

# ESG report

## Summary of ESG activity

**2023 has been a year of continued progress and delivery of key targets across our ESG activities. The establishment of a dedicated Board committee with responsibility for ESG underscores the Group's commitment to deliver a positive social impact to promote long-term shareholder and stakeholder value.**

Through our ESG activities we have continued to engage with our commercial partners, supporting Scotland's business community through the STV Growth Fund. The STV Children's Appeal uses our platform to raise awareness of the many ways that child poverty affects people, showcasing the efforts of charities and fundraising to support projects across Scotland.

Delivery of diversity targets set to support us in building a more inclusive and diverse culture and improving representation of all the communities we serve on-screen marked a major milestone in 2023.

With a clear pathway to become a net zero carbon business by 2030, we are reducing our environmental impact and using the unique opportunity of our reach across our TV and digital platforms, building audience awareness and supporting action through our content.

This report details progress and achievements in 2023 across the three key areas of our strategy: community, people and sustainability, and sets out the areas of our focus and our targets for 2024 and beyond.

## The ESG Committee

We established the Board's ESG Committee during the year underlining the importance of these activities and to ensure appropriate, dedicated discussion across the year.

The ESG Committee supports the Board in ensuring the Group delivers a positive social impact to promote long-term shareholder and stakeholder value. The new Committee is chaired by David Bergg and held its inaugural meeting in October 2023. Further details of the ESG Committee are set out on pages 86 and 87.



### Community

We continued to use our platform as a force for good to shine a spotlight on the causes we support through the STV Children's Appeal and the STV Growth Fund.

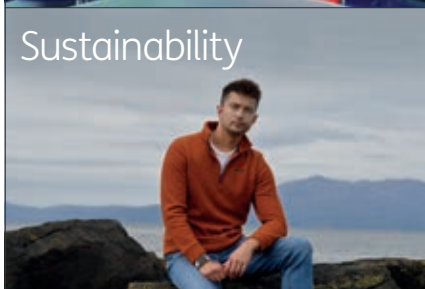
Over **£2.2m** raised by STV Children's Appeal in 2023  
STV Growth Fund providing over **£25m** funding to Scottish SMEs  
**£1m** Inclusion Fund for Scottish businesses championing diversity



### People

We supported the mental, physical and financial wellbeing of our people and continued to build an inclusive culture with equality of opportunity.

**8 of 9** diversity targets achieved  
**62%** increase in women in top 25% of roles since 2017  
**47** bursary scholars supported on STV/RTS Bursary Scheme since launch



### Sustainability

We achieved our targets across all areas of activity, continuing to make energy and carbon savings and inspiring our audiences to make more sustainable lifestyle choices.

**100%** of STV Studios and STV produced programmes albert certified  
*'Sustainable Scotland Week'* reached **1.5m** viewers  
Carbon Disclosure Project **'B'** rating

## Community

### STV Children's Appeal

Families across Scotland faced another difficult year, dealing with the fallout from the pandemic and the adverse effects of an ongoing cost-of-living crisis that has pushed people deeper into poverty. The STV Children's Appeal is committed to helping children and families affected by poverty by funding projects that provide essential support around material need, education and employability, wellbeing, and community capacity building.

From December 2022 to March of this year, the STV Children's Appeal distributed £500,000 of funding to local and national charities to help families struggling with poverty benefit from direct assistance around food, clothing, and energy costs. Scotland-wide funding beneficiary Aberlour said:

*"Aberlour has seen unprecedented levels of applications to our Urgent Assistance Fund due to the cost-of-living crisis; a crisis that has been catastrophic for families across Scotland already struggling to make ends meet. This grant enabled us to help families feed and clothe their children, heat and light their homes and even provide beds for many children."*

### Fundraising activity

2023 saw the return of established events and the introduction of some new events that all played their part to increase the fundraising total for the year, as well as raise awareness of the STV Children's Appeal and its mission.

Hundreds of people took on the Kiltwalk for the STV Children's Appeal across all four events in Glasgow, Edinburgh, Dundee and Aberdeen, raising thousands of pounds. The funds were used to support local projects in each city; AR26 in Glasgow, Togs for Tots in Dundee, Russell Anderson Foundation in Aberdeen, and Scran Academy in Edinburgh.

June saw the return of the STV Appeal Cup, which entered its second year. The tournament was hosted from Glasgow, with companies such as Dell, Santander, Glasgow Airport and KPMG battling it out for the winning trophy. The event was supported by Appeal partner Tunnock's.

