

# Engaging with our stakeholders

S.172 statement

**In the decisions taken during 2023, the Directors consider they have acted in the way most likely to promote the success of STV for the benefit of its members as a whole, having regard to the stakeholders and matters set out in S.172 of the Companies Act 2006.**

The Directors, in line with their duties under S.172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members. In doing so each Director has regard, amongst other matters, to the:

- likely consequences of any decision in the long term
- interests of the Company's employees
- need to foster the Company's business relationships with suppliers, customers and others
- impact of the Company's operations on the community and the environment
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly, as between members of the Company

STV's success depends on building and nurturing positive relationships with its stakeholders that have an interest in the business and may be impacted by the decisions taken. STV wants to be a business that provides positive outcomes for its stakeholders, identified through its strategic planning process as being employees, customers, shareholders, suppliers, communities and the environment, Government, and regulatory bodies. These stakeholders are at the heart of STV's business model, strategic priorities, values, and culture.

Our extensive engagement efforts help to ensure that the Board can understand, consider and balance broad, and sometimes conflicting, stakeholder interests when making decisions and retain focus on delivering long-term sustainable value. Stakeholder engagement and analysis is also key to STV's approach to risk management.

While the Board will engage directly with stakeholders on certain issues, stakeholder engagement will often take place at an operational level with the Board receiving regular updates on stakeholder views from the Executive Directors and senior management.

The Directors are supported in the discharge of their duties by agenda planning for Board and Committee meetings to ensure there is sufficient time for the consideration and discussion on key matters, and by processes which ensure the Board is provided with timely management information from all STV's business areas.

The following table provides some insight into how the Board discharges its duties under S.172 across each of the key identified stakeholder groups.

