilities are broadly similar to organisations in other sectors, and are reflected in their corporate attitudes, policies and governance – taking account of any material social and environmental impacts in the context of employees, markets and communities. These are reflected in those issues classified as 'CSR issues *common* to all sectors'. Creatively the implications are much more challenging. Media organisations can influence public opinion and taste, and have to respond to and reflect the dynamic and diverse society in which they operate. These are classified as 'common issues with *distinct* implications for the media'.

Those CSR issues which are *unique* to the media sector arise from their output which includes news, information, entertainment, advertising and opinion. These are subject to varying levels of regulation and self–regulation.
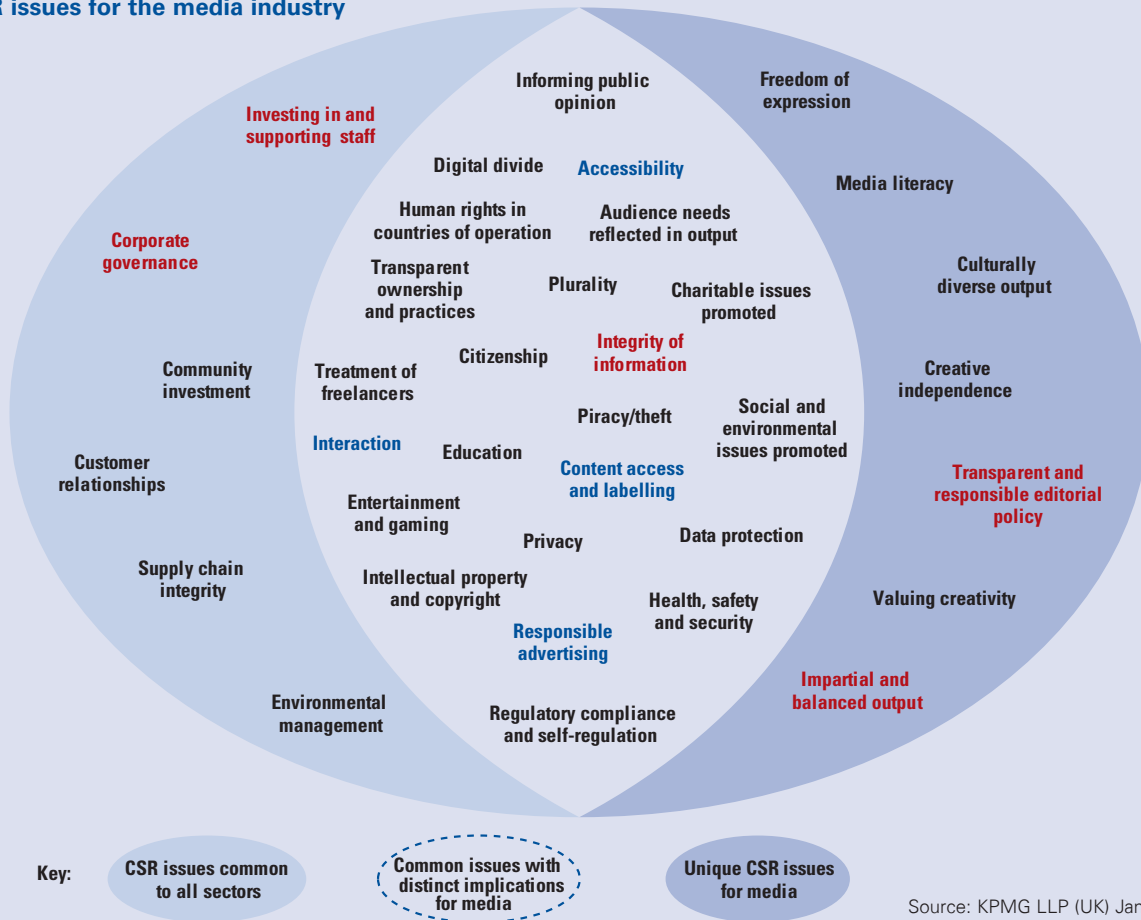
Key findings

During the consultation, feedback was requested on the initial Key CSR Issues diagram. The aim was to identify the most significant issues which stakeholders believed the media industry should address. For many, the diagram represented the first step the media industry has taken to articulate its core CSR issues – that is, those arising from their output (e.g. culturally diverse output; impartial and balanced output) rather than those which focus on non–core, or operational activities such as environmental performance reporting.