STV Children's Appeal events took place throughout the year



The Big Scottish Breakfast took place during a week in September, with groups, businesses and schools hosting their own events from regions across Scotland. Kellogg's sponsored the campaign, which naturally aligned with their own objective of alleviating school hunger through their free breakfast clubs. Over 100 events took place across Scotland, with some creative and fun ideas to get people moving, particularly in the school events.

This year launched the STV Appeal Golf Day; an interactive virtual golf tournament hosted from TopGolf Glasgow for friendly rivalry and fun between competing companies. The event was sponsored by Huws Gray, who joined Jackson Boyd, Kellogg's and Bounty Competitions in coming on board to support an Appeal event.

### Programming

As Scotland's commercial Public Service Broadcaster, STV is committed to increasing awareness of the many ways that child poverty affects people, showcasing the efforts of charities across Scotland fighting to break barriers and provide children with the best start in life, as well as showing viewers the difference that their support and fundraising can make. This year, a number of Appeal-supported charities were given the platform, including AberNecessities, Citadel Youth Centre and MsMissMrs.

The STV Children's Appeal campaign culminated with two key programmes shown in November. This year, the focus of the documentary was on sport and its transformative ability to change lives. Scotland's Stories: A Sporting Chance was hosted by Jean Johansson who visited four charities; AR26, Russell Anderson Foundation, Street Soccer Scotland and Achieve More Scotland, committed to breaking down barriers and giving children the chance to thrive through sport.

The STV Children's Appeal 2023 was an inspiring hour-long show hosted by Lorraine Kelly and Sean Batty, celebrating another year of fundraising efforts from ambassadors, community heroes, and businesses such as Lidl, Tunnock's and Beatson's Building Supplies. The show highlighted the compelling stories of charities who worked to support children and families affected by poverty in Scotland. Hosted from charity Refuweegee, the Appeal show was a blend of entertainment and storytelling that captured the hearts of viewers. Celebrities lined up to support a channel 'takeover' on STV to encourage viewers to donate. Across the day, STV reached 1.03m viewers.

STV colleagues taking part in the Aberdeen Kiltwalk



# ESG report

## Supporting Scottish business

STV's unrivalled reach as the most popular peak time TV channel makes it a highly effective medium for advertisers in Scotland. Our commitment to ensuring advertising is accessible and affordable to Scottish SMEs saw the launch of the £30m STV Growth Fund in 2018. Since launch, we have allocated almost £28m of funding across more than 1,220 deals enabling Scottish businesses to advertise on the channel, build their brand and grow.

Within the fund – and to help support two key components of STV's wider corporate Social Impact strategy – we have ringfenced £1m for Scottish SMEs championing sustainability; plus our £1m STV Inclusion Fund, now in its second year, welcomes applications from businesses who support diverse and inclusive practices to access funding to advertise on STV.

£30m STV Growth Fund



## People

As a talent-based organisation, the creativity of our people is the driving force of the business. We are committed to providing an inclusive culture with equality of opportunity and ensuring everyone's voice can be heard and their contribution recognised.

### Engaging with our people

Through a range of internal communication channels we provide opportunities for all colleagues to keep informed, provide feedback, access support and establish connections across the organisation.

Our employee opinion survey, *Have your say*, enables us to track engagement on an ongoing basis on a range of topics. Typical response rates are high at over 80% with participation open to all colleagues, including those engaged on a freelance basis. In 2023, the survey was used to increase understanding and deepen awareness of our sustainability strategy, STV Zero. A survey on commuting to work provided information that has informed our employee benefits strategy and provided important information to further improve our monitoring of emissions. In 2024 we will conduct surveys on wellbeing support and the effectiveness of our engagement activities.

*Daily News*, our daily email news update, continues to be read by over 80% of colleagues. Providing information from across the business including programme releases, performance stats, corporate developments, social events and industry updates. It is also a key tool in raising awareness and participation in our diversity and inclusion activities and STV Zero.

Our weekly all-colleague virtual town hall session hosted by the CEO is regularly attended by over 60% of colleagues. Featuring different areas and highlights from across the business every week, the session connects colleagues and provides an opportunity to build understanding about the wider business.

Connections between the Board and colleagues across the business are supported through Senior Independent Director's role as 'Employee Director'. The Engagement Forum comprises colleagues from every area and location of the Company and meets with the Employee Director on a regular basis to hear updates from the Board and to provide feedback for the Board to assess. The Employee Director undertakes a programme of site visits across locations.