Stakeholder group	What matters to the stakeholder		How we engage with them	Key topics this year	How the Board responded
<p><b>Colleagues</b></p> <p><b>Our colleagues are integral to the success of STV and so nurturing them is essential</b></p>	<ul style="list-style-type: none"> <li>Knowing their voice is heard</li> <li>Ensuring everyone is treated fairly</li> <li>No compromises on safety and wellbeing, including mental health</li> <li>Regular 'check in' opportunities for all colleagues</li> <li>Development and career progression</li> <li>Alignment between personal and Company values</li> </ul>		<ul style="list-style-type: none"> <li>Participation of the designated Employee Director, the Senior Independent Director, in meetings of the Employee Forum</li> <li>The 'Minute Live', a weekly all-Company informal discussion led by the CEO</li> <li>Ongoing employee engagement and wellbeing surveys</li> <li>'Wellbeing from STV' programme of activities including active inclusion networks</li> <li>Training and development programmes, and mentoring</li> </ul>	<ul style="list-style-type: none"> <li>Integration of Greenbird Media into STV Group</li> <li>Inclusion, diversity and equality</li> <li>Wellbeing (mind, body and lifestyle)</li> <li>Succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Continuous prioritisation of wellbeing (mind, body, lifestyle) with the 'Wellbeing from STV' programme being enhanced through the launch of a wellbeing app and other resources</li> <li>Succession planning for key roles with roll-out of Women in Digital programme</li> <li>Engagement with colleagues across all offices through rolling programme of visits and events</li> <li>Flexible approach to salary reviews and other bonus and/or one-off payments</li> <li>Board visit to Greenbird offices</li> </ul>
<p><b>Customers</b></p> <p><b>Our viewers, subscribers, advertisers, and commissioners are the cornerstone of STV's continued success</b></p>	<ul style="list-style-type: none"> <li>Variety of programming both broadcast and produced</li> <li>Availability, cost-effectiveness and reach of linear and digital channels</li> <li>A trusted and impartial news service</li> <li>Awareness of key social and topical issues</li> </ul>		<ul style="list-style-type: none"> <li>Dedicated Viewer Enquiries team</li> <li>Customer surveys via ScotPulse</li> <li>STV Growth Fund, incorporating the Green Fund and Inclusion Fund, STV Self Service and the Growth Academy</li> <li>Social media and STV News website</li> <li>Market insight</li> </ul>	<ul style="list-style-type: none"> <li>Data and insights</li> <li>Sustainable supply chains</li> <li>Pricing</li> <li>Collaboration and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Investment in Market Voices, STV Business Spot and Expert Voices</li> <li>Continued support for STV Growth Fund</li> <li>Agreement with ITV which brings original content exclusively to Scotland via extended preview windows, available on STV Player</li> <li>Investment in new creative labels with the acquisition of Greenbird Media Group, expanding a forward pipeline of new programme ideas for commission and improving choice for viewers</li> <li>Technology roadmap for STV Player reflecting customer feedback</li> </ul>
<p><b>Suppliers</b></p> <p><b>Continuity and sustainability of our supply chain is critical for our long-term success</b></p>	<ul style="list-style-type: none"> <li>Timely payment practices</li> <li>Open and transparent negotiations</li> <li>Collaborative relationships</li> <li>Compliance with laws and regulations</li> </ul>		<ul style="list-style-type: none"> <li>ITV/STV Council</li> <li>Face to face meetings with suppliers</li> <li>Contract performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>Management and control of inflationary pressures</li> <li>Sustainability of supply chain</li> <li>Security of invoicing and payment arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Development of sustainable supply chain approach</li> <li>Strategic oversight of relationship with ITV – introductory meeting of Chairs</li> <li>Commitment to fair treatment for all suppliers</li> <li>Ongoing training on information security to enhance key controls around payment processes</li> </ul>
<p><b>Shareholders</b></p> <p><b>Shareholders play a vital role in the success and growth of STV through provision of funds</b></p>	<ul style="list-style-type: none"> <li>Strategy and execution</li> <li>Prospects for future growth</li> <li>Investment plans and expected returns</li> <li>Returns via dividends and capital appreciation</li> <li>Strong ESG practices</li> <li>Transparency and openness</li> </ul>		<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Capital Markets Days</li> <li>Presentations to the retail investor community at Shares Conference and Investor Meet</li> <li>Visits to Company operating premises</li> <li>One to one meetings</li> <li>Dedicated Investor section of the corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Strategic priorities and investment case</li> <li>Market conditions, economic and geopolitical environment</li> <li>Management of pension obligations</li> <li>Cost strategy, margins and returns</li> <li>Sustainability and ESG</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated growth in Studios through acquisition of Greenbird Media</li> <li>Delivered £2.5m cost saving plan</li> <li>In-person meetings with Executive and Non-Executive Directors</li> <li>Regular communication of performance</li> <li>Provision of guidance where appropriate</li> <li>Achievement of 2023 STV Zero sustainability targets, including improved rating in CDP climate survey to B</li> </ul>
<p><b>Community and environment</b></p> <p><b>In order to remain relevant to our viewers and advertisers, we must reflect the communities we serve both on-screen and off-screen and use our Public Service Broadcaster status to share important topical, social and environmental issues</b></p>	<ul style="list-style-type: none"> <li>Availability of trusted news, facts and insight</li> <li>Supporting local causes and community projects</li> <li>Driving the local economy through job creation and supporting local businesses through access to our marketing platforms in a cost-effective way</li> <li>Reducing our environmental impact</li> <li>Representation through programming, on screen and online</li> </ul>		<ul style="list-style-type: none"> <li>News and current affairs programming aligned with key current social issues</li> <li>Online portal, STV Self Service</li> <li>STV Growth Fund incorporating an Inclusion Fund and Green Fund, and STV Growth Academy</li> <li>STV Children's Appeal</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and climate risks</li> <li>Supporting the local creative sector</li> <li>Cost of living crisis</li> </ul>	<ul style="list-style-type: none"> <li>Launch of Sustainable Scotland Week (a cross platform campaign to raise awareness and inspire behaviour change)</li> <li>RTS Bursary scheme</li> <li>Distribution of £2.2m to local charities supporting children living in poverty across Scotland, via STV Children's Appeal</li> </ul>
<p><b>Government and regulators</b></p> <p><b>Active engagement provides STV the opportunity to input on matters relating to our industry and our business, to ensure that our voice as Scotland's leading Public Service Broadcaster is heard</b></p>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Ethical operations and practices</li> <li>Creating and sustaining employment</li> <li>Investing in the creative industry, providing training and development opportunities</li> <li>Environmental, Social and Governance practices</li> </ul>		<ul style="list-style-type: none"> <li>Participation in a range of consultations affecting our industry and business</li> <li>Direct engagement with policy makers, e.g. The Department for Culture, Media and Sport, Scottish Government, Ofcom</li> <li>Hollywood reception hosted by Fiona Hyslop</li> <li>Westminster lunch hosted by Brendan O'Hara</li> </ul>	<ul style="list-style-type: none"> <li>Channel 3 licence renewal</li> <li>Draft Media Bill, specifically prominence for PSBs in a digital streaming environment</li> </ul>	<ul style="list-style-type: none"> <li>RTS Bursary scheme</li> <li>Consultation responses to industry matters including the Media Bill</li> <li>Investment in independent production companies</li> <li>Providing direct employment for c.600 people, and supporting Scotland and the UK's freelancer community</li> <li>Joint training initiative between STV News and Women In Journalism Scotland</li> </ul>