The stakeholders identified the following additional issues for inclusion. They classified these as 'common issues with *distinct* implications for the media':
• Content access and labelling
• Interaction
• Accessibility
• Responsible advertising.

The diagram opposite reflects the inclusion of these additional issues, highlighted in blue.

Key CSR issues for the media industry

Informing public opinion

Freedom of expression

Investing in and supporting staff

Digital divide

Accessibility

Media literacy

Corporate governance

Human rights in countries of operation

Audience needs reflected in output

Culturally diverse output

Transparent ownership and practices

Plurality

Charitable issues promoted

Community investment

Treatment of freelancers

Citizenship

Integrity of information

Creative independence

Customer relationships

Interaction

Education

Piracy/theft

Social and environmental issues promoted

Transparent and responsible editorial policy

Content access and labelling

Entertainment and gaming

Privacy

Data protection

Supply chain integrity

Intellectual property and copyright

Health, safety and security

Valuing creativity

Responsible advertising

Environmental management

Regulatory compliance and self-regulation

Impartial and balanced output

Key: CSR issues common to all sectors   Common issues with distinct implications for media   Unique CSR issues for media

Source: KPMG LLP (UK) January 2005

Please refer to the glossary on pages 5–7 for definitions of these issues

Prioritised key issues

The fundamental CSR issues identified by the stakeholders were based around the influence the media organisations can have on society through their product output; that is, their content and programming (e.g. informing public opinion; audience needs reflected in output; responsible advertising). Stakeholders recognised media organisations' output to have both a positive and negative effect on the overall culture and cohesion of the society in which they are operating. The key issues for the media industry as a whole, identified by the stakeholders and shown on the diagram in red, are shown below, in order of priority. These issues are not all necessarily relevant to each company, but relate to the overall media industry.

1. Transparent and responsible editorial policy
2. Corporate governance
3. Integrity of information
4. Impartial and balanced output
5. Investing in and supporting staff.

Two of the five priority issues are classified as being *unique* to the media sector (1,4), with two being *common* to all sectors (2,5) and one having *distinct* implications for the media sector (3). Three of the issues identified (1,3,4) relate to the media industry's output, while two (2,5) relate to the media organisations' operations and governance. The stakeholder consultation illustrates that while there are specific CSR issues for the media, those that apply to all businesses are also significant.

During the course of the consultation and analysis, KPMG received extensive feedback in relation to the significant issues for each of the industry sub–sectors (e.g. broadcasting, publishing) which, in time, should help to inform how the individual organisations report back to their stakeholders in more detail.

The future

The Media CSR Forum has completed the steps it set out to achieve in February 2004. The individual members are now looking to incorporate the findings from this consultation into their work. Should you wish to discuss the findings in more detail or provide feedback, please contact the relevant media organisation detailed at the back of this document.

Stakeholder Consultation and Analysis Project Funded by:

AOL

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GUARDIAN MEDIA GROUP

REUTERS

BBC

itv

T&F informa

sky

PEARSON

United Business Media

EMI

Reed Elsevier

WPP

Glossary of key CSR issues for the media industry

There are no commonly agreed definitions for the key CSR issues identified by the Media CSR Forum and the stakeholder consultation. Listed below are the definitions of the CSR issues, as interpreted by the Media CSR Forum.