STV Studios picks up Production Group of the Year Award



**Rewarding our people**

Reward and remuneration are determined with reference to the market and with the aim of attracting and retaining the best talent. A company-wide grading structure, benchmarked against a UK-wide peer group through our participation in Willis Towers Watson’s annual media remuneration survey, provides transparency and ensures reward and benefits are market competitive.

In January 2023, an across-the-board salary increase of £2,000 was awarded to all colleagues, irrespective of the level of seniority or role. This approach ensures that the increase to our salary budget is focused primarily on supporting our lowest paid colleagues, with over two thirds receiving increases of at least 5% with an increase of almost 10% to those on the lowest salaries.

This award was combined with a benchmarking review of the salary and grading structure to ensure competitiveness with the wider market. This process highlighted the significant demand driven pressures influencing salary levels of roles in areas with skills shortages, including digital and software development, production roles in STV Studios and STV News and editorial roles in STV News. Through this review 20% of colleagues received an increase to base salary in excess of the £2,000 across-the-board award. Overall, the average of these additional salary increases, received by one-fifth of colleagues, was 12.8%.

The 2024 salary award delivers an increase of at least inflation to over half of colleagues and, like the 2023 award, has been structured to deliver a higher increase to colleagues on lower salary levels.

Getting involved in the Company’s performance outcomes and providing opportunities to share in its success are the aims of the reward strategy. An all-colleague bonus plan, linked to exceeding key financial targets, will operate in 2024. Subject to shareholder approval, a new Save As You Earn scheme will be granted in 2024 promoting share ownership and a savings opportunity for colleagues.

**Wellbeing and support**

Our wellbeing programme, Wellbeing from STV, was extended in 2023 to include financial wellbeing recognising the impact of increases in the cost of living on our colleagues. ‘Wellbeing from STV’ takes a holistic approach to supporting our colleagues offering support with mental, physical and financial wellbeing.

Wellbeing from STV focuses on body, mind and lifestyle



We continue to develop the support our freelance colleagues can access while engaged on our productions, including the Company’s employee assistance programme (EAP) and occupational health resources and training for our production teams to ensure we provide a safe, inclusive and mentally healthy environment to everyone who is part of our STV Studios team.

CheckIn, our performance management process, has been refreshed placing increased importance on taking time out to talk about wellbeing and support, as well as setting clear objectives to measure performance and delivery.

**Diversity and inclusion**

Our focus on diversity and inclusion is changing our culture, increasing the diversity of our business, improving representation and introducing new voices on screen.

Focused on our people, our audiences and our partners; our approach defines four broad priorities to drive change and become a more inclusive organisation and to represent and accurately portray our audience in our on-screen content.

Our people	Our audiences	Our partners
Create an inclusive culture Build diverse internal and external talent networks	Produce representative and accessible programme and advertising content	Develop partnerships to increase inclusion across the industry, including a focus on the TV Access Project (TAP) and via the STV Inclusion Fund

**Delivery of our targets**

To improve organisational focus and accelerate progress in fulfilling the aims of our diversity and inclusion strategy, in 2020 we set nine targets for delivery in 2023. All but one of these stretching targets have been achieved or exceeded, demonstrating positive change through the creation of a more inclusive organisational culture and improved on-screen representation and portrayal.

Four of five of the targets designed to increase diversity within the organisation were met or exceeded. We were disappointed not to meet the target for ethnic diversity in our London based team which was missed as opportunities for recruitment through which we can build a more diverse team have reduced as the

Celebrating two years of STV Expert Voices



# ESG report

## 2023 diversity targets

Our people	Gender	Ethnically diverse		Disability	LGBTQ+	Socio-economic <sup>1</sup>
<b>Target</b>	50:50 top 25% of roles by earnings	Scotland 8%	London 33%	12%	4%	
<b>2023 outcome</b>	F50% Achieved	8% Achieved	13% Not met	12% Achieved	10% Achieved	31% For monitoring only, no target set
<b>(2020)</b>	F45%	4%	15%	7%	7%	

On screen	Gender		Ethnically diverse	
<b>Target</b>	STV News at Six 50:50	Scotland Tonight 50:50	STV News at Six 8%	Scotland Tonight 12%
<b>2023 outcome</b>	F52% Exceeded	F50% Achieved	10% Exceeded	13% Exceeded

commissioning market has slowed down over the past 18 months. An action programme to support accelerated progress in this area is a priority for 2024. Our other targets relating to gender balance in senior roles, ethnic diversity across our Scottish based teams, disability, and gender identity were achieved, demonstrating the extent of the change that has been driven since targets were set in 2020.

