

READERS

“In 16 years columnising for the Guardian, I haven’t on a single occasion had an idea rejected or a word changed”

Hugo Young, 2000

EDITORIAL INDEPENDENCE

GNL’s primary duty is to its readers. To maintain its reputation as an independent voice, the company gives its journalists a great deal of editorial freedom.

The Guardian is still known in the media industry as a writer’s paper. In 1920 Arthur Ransome, now much more famous for his book *Swallows and Amazons* than his journalistic scoops, told C P Scott: “I am unwilling to write for any other English daily paper. There simply is no other paper in which I can write with the same freedom as in the Guardian.” Alistair Cooke wrote in 1959 that “no staff members of a daily paper that I have heard of, on either side of the Atlantic, are so free from instruction or the subtler menace of editorial ‘guidance’.” And again in 2000 Hugo Young, the then chairman of the Scott Trust and a columnist on the Guardian, wrote: “I hear of columnists, even famous ones, who on other papers have their chosen subjects vetted, their texts changed, their direction questioned. In 16 years columnising for the Guardian, I haven’t on a single occasion had an idea rejected or a word changed.”

The Guardian also differs from other newspapers in the openness of how it develops its news agenda. Any editorial member of staff can attend the morning conference at which that morning’s paper is evaluated as well as the main themes discussed for the next day’s edition.

We carried out an independent survey of all editorial staff on both the Guardian and Observer to see whether we still adhere to our core principles. The results show conclusively that the vast majority of staff believe they are given freedom of expression unrivalled on Fleet Street. There is also a strong concurrence of views between Guardian and Observer staff, except on the question of whether the papers are true to their mission and remit.

	Journalists were asked if they believed the Scott Trust was important			Journalists were asked if they believed they were free to write what they believed		
	% Agreed/strongly agreed	% Didn't feel strongly	% Disagreed/strongly disagreed	% Agreed/strongly agreed	% Didn't feel strongly	% Disagreed/strongly disagreed
Guardian journalists	85	14	1	76	18	06
Observer journalists	65	31	04	75	15	10
	Journalists were asked if they believed they had more freedom than at other newspapers			Journalists were asked if the paper is true to its mission and remit		
	% Agreed/strongly agreed	% Didn't feel strongly	% Disagreed/strongly disagreed	% Agreed/strongly agreed	% Didn't feel strongly	% Disagreed/strongly disagreed
Guardian journalists	76	21	03	81	16	03
Observer journalists	80	15	05	51	37	12



"All sides seem equally impressed with getting the truth to the Manchester Guardian"

Arthur Ransome, Shanghai, 1927

GLOBAL CIRCULATION AND INFLUENCE

Our influence goes well beyond the number of papers we sell. Even when the Guardian was based in Manchester, its reputation had long spread beyond merely British bounds. At the zenith of CP Scott's editorship, the circulation was a mere 50,000 and only 20,000 of those copies were sold more than 20 miles from the Manchester office. But the values and sense of purpose behind them were universal and inspiring to reformers everywhere.

The Guardian correspondent Arthur Ransome vividly recalled the effect of his arrival at an international trouble spot, Shanghai, in 1927: "Evidence in both Chinese and European dress batters at my door from nine in the morning until after midnight. All sides seem equally impressed with getting the truth to the Manchester Guardian."

We cannot get our message out unless people continue to want to read what we have to say. Therefore one key measure of our success is to look at our readership figures for the papers, number of users for the websites, as well as our geographical spread.

While the newspaper market is gently declining, sales of the Guardian have remained fairly stable. Readers have also shown a high degree of loyalty over the years, sticking with the papers even when others heavily cut their prices in a bid to build market share. The Guardian recorded an ABC figure at the end of the 2002/03 financial year of 405,858, representing a decrease of only 0.3% on the same period the previous year and outperforming the market, which declined by 5%.

Separate data from the National Readership Survey shows that during the same period, the Guardian's readership grew by 111,000 to 1,348,000, an increase of 9% year on year. Full price sales represent 84.3% of the Guardian's overall ABC, the largest percentage in the quality market.