Issue	Definition
Accessibility	The availability of an organisation's products to stakeholders that respond to their needs with regard to infrastructure (e.g. platforms), language, disability etc.
Audience needs reflected in output	The production of varied and accessible output from organisations reflecting the needs and interests of the many diverse groups that make up our communities and have different interests (e.g. news, entertainment etc).
Charitable issues promoted	The use of an organisation's products and influence to encourage investment in communities (locally, nationally or internationally) by stakeholders.
Citizenship	The demonstration of responsible business practices including the fair treatment of stakeholders, while contributing to the overall growth of the economy and living standards.
Community investment	The direct investment in communities by an organisation, through donations (including money, advertising air time or space, and equipment) or employee volunteering.
Content access and labelling	The provision of clearly displayed and accurate product information (e.g. explicit content) that is comprehensible to consumers.
Corporate governance	Systems and processes for ensuring proper accountability, probity and openness in the conduct of an organisation's business.
Creative independence	Organisations' encouragement of artists', producers' and journalists' free expression whilst remaining sensitive to relevant societal values and standards. This includes processes to ensure editorial independence from commercial decisions or owners.
Culturally diverse output	The creation of an organisation's output that reflects the multi–cultural and diverse society in which it operates, and which is reflective of its diverse stakeholders.
Customer relationships	The creation and maintenance of good relationships with customers by providing a high quality service, responding effectively and quickly to complaints and listening to stakeholder needs and suggestions for improvement.
Data protection	Ensuring that confidential and personal information regarding a stakeholder is maintained and processed in a secure and legally compliant manner, and is prevented from passing from one person or entity without the consent of the individual.
Digital divide	Social and economic exclusion through lack of access to information technologies such as computers, mobile phones, radio and television.
Education	The contribution to learning through an organisation's products and its direct involvement in educational initiatives (e.g. employee volunteering, or programmes that encourage people to think about subjects and make a positive impact).

Issue	Definition
Entertainment and gaming	An organisation's management of the negative impacts that products categorised as entertainment or gaming may have on users (e.g. cultural homogeneity, violence, problem gambling etc).
Environmental management	Maximising the positive and minimising the negative impacts of an organisation's operations and product output on society and the environment, by meeting stakeholders' expectations and complying with regulatory standards.
Freedom of expression	The unrestricted and uncensored inclusion of views and opinions in organisations' output; enabling debate and dialogue.
Health, safety and security	The provision of an environment which is as secure, safe and healthy as possible for all employees and which meets legislative requirements in all countries of operation.
Human rights in countries of operation	Organisations may operate in countries with poor human rights records. However, operating in such countries may provide an opportunity to expose abuses through products (e.g. news) or influence positive change regarding human rights standards.
Impartial and balanced output	The production of fair, diverse and unbiased media output which reflects and informs public opinion and dialogue supported by editorial policies which are independent from ownership.
Informing public opinion	The delivery of high quality information which provides the full range of views about an issue, and is reflective of the society in which it is disseminated, to inform rather than influence public debate.
Integrity of information	The provision of quality data, images and information, which is objective and accurate.
Intellectual property and copyright	The protection of intellectual property by owners from piracy and other forms of illegal use of content or fraud (including copyright infringement, incorrect royalty payments, counterfeiting and illegal downloading).
Interaction	The growth of interactive media, leading to increased participation and involvement in society by individuals and groups.
Investing in and supporting staff	The provision of a supportive and safe environment for staff to grow and develop through training, professional development and benefit plans which nurture, encourage and motivate an organisation's workforce mindful of their needs for work/life balance.
Media literacy	Consumers' understanding of the types of information and its availability, to enable an informed decision about the programme/article/music/image they listen to, view or read.
Piracy/theft	The illegal duplication and distribution of content. Piracy can be described as theft since it is using content without permission and without paying for it through breach of copyright regulation.

Issue	Definition
Plurality	The existence of numerous media sources within society to provide varying perspectives and enable informed debate.
Privacy	Freedom from intrusion or public attention through a blend of regulatory and self–regulatory approaches.
Regulatory compliance and self-regulation	Compliance with all legal regulatory and self–regulatory obligations of countries in which a business operates.
Responsible advertising	The management of advertising that considers both the positive and negative impacts of products on society whilst meeting stakeholders' expectations, regulatory standards and organisational standards.
Social and environmental issues promoted	The enhancement of awareness around sustainability issues, and the encouragement of learning, informing, and understanding of these issues, with a view to improving social and environmental standards.
Supply chain integrity	An organisation's responsibility to ensure that their suppliers are treated fairly and honestly from selection through to payment processes; and their responsibility to ensure that suppliers adhere to social, environmental and ethical (SEE) performance standards.
Transparent ownership and practices	Disclosure of an organisation's ownership structure and the development of processes/systems which demonstrate editorial independence and integrity.
Transparent and responsible editorial policy	The conformity to clear editorial policies, standards or codes covering issues of accuracy, impartiality, and politics.
Treatment of freelancers	The provision of acceptable conditions and treatment of self–employed persons contracted by organisations to cover specific assignments.
Valuing creativity	The investment in nurturing and developing a wide range of talent which enables creative people to earn a living from their creativity. This includes encouraging innovation and entrepreneurship from employees.

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