All of the targets designed to improve on-screen representation in our news and current affairs programming were met or exceeded. In 2023, 10% of our news contributors were from ethnically diverse backgrounds (target 8%); and 52% were female (target 50%). Scotland Tonight hit both its diversity targets in 2023; women made up 50% of contributors (on target) and 13% of contributors came from an ethnically diverse background (12% target).

We are committed to building on our progress and driving deeper changes to our organisation and on-screen. Having critically evaluated our progress to date, we have set a new framework of targets for 2024. Longer term targets will be set once full data from the 2022 Scottish census, which will provide important reference information, is published (publication expected in late 2024).

In addition to census data, other key reference points in determining our targets are our industry peer group and Ofcom's annual report on equity, diversity and inclusion in broadcasting. Taking account of these sources, we have set targets for 2024. In evaluating our progress, we have decided to reduce the target aimed at increasing ethnic diversity in our London based team from 33% of colleagues to a more modest level of 15% taking account of our current position (13%) and in anticipation of the continuing low level of opportunities or recruitment in 2024. Our activities to build more diverse talent networks and provide opportunities for work experience will be prioritised in 2024 to support a more ambitious target beyond 2024.

## Creating an inclusive culture

The next phase of our programme to create an inclusive culture and increase cultural competence across the organisation was delivered to all colleagues by the Company's D&I Advisor, Femi Otitoju. All managers completed the 'Inclusive Leadership' programme with a follow up programme, 'Everyday Inclusion', rolled out to all colleagues.

The topics covered included menopause in the workplace; gender identity to support the introduction of the Company's Transitioning at Work Policy; and providing appropriate support for neurodivergent people. Training planned for 2024 will be targeted at colleagues in STV News and STV Studios to support them in ensuring authentic portrayal in the content they create.

In June 2023, STV was recognised as Champion of Diversity, Equality and Inclusion at the Marketing Society Star Awards in respect of work underway across the business to support inclusion, both on and off screen.

## Supporting a diverse talent pipeline and succession planning

Trainee positions and industry insights programmes have created opportunities for talent from under-represented groups with over 55 opportunities provided in 2023. These have ranged from production training schemes and accelerator programmes to our successful bursary programme with the Royal Television Society through which 47 scholars from lower socio-economic backgrounds have received a bursary and invaluable work experience and networking opportunities. Other programmes delivered in 2023 include *Unlocked*, an internship programme providing experience in marketing; *Breaking Barriers*, delivered in partnership with ENABLE Scotland, supporting people with disabilities and learning difficulties; and graduate trainee opportunities in science, technology, engineering and maths (STEM) related roles within our transmission and news technical teams. Through our long-standing association with the Social Mobility Business Partnership, which connects students from low-income backgrounds to employers, we have delivered networking opportunities and industry insights.

STV Drama's production, *Screw*, supported an innovative programme to encourage career conversion to the TV industry to support increased employability. Three-quarters of trainees on the programme were ethnically diverse, deaf, disabled and/or neurodivergent, and/or ex-offending. Opportunities in roles that have traditionally attracted a higher number of male applicants were offered to women, providing training in camera work and sound dubbing. Also on the production of *Screw*, our *Stepping Up* training programme provided career development

<sup>1</sup> No target set. Tracked for information only. Criteria as defined in Ofcom 2023 diversity data collection.

## 2024 diversity targets

	Workforce: Our people	On screen: our audiences	
		STV News at Six	Scotland Tonight
<b>Gender</b>	50:50 balance across top 25% of roles by earnings and a balanced gender profile across the rest of the organisation	50:50	50:50
<b>Ethnic diversity</b>	8% of colleagues based in Scotland 15% of colleagues based in London	8%	12%
<b>Disability</b>	F45%	No target set	
<b>LGBTQ+</b>	12% of all colleagues 4% of all colleagues	No target set	

opportunities for eight colleagues to strengthen our succession to roles in scripted production. Training was provided for heads of department and supervisors to support the success of the programme and ensure there was mentoring and structured support. Through the programme we have increased the number of experienced heads of department in our talent network, including in roles where there are skills shortages.

In support of our commitment to increase diversity in senior STEM roles, six female colleagues have undertaken our digital accelerator programme, completing a three-month external development programme with Empowering You, delivered in association with the Scottish Digital Academy, Scottish Government and ScotlandIS.

Since undertaking the programme, 50% of participants have assumed a new or promoted role progressing our aim to improve gender balance in STEM roles and in roles in the upper earnings quartile. In addition to advancing the professional development of participants, they are encouraged to be proactive in becoming role models within the Digital business and in external professional networks to increase the visibility of women in careers in STEM.