On the Observer, ABC figures for the close of the 2002/03 financial year were 469,414, an increase of 2.7% over the same period the previous year, outperforming the market, which declined by 2.0%. NRS data shows the Observer's readership growing by 24,000 to 1,236,000, a year-on-year increase of 2%. Full price sales represent 86% of the overall ABC, the highest proportion in the Sunday quality market.

Whereas newspapers represent a mature market, the internet has proved to be a rapidly expanding information medium. GuardianUnlimited has consistently expanded its market share, which can be seen by the increase in its page impressions. Between May 2001 and May 2003, monthly page impressions rose from around 30 million to over 80 million, peaking during the Iraq war at 107 million. GU has just developed a geo-targeting system, which enables it to anonymously identify the approximate location of visitors to the various parts of the website. In the week beginning June 16, users logged on from 210 countries, although the largest concentrations were in the UK, US, Canada, Germany, Australia, France and Japan.

The Guardian Weekly, with average sales of 115,800, has also been important in building a loyal band of followers overseas. The paper, which includes pages from the Observer, Le Monde and the Washington

Guardian Unlimited unique visitors (by continent) in week beginning June 16 2003

Africa	11,950
Asia	124,120
Australia	61,892
Europe	847,560
North America	1,029,528
South America	20,063
Unidentified	824
Total	2,095,937

Ninety one per cent of Guardian readers trust our coverage, along with 90 per cent of Observer readers and a slightly smaller number of GU users

Post, is read by more than 300,000 people across 86 countries, some of which are ruled by repressive regimes.

International editions of the daily Guardian are printed in Spain, Germany and France, and the Observer in Spain and Germany. This year we also began digitally printing editions of both papers in Sydney, piloting a brand new concept in foreign press distribution. The Guardian is exported to 41 countries in total, covering all continents with an average of 38,200 copies a day, while the Observer goes to 54 countries with an average of 35,000 copies an issue.

GNL also operates a syndication service and has commercial contracts with 59 newspapers and magazines around the world, which use articles that have appeared in the Guardian and Observer. We also have a spot market service which sells individual pieces of writing to scores of other publications.

TRUST

The bond between the papers and their readers has always been one built on trust. So we surveyed 1,500 readers of the Guardian and Observer and 1,000 users of GU to ask them whether indeed they do, on balance, trust our coverage. Ninety one per cent of Guardian readers do, along with 90% of Observer readers and a slightly smaller number of GU users. This is in an age where journalists fall way down the scale of professions that are trusted.

Although not a directly comparable study, a poll by Mori Social Research Institute carried out with the general public in February 2003 found politicians, journalists and government ministers were voted the least trustworthy of all professions, with no more than one in five people trusting them to tell the truth. However, trust in journalists rose by five points to 18% this year. Mori has been tracking public trust in the professions for 20 years.

Our readers are only part of the story. It is also important for GNL that our other stakeholders also trust us. In an independent survey of our suppliers (see suppliers section, page 37), 95% of those questioned by an independent research company said GNL behaves with integrity.

This trust also extends into our local community. One example is the head of Elizabeth Garrett Anderson comprehensive girls' school in Islington. The head teacher, Jill Coughlan, who is wary of business links, formed a partnership with GNL because she believed that our offer of support was altruistic, rather than for PR reasons. She said: "The Guardian's involvement contributes to the school's sense of excitement in moving forward: a national institution shows interest in our efforts to improve the inner city educational experience for young people. What is more, the interest comes from a business whose values teachers and support staff endorse."

There is plenty of other evidence to show how valued our papers and websites are. The destruction of the World Trade Centre in New York two years ago was a clear test. The Guardian's editor, Alan Rusbridger, wrote: "The breadth of coverage was a ringing endorsement of the independent stands both papers are able to take because of the unique ownership



A Guardian volunteer helps a pupil at Elizabeth Garrett Anderson school with her reading

READERS

In the first few weeks after 9/11 the Guardian acquired more new readers than any other broadsheet paper

structure. An absence of proprietorial ties and global business interests is crucial to the business of being free to report and challenge without let or hindrance.”

In the first few weeks after 9/11, the Guardian acquired more new readers than any other broadsheet newspaper in the Monday to Friday market. On the website, the effect was even more pronounced. GU page impressions rose from 30 million in August 2001 to more than 50 million for November, with many new users coming from the United States.

This desire for an independent voice was again mirrored in the Iraq war, with the Guardian being in the minority of newspapers to oppose the conflict. Again, Guardian Unlimited’s user figures leapt as millions of people, in particular from America where little opposition was expressed for the war in the media, logged on.

Page impressions peaked at 5 million on March 20, the first day of the conflict, with a steady build-up of traffic in the days before the first coalition strike (see table on left).

Opposition to the invasion of Iraq is one of many examples in which the Guardian has been prepared to voice dissent against the prevailing political mood. In recent times the Guardian has taken a more sympathetic approach to Sinn Fein than any other national newspaper. Further back in history, it also challenged the government and popular opinion in the Boer war and both the Guardian and Observer defied patriotic opinion when they opposed the invasion of Suez.

Traffic on the Guardian Unlimited website in 2003

	Impressions	Users	Visits
Jan	79.1m	6.1m	16.6m
Feb	83.5m	7.0m	16.9m
Mar	107.2m	9.7m	23.9m
Apr	91m	9.1m	22.2m
May	80.4m	7.3m	17.5m

REGULATION

Trust is built up over many years but can be easily squandered. CP Scott, in his centenary essay in 1921, wrote that “a newspaper’s primary office is the gathering of news. At the peril of its soul it must see that the supply is not tainted.” GNL has been at the forefront of the newspaper industry in ensuring that our integrity is maintained.

Internally this has meant the creation of an editorial code of conduct within the Guardian, which is in addition to the Press Complaints Commission code of conduct, which applies to all newspapers.

Not only full-time journalists but also freelancers working for the paper are expected to follow the Guardian code, which covers everything from professional practice to personal behaviour and conflicts of interest.

The Observer does not have its own internal code but follows the PCC regulations. The Observer management has not adopted the Guardian’s own code because it believes the current system has never proved inadequate and there has therefore been no reason to change.

Both papers’ record with the PCC is strong. In 2001 and 2002 there were no complaints upheld against either the Guardian or the Observer. The number of complaints made to the PCC about both papers has also decreased. In 2001, 133 complaints were made about the Guardian, which fell to 56 in 2002, and the Observer’s 21 complaints dropped to 16 in 2002.

In 1997 the Guardian was the first paper to set up an independent

“The newspaper that drops on your doorstep is a partial, hasty, incomplete, inevitably somewhat flawed and inaccurate rendering of some of the things we have heard about in the past 24 hours”

David Broder, Washington Post columnist

ombudsman to deal with readers’ complaints. The Observer became the first Sunday paper with a similar appointment in 2001, although the role is combined with other duties. Our decision to create the first readers’ editor in Britain was inspired by the seriousness with which the larger American daily papers approach the task of getting things right. It is an ethos best stated by the veteran Washington Post columnist David Broder: “I would like to see us say — over and over, until the point has been made — that the newspaper that drops on your doorstep is a partial, hasty, incomplete, inevitably somewhat flawed and inaccurate rendering of some of the things we have heard about in the past 24 hours ... If we labelled the product accurately, then we would immediately add: ... it’s the best we could do in the circumstances, and we’ll be back tomorrow with a corrected and updated version.”

The sole task of the Guardian’s ombudsman is to respond to readers’ queries and complaints. He is independent of the editor, his number and email address are advertised every day and he has guaranteed and prominent space in the paper to deal with whatever concerns readers raise. (For his terms of reference see appendix 1.) In 2002 he received more than 10,000 calls, emails and letters in response to which he published more than 1,500 corrections or clarifications. Of those to whom a response was not published, around 3,500 either received a reply or were passed on to be dealt with by the relevant Guardian department.