43% of opportunities delivered in 2023 were provided to trainees from lower socio-economic backgrounds; 14% to ethnically diverse trainees; and 33% to trainees with a disability. In 2024, we will continue to develop our network of partners with an increased focus on improving access and opportunities for people with a disability.

### Our audiences

STV Expert Voices, our media training and networking initiative, continues to expand our network of expert contributors and has supported all our on-screen representation targets being achieved or exceeded in 2023. 10% of our news contributors were from ethnically diverse backgrounds and 52% were female (target 50%). *Scotland Tonight* hit both its diversity targets in 2023 with gender balance of contributors and 13% of contributors from an ethnically diverse background.

By late 2023, the STV News team has trained more than 1,000 individuals from under-represented groups, with around 10% already appearing on air using their newly developed presentation skills. The expansion of this network is developing with a growing number of partners including Women In Journalism, Pass the Mic and SportScotland. Also in 2023, a dedicated database for our news and current affairs teams was launched to ensure they can readily identify contributors who are comfortable participating in our programmes.

### STV Inclusion Fund

Celebrating and rewarding the efforts of progressive businesses committed to diversity and inclusion is the aim of the STV Inclusion Fund. Through a competitive process, over 30 SMEs applied for funding in the form of gifted airtime and support with the development of a marketing campaign. Four businesses were selected and have received on-air marketing support and increased profile to accelerate their growth.

### Our partners: Working with partners and stakeholders to increase inclusion across the industry

We continue to work with a network of partners and industry stakeholders to support the ongoing development of the inclusion strategy, support representation of diverse talent across the TV industry to create inclusive working environments.

In 2023, STV joined the Television Access Project, TAP, an alliance of ten of the UK's broadcasters and streamers who have pledged to work together to create substantive and permanent structural change across the industry to ensure full inclusion for deaf, disabled and neurodivergent talent by 2030. STV has provided direct support in key areas of TAP's strategy: funding for workplace adjustments to support improved access to work for freelancers with a disability and identifying the requirements and training to develop new roles to support improved access. This has included training for the new role of Access Co-ordinators on productions and coaching of Access Champions, to provide allyship and support culture change.

### Priorities for 2024

In addition to our ongoing programme of training and support to build an inclusive culture, a key area of focus in 2024 will be to maintain the progress achieved against our targets, including developing longer-term targets once latest census data is available. In conjunction with our industry peers and through our involvement in the TAP, we will develop and implement STV's action plan to improve access and inclusion for disabled talent, setting a long-term plan to deliver structural change by 2030.

# ESG report

## Gender pay profile

### 2023 gender balance target achieved

The Company's gender pay gap has reduced year on year as we continue to achieve a balanced gender profile across all roles (53% women: 47% men). Importantly in 2023, we met our long-term target – set in 2018 – to achieve gender balance across the top 25% of roles as defined by earnings, with half of these roles now held by women. This compares to only 30% of roles at this senior level when we first reported on gender pay in 2017.

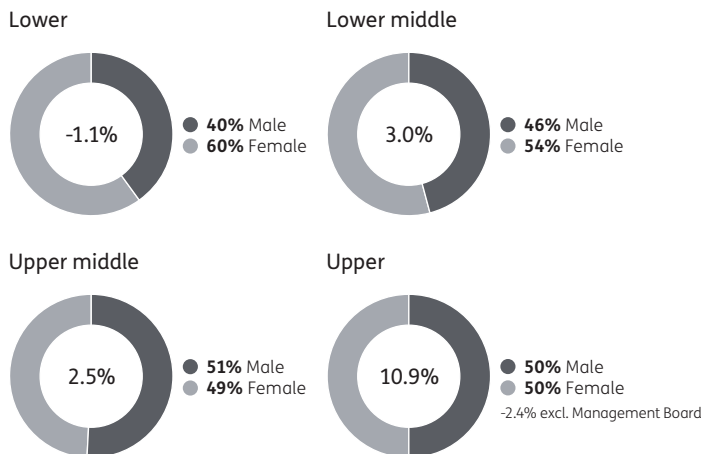
This demonstrates the positive impact of measures implemented across the business to support female colleagues to progress through the organisation into senior roles. These actions have included annual succession planning to assess and strengthen our talent pipeline, and targeted career development and talent acceleration programmes. In 2023, 53% of promotions were secured by women. At Board level (plc and Management Board), 29% of roles were held by women.