Our readership survey showed that, of those readers who are aware of his existence, two-thirds said that the readers’ editor makes them feel that the paper is responsive to their views and opinions, with 60% of regular Observer readers feeling the same way.

Journalists were also asked whether the papers were responsive to the concerns of the readership. Among Guardian journalists, 75% agreed or strongly agreed; 22% didn’t feel strongly either way, and 3% disagreed or strongly disagreed. For Observer journalists the corresponding figures were 54%, 30% and 16%.

GuardianUnlimited carries all the content of the papers but also has its own dedicated writing team and offers the chance for users to debate issues via its talkboards. GU has created its own section which deals with an average of 486 queries per week, based on figures between April and June 2003. It also monitors content on the talkboards to ensure it is both legal and decent. Many of the queries and complaints it deals with are related more to technical problems than to editorial content, but complaints and corrections relating to articles written by GU journalists during the day are sent to the relevant site editor to be investigated. Either the editor will respond directly or send the helpdesk a response to pass to the user.

Journalists were asked whether the papers were responsive to the concerns of the readership			
	% Agreed/strongly agreed	% Didn't feel strongly	% Disagreed/strongly disagreed
Guardian Journalists	75	22	03
Observer Journalists	54	30	16

The publication of the FCB cover in G2 provoked an unprecedented and overwhelmingly condemnatory response from readers

HONESTY

We make mistakes and sometimes upset our readers. While the readers' editor and our letters page give voice to these views, that is sometimes not enough. For example, the Guardian caused a furore in January 2003 when the cover of G2, the tabloid second section, carried a piece of artwork by the Turner prize-winning artist Gillian Wearing, bearing the words "Fuck Cilla Black", referring to the entertainer.

It provoked an unprecedented and overwhelmingly condemnatory response from readers. By the end of the week around 1,000 emails, telephone calls and letters had arrived, although it should be noted that during the day of publication 2,700 people entered a competition for a special signed copy of the cover.

The Guardian responded with three pages devoted to the controversy, including a substantial piece by the features editor who commissioned the cover, acknowledging that the power to shock of the word "fuck", used in this way, had been seriously misjudged. He concluded with the words "to all those whose breakfast was spoiled yesterday ... I'd like to extend a sincere apology". There followed a whole page of readers' letters, mostly condemnatory. In the circumstances the readers' editor judged the response to be a fair and frank way to address the readers.

On the letters page of the main paper the following day several correspondents supported the paper's decision to publish the FCB cover, and these letters in turn brought in another wave of protest. By now a two-page letter from the editor of the Guardian was going to readers reminding them that the week as a whole was "in a long tradition of the Guardian working with poets, novelists and artists to respond to contemporary issues". He concluded: "You were upset by Gillian Wearing's G2 piece and I apologise for that. But in general, I am pleased that the paper has, over many years, encouraged artists and writers to work with us, even if, on occasion, the result can, in the judgment of many, disappoint or offend."

A poll of the Guardian's journalists and editorial assistants was conducted by the readers' editor asking for a simple yes or no to the question: Was the paper right to publish the FCB cover? — 61% thought the paper was wrong to publish and 39% thought it was right. The artist subsequently said that had she been told "We can't do that" she would have come up with something else. The readers' editor concluded: "That, it is perhaps easier to see now, is what should have happened."

COURAGE

Holding to the truth is not just a matter of independence and probity. It needs courage too. Very powerful forces in business and government, both at home and abroad, are regularly deployed to try to hide what has happened and keep investigators at bay.

There have been several celebrated cases in recent years when the Guardian has shown its mettle. The most recent example is Andrew Meldrum, the Guardian's Zimbabwe correspondent, who was abducted and forcibly deported in May 2003 after having diligently and bravely



The controversial G2 cover by artist Gillian Wearing

One of the key principles is to give voice to those who are often excluded or marginalised in public debate

chronicled the catastrophic collapse of Zimbabwe's economy and its government's lack of respect for human rights. The judges of the One World Media Awards in June 2003 singled out Meldrum and described him as a "beacon for press freedom".

Perhaps the most striking example of holding our ground in the face of tough opposition was the paper's series of court cases over allegations of sleaze in the 1990s.

It was only the collapse of the high-profile libel case brought by Neil Hamilton against the Guardian that led to the reform of the parliamentary standards committee under Lord Nolan and the setting up of the committee on standards in public life. The successful court battle against the former cabinet minister Jonathan Aitken, whose confident journey to court included his notorious claim to be wielding the sword of truth and stout shield of British justice against a dishonest press, added to the perception of "sleaze" in the corridors of power and was a factor in the fall of the Conservatives after 18 years in power.

Fighting the Aitken case was not an easy choice. There had been serious doubts as to whether the paper's convictions about Aitken could pass the test of a court of law, and the matter came to the stage where the Guardian faced a choice between a public withdrawal of facts that it believed to be true and risking many millions of pounds on the uncertainties of a libel jury. For the editor and the then managing director, there was no choice: the libel claim had to be defended, because the Guardian's reputation was worth far more than the most dismal predictions of damages and costs.

FAIRNESS

One of the key principles of the Guardian and Observer is to give voice to those who are often excluded or marginalised in public debate.

The papers also believe in giving readers a broad range of views so that they have the opportunity and information necessary to make up their own minds on subjects. In the Guardian this can result in opposing views being voiced on the same comment page.

Alan Rusbridger wrote in 2002: "On appointment, the editor of the Guardian receives one instruction only: to carry on 'in the spirit as heretofore'. In recent times, this has involved giving a voice to republicans — whether Irish or British — to dissidents, to public servants and to prisoners, among others. After the events of September 11 2001 it opened its pages to Muslims, rabbis, Afghans, poets, warmongers and peaceniks ... It allowed a debate — stifled elsewhere for too long — on our drugs laws. It has championed unpopular causes and challenged the popular consensus. The Guardian has continued to do what it has always done best — giving a voice to the voiceless."



Alan Rusbridger, editor of the Guardian.
"It has championed unpopular causes and challenged the popular consensus."



Grace Matnanga, who is HIV positive, was the subject of an award-winning Guardian investigation

CAMPAIGNS AND INVESTIGATIONS

One of the key ways in which the Guardian has differentiated itself from its competitors is in the resources put into special investigations and campaigns about controversial issues that affect everyone's lives but are often complex and difficult to unravel.

In the past year, the Guardian launched a major three-year investigation into the state of public services in one area of the country, Enfield. Muslim Britain was a week-long series across all parts of the paper. In September we ran a three-part investigation into the growth of Britain's surveillance culture and the threat to civil liberties.

The supplement Earth, which was published in time for the Earth summit, is being used by many in aid organisations as a standard reference work. More recently, in February 2002 we published the supplement Saving Grace, which followed the human chain of money and power that was preventing Grace Matnanga, a shoe seller from Malawi who has the HIV virus, and nearly 30 million like her, from getting the drugs that will save them. Sarah Boseley was awarded the One World Media Press Awards for this piece in 2003.

The Guardian also publishes The Giving List, an annual magazine that monitors how public companies are meeting their corporate social responsibilities.

The Observer also published a series of "Uncovered" editorial specials during the past year focusing on drugs, sex and crime.

READERS' FEEDBACK

It's all very well doing what we believe is best, but what do our readers think of what we do?

In our survey of readers and GU users, we asked a number of questions to measure this. For example, on the question of how the Guardian's/Observer's coverage in 19 categories ranging from domestic news to features compares with when they first started reading the paper on a regular basis, readers said there had been an improvement in every single area. The result was the same for Guardian Unlimited. Furthermore, 99% of GU users found that it either sometimes, or consistently, satisfies their need for news better than other available sources.

When asked to rate each section of the papers and websites on a scale of one to five, where one equalled poor and five equalled excellent, the results averaged four across all products.