At 11.7%, the Company's mean gender pay gap continues to reduce year on year (2022: 15.6%) and over the long-term, since reporting began in 2017, this is down by 49%, from 22.8% in 2017. In the upper earnings quartile where the target was set to achieve gender balance, the mean pay gap is down at 10.9% (2022: 14.1%). If roles in the Management Board are removed from this group, there is a reverse, or negative, pay gap of -2.4%, with female colleagues averaging slightly higher pay than male colleagues in this group. In the remaining 75% of roles across the Company the mean pay gap is 5.9%.

The median gender pay gap, which reflects the difference in the midpoints of the hourly rates of pay for men and women has also reduced year on year to 9.3% (2022: 9.7%), and over the long-term, since reporting began in 2017, this is down by 46%, from 17.3% in 2017.

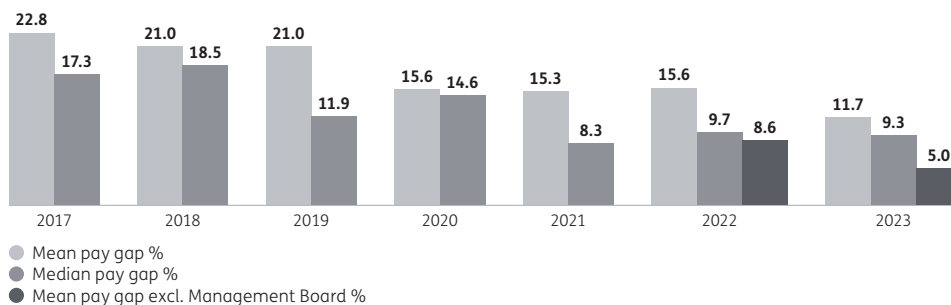
## Gender balance and mean pay gap by pay quartile 2023

The mean gender pay gap has reduced again to 11.7% (2022: 15.6%). Across 75% of roles (excluding the upper pay quartile) the mean gender pay gap is only 5.9%.



## Closing the gender pay gap

Since reporting began in 2017 the mean gender pay gap has reduced from 22.8% to 11.7%.



### Gender bonus pay gap

The mean and median gender bonus pay gaps have remained broadly consistent year on year at 51% and -2% respectively (2022: 50.5% and 0%). Excluding the Management Board, the mean and median 2023 gender bonus gap figures are 19% and -14% respectively.

Gender pay gap reporting is prone to volatility when making year on year comparisons due to a number of factors that impact bonus payments, such as the payment of one-off discretionary bonuses and the variable timing of payment of bonuses from one year to the next.

### Gender bonus gap 2023

Relates to bonuses paid over the period April 2022 to March 2023

51%  
mean

2022: 50.5%

2%  
median

2022: 0%

### People receiving a bonus 2023

Relates to bonuses paid over the period April 2022 to March 2023

18%  
men receiving bonus pay

2022: 93%<sup>1</sup>

21%  
women receiving bonus pay

2022: 95%<sup>1</sup>

<sup>1</sup> In 2022 an one-off discretionary bonus payment was made to all colleagues to provide support with the increased cost of living. This accounts for the significant reduction in the percentage of people receiving a bonus year on year.

Overview

Strategic Report

Governance

Financial Statements

Additional Information

## Achieving our diversity targets

**To achieve our target for gender balance in the top 25% of roles\*, a comprehensive programme was implemented to increase retention of female colleagues and support them in progressing to the most senior roles.**

\* Defined by earnings.

### Talent acceleration

- Regular succession and career development has strengthened our talent pipeline for senior roles
- STV Digital Accelerator programme has supported six senior women in the Digital business with team with personal & career development
- Development programmes including Pathway are focused on developing potential and providing skills to support a future career path in the business
- All career development programmes strive to achieve 50:50 gender profile in each cohort

### Culture

- Training and awareness programmes support managers and colleagues in building an inclusive culture
- Inclusive hiring training continues to be rolled out to all managers across the business
- Our Balance peer group provides a forum for open conversation around culture and development opportunities for women across the organisation

### Work-life balance

- Our Returners programme supports primary carers in achieving a smooth return to work from maternity, shared parental or adoption leave, including the offer of a mentor and access to a peer support network
- Continued partnerships with Take Two and Share My Telly Job to promote job sharing opportunities across production-based roles in STV Studios
- Our menopause peer group has been established to support women who are experiencing menopause in the workplace
- All managers receive training to support them in delivering our commitments within our family friendly policies

### Diverse talent pipeline

- Successful partnership with STEM Returners to support women in STEM related roles to re-enter the workplace
- 'Hack' events held at a divisional level to expand talent networks and pipelines
- STV Expert Voices develops female contributor talent for STV News & Current Affairs programming offering media and studio familiarisation training and networking opportunities
- The STV/RTS Bursary Scheme has supported 47 scholars from lower socio-economic backgrounds with financial and career development support



## Sustainability

### STV Zero

Our path to become a net zero business by 2030 requires change across all areas of the business and clear priorities and targets are essential to assess the effectiveness of our actions and demonstrate that we are making a positive impact. Stretching targets set for 2023 have been delivered and new commitments building on this progress have been introduced to ensure further progress in 2024.



### Continued delivery of targets – towards net zero carbon by 2030

Target	Progress
Continue to increase disclosure and transparency	<ul style="list-style-type: none"> <li>Continued review of sustainability-related risks through the Group's risk management framework</li> <li>Introduction of Scope 1 and Scope 2 emissions reductions target to achieve reduction of 72% by end of 2025</li> <li>Completion of measurement and data analysis of Scope 3 emissions to enable emission reduction target to be set. Data collection completed for STV activities; however, further analysis is now required to incorporate activities of Greenbird Media and Two Cities Television into targets for 2024 and beyond</li> </ul>
Sustainability at the heart of the business	<ul style="list-style-type: none"> <li>Project albert certification achieved on 100% of programming Studios in 2023 and all programming produced by STV News</li> </ul>
Reduce energy consumption	<ul style="list-style-type: none"> <li>Office temperature and lighting control measures implemented</li> <li>Completion of phase 1 assessment of digital carbon impact via DIMPACT</li> <li>Cost benefit analysis of installation of solar power at PQ initiated with landlord</li> </ul>
Waste reduction	<ul style="list-style-type: none"> <li>100% waste recycled at all locations under the Company's control<sup>1</sup></li> <li>Achieved 21% reduction in paper waste v 2022</li> </ul>
Using STV's reach to promote sustainability	<ul style="list-style-type: none"> <li>Launch of <i>Sustainable Scotland Week</i> delivered specially commissioned research, programming and promos to raise audience awareness of sustainability and climate issues</li> <li>Delivery of dedicated sustainability series on STV during <i>Sustainable Scotland Week</i> reached 1.5m viewers</li> </ul>
Achieve a sustainable supply chain by 2030	<ul style="list-style-type: none"> <li>Segmentation of supplier base into three tiers and launch of engagement programme with largest, Tier 1, suppliers in addition to continued collaboration with industry peers via Project albert</li> <li>Improved CDP rating of B in 2023</li> <li>Continued collaboration across entire supplier base</li> </ul>
Our culture	<ul style="list-style-type: none"> <li>'Be an STV Zero hero' behaviour change campaign continued to engage colleagues to raise awareness of STV Zero priorities and support adoption of sustainable working practices and lifestyle choices</li> <li>All-colleague travel survey to inform action programme to support sustainable commuting and reduction of Scope 3 emissions</li> </ul>

<sup>1</sup> Pacific Quay; Aberdeen; Balmore storage site.

Scotland Tonight Climate Special, STV and STV Player



Sean's Scotland SOS, STV and STV Player



### Improving measurement and disclosure to increase transparency

Demonstrating the impact of STV Zero in reducing the climate footprint of the business, underpinned by a science-based approach, is of the highest importance to provide assurance and clear evidence of progress to all stakeholders. Accreditation from the Science Based Targets Initiative (SBTi) provided a baseline from which we have continued to improve our approach to measurement and analysis of all data sources that enable quantification of the carbon impact of the business.

Areas of progress during 2023 have included a significant data collection project to accurately measure and monitor Scope 3 emissions, and a collaboration between our technology and digital engineering teams in conjunction with DIMPACT to obtain an initial assessment of the carbon impact of STV Player. The activity to measure Scope 3 emissions was extended in Q4 of 2023 to incorporate the activities of Greenbird Media in order that emissions reduction targets cover all areas of the business.

Measuring how effectively we are using the reach of our platforms to increase awareness of sustainability amongst our audiences will be supported through the introduction of sustainability content tracking across our news and current affairs programming in 2024.

Looking to 2024, a key aim is to reset targets integrating recent acquisitions (Greenbird Media and Two Cities Television) to enable measurement of emissions across all of the activities of those entities.

The sustainability governance structure (refer to page 59) defines clear accountability and a structured method to ensure consistency of approach to evaluate progress against targets.

### Sustainability at the heart of the business

Achieving Project albert on 100% of programmes produced by the STV Studios<sup>1</sup> in 2023 is a significant milestone and demonstrates the extent that sustainable practices are embedded in our ways of working. This was achieved on 18 programmes/series in STV Studios and additionally on 10 programme titles in STV News. All news and current affairs programming produced by STV News has received albert certification for a second consecutive year.