Furthermore, 95% of Guardian readers who were aware of the Scott Trust believe its mission is reflected in the content of the newspapers.

Products must also be trusted as being good value for money. Ninety per cent of Guardian readers in our survey said the paper was either excellent or good value for money, while 82% of Observer readers felt the same.

Another clear measure of our success is how we are viewed by our peers in the media industry. The Guardian and Observer consistently win awards across all categories (for a list of our achievements see appendix 2).

90 | **82**

% of readers in our survey said the Guardian was either excellent or good value for money

% of readers in our survey said the Observer was either excellent or good value for money

“We simply wanted to get Israelis and Palestinians together, for the first time in half a year”

Jonathon Freedland, Guardian columnist

CONFERENCES AND EVENTS

Apart from producing newspapers and websites, GNL also organises several conferences and events and sponsors many others. Some of these are revenue generating while others are organised to support Scott Trust values. What does combine all the various activities is that they are based on issues that the Guardian and Observer feel strongly about, or that help to build our brand.

One of the highlights of the last financial year was the Guardian’s Middle East Dialogue — a meeting that brought Israeli and Palestinian peacemakers together with the men who negotiated Northern Ireland’s Good Friday agreement. The Guardian columnist Jonathon Freedland summed up the unique encounter at Weston Park, Shropshire, in May in an article: “This paper has devoted a lot of space and time to covering the peace processes in Northern Ireland and the Middle East and, in our own internal conversations, had often debated the lessons each had for the other. When we saw the value Israelis and Palestinians drew from a three-day retreat in South Africa in January — where, as the guests of President Mbeki, they met leaders from both sides of the old apartheid divide — our mind was made up.

“The aim was not to win over the hardliners on either side so much as to see how the forces of compromise might strengthen themselves and each other. Nor would we seek a communique or concrete ‘Weston Park plan’. We simply wanted to get Israelis and Palestinians together, for the first time in half a year. Over three intense, extraordinary days, Israelis and Palestinians could break free from the pessimism and despair of their own region and see what Northern Ireland had taught them: that with courage and determination, peace is possible.”

GNL has its own commercial conference department. Over the past year it has organised conferences ranging from corporate social responsibility and housing to charity investment and urban regeneration (see appendix 3 for details).

VISUALLY IMPAIRED READERS

GNL is keen its products are available to all sectors of society, including people with disabilities. While the Guardian and Observer are available to the visually impaired through the Talking Newspaper Association, either by tape or by email, the task of making our websites more accessible has taken a lot of time and resources.

GuardianUnlimited was recognised for its accessibility to visually impaired users in December 2002 when it won a Visionary Design Award from the National Library for the Blind. On their website they described their selection process:

“The winners were chosen on the basis of a high level of accessibility for all forms of access technology including screen magnification through software or browser settings, audio screen readers and refreshable Braille output. Winners were also selected based on the experience that a visually impaired user may have confronting the site for the first time and the value of the information available on the site. NLB estimates that less than a third of



Yasser Rabbo, Martin McGuinness and Avraham Burg at the Guardian Middle East conference

The papers and websites also have a duty to our readers in terms of the advertising we carry

websites are accessible to visually impaired people, making the winners of these awards truly revolutionary in what they have achieved.”

TARGET To overhaul the website to make it HTML 4.01 compliant and adhering to the World Wide Web consortium’s accessibility guidelines. This will start in 2004. Meanwhile, a range of quick wins are being investigated.

RESPONSIBLE ADVERTISING



The advertisement department justifies the inclusion of adult chatline ads in The Guide and OTV primarily on economic grounds

The papers and websites have a duty to our readers in terms of the advertising we carry. Obviously, any advertisement that contravenes the law is screened by the legal department, but it becomes more complicated when dealing with issues of taste as our readers have such a broad range of views.

In our readership survey, we asked whether we have a responsibility to refuse to carry advertising in various controversial categories (see table).

The category that elicited the strongest feelings was adult chatlines, which are carried in the Guardian’s Saturday Guide as well as the Observer’s OTV section. However, more than a quarter of respondents felt there should be no restrictions.

The editor of The Guide receives complaints about chatlines from readers on a fairly regular basis. One reader wrote: “We have two children. The section of our Guardian in which they have most interest is The Guide. We buy the Guardian for all the obvious reasons – the key one being that as a serious newspaper occupying an altogether different place in the market to the sleazy tabloids. These ads are offensive, gratuitous and in our view as unacceptable as they are incongruous. Their inclusion seems to cynically undermine the values for which the paper stands.”

The advertisement department justifies the inclusion of adult chatlines primarily on economic grounds. In an ideal world they would prefer not to carry them, but the ads bring in revenue of £350,000 a year and the profit margins are high. This is significant given that GNL is currently loss-making and is heavily dependent on advertising revenue. Also each chatline has an exclusive phone number specific to the publication, and this shows that readers do use the services that are offered. The only other broadsheet newspaper which chooses to carry similar advertising is the Independent.

The advertising department refuses to carry some of the more explicit services offered by chatline companies and sometimes asks for the images on the advertisements to be toned down. A member of staff also phones the chatlines to ensure they do not breach the law and stick within agreed guidelines.

The advertising and editorial departments currently have an informal process for screening other adverts that could be deemed to be offensive. They are dealt with on a case by case basis and there are no written guidelines.

TARGET To review the inclusion of adult chat line ads in The Guide and OTV.

	Percentage of readers who agreed that we have a responsibility to refuse to carry certain adverts		
	Guardian readers	Observer readers	GU users
Adult chat lines	50	45	52
Religious	34	35	41
Music with offensive lyrics	41	31	32
Gambling	32	29	36
Political	17	19	31
None of the above	27	33	26

There is an increasing acceptance that we should not suggest that other companies take action on certain issues unless we are prepared to look at our own operations in a similar light

LEADING ARTICLES, CAMPAIGNS & GNL'S BUSINESS PRACTICES

The Guardian and Observer newspapers, through their campaigns and leader articles, express views on a panoply of subjects. Some of these relate to corporate issues that GNL, as a company, is itself dealing with.

GNL is more aware than in the past that our papers should not suggest other companies address certain issues unless we are prepared to look at our own operations in a similar light. The decision to produce this social audit is a reflection of this commitment.

One of the many reasons behind a recent decision to place greater emphasis on improving diversity in the workplace (see employee section, page 24) was a recognition that while we have been editorially championing the cause of equal opportunity and inclusion, we had not been proactively supporting the cause internally.

Separately, in a leader comment in the Guardian on November 26 2002, we reported how Phillip Morris had turned its Australian headquarters into a smoke-free workplace. The article finished: "If the world's biggest cigarette company is now adopting restraint practices like these, there is no reason why every other company should not follow suit at once."

At that time, however, GNL did not have a smoking ban in place, although it had been discussing one over a long period. A policy was subsequently agreed which took effect in July 2003.

Executive pay is another issue. The Guardian and Observer have consistently campaigned on this for several years, with the papers arguing vociferously against "fat cats" and for more transparency in reporting. The Guardian also produces an annual league table of directors' remuneration.

The pay of GNL directors is determined by the remuneration committee of parent company GMG. Because there had been a perception in the past that GNL directors were poorly paid, salaries and benefits were benchmarked over two years against others in the same sector. This led to the pay of some directors being increased. Because there are no share options, the majority of directors have bonus schemes.

As a private company, GNL does not need to disclose directors' pay. However, it does publish the figure for both the managing director and the Guardian editor as they both sit on the main GMG board. In the 2003 GMG accounts, it was reported that the managing director was paid £406,000 compared with £296,000 the previous year, including a performance-related bonus, while the editor received £265,000 compared with £253,000 the year before. He does not receive a bonus.

The remuneration committee ensures best practice and written terms of reference are currently being drawn up.



Poster publicising the new smoking policy at GNL