1 Excludes Greenbird Media programming which will be included in the 2024 target.

Sustainable Scotland Week litter pick



Our Creative team – responsible for commercial production to support our advertisers – was a founding member of Ad Net Zero and the team has begun to introduce the Ad Green Carbon Calculator into the campaigns they develop and deliver to measure their carbon impact and support action planning towards net zero by 2030.

Placing STV Zero at the heart of our organisation and embedding the strategy into our culture is a key lever to deliver change. Our internal comms campaign – Be an STV Zero Hero – continued during 2023 with events for colleagues, including celebrating *Sustainable Scotland Week*, information sessions with external speakers and sustainability activists, litter picking to improve the environment in the locale of our office locations and the establishment of the STV Garden Gang at Pacific Quay, a group of volunteers committed to enhancing the green spaces around the office building.

### Reducing our energy consumption

With over 95% of energy already secured from renewable sources, the priority is to seek to reduce overall consumption. During 2023 an ongoing programme of energy reduction initiatives has led to the introduction of office temperature and lighting control measures. A cost benefit analysis of measures requiring more significant levels of investment has commenced, including assessing the feasibility of the installation of solar power at the Company's Pacific Quay Headquarters.

### Waste reduction

In 2023 we recycled 100% of waste from all locations under the Company's control. A campaign to encourage colleagues to reduce paper waste achieved a reduction of 21% year on year.

Identifying partnerships that can accelerate the impact of our activities is a key objective. We worked with Glasgow Wood Recycling who repurposed wood and upcycled old items from our storage areas contributing to a circular approach to waste reduction.

STV Zero Heroes in action



# ESG report

## Setting clear targets towards net zero by 2030 – 2024 and beyond

Objective	Target	Timescale for delivery
Continue to increase disclosure and transparency	Compliance with additional reporting requirements arising from the International Sustainability Standards Board in 2023 Annual Report and Accounts Undertake assessment of the Company's impact on biodiversity and development of a policy, as appropriate, to support becoming a nature positive business Continued review of sustainability-related risks through the Group's risk management framework	2024 and ongoing  H1 2024  Ongoing activity to mitigate risk during 2024
Sustainability at the heart of the business	Introduce emissions reductions targets: • Scope 1 and Scope 2 on a market-based approach: Reduce by 72% by 2025 (from 2022 as base year) • Scope 3 emissions reduction target to be defined Introduce climate content target in STV News programming to increase sustainability focused editorial across all platforms Maintain Project albert certification on 100% of UK-produced programming from STV Studios by end of 2024 and all programming produced by STV News	Target set for end of 2025 During 2024, introduce a quarterly tracker of Scope 1 & Scope 2 emissions H1 2024 Target expected to be achievement of a 5% increase v 2023 output across broadcast and digital content Ongoing
Reduce energy consumption	Continued energy reduction measures to be identified Continued engagement with DIMPACT to progress analysis of data collected to date Introduce refreshed Business Travel Policy	Ongoing throughout 2024  Ongoing throughout 2024  Q1 2024
Waste reduction	Maintain 100% recycled waste at locations under the Company's control <sup>1</sup> in 2024	Ongoing
Using STV's reach to promote sustainability	Delivery of dedicated sustainability series on STV during 2024	Ongoing development of content via STV and STV Player to educate and inform to influence positive lifestyle changes
Achieve a sustainable supply chain by 2030	Complete introduction of sustainability criteria for all Tier 1 suppliers with continued collaboration across entire supplier base Participate in Climate Disclosure Project (CDP) in 2024	Ongoing  July 2024
Our culture	'STV Zero hero' behaviour change campaign to continue as key theme of internal communications throughout 2024, including progressing sustainable commuting following 2023 all-colleague travel survey	Ongoing

1 Pacific Quay; Aberdeen; Balmore storage site.

Broadcaster collaboration through the Climate Content Pledge



All STV colleagues receive a sustainable travel mug during their induction



### Using STV's reach to promote sustainability

Our privileged position as a public service broadcaster enables us to use storytelling to inspire viewers to adopt more sustainable lifestyles. Our dedicated campaign, *Sustainable Scotland Week*, reached over 1.5m viewers, increasing awareness and inspiring our audience to make more sustainable lifestyle choices. The campaign included specially commissioned research, programming and promotions. *STV News at Six* delivered increased editorial coverage of stories highlighting the impact of climate change on communities across Scotland; a special one-hour peak time documentary *Sean's Scotland SOS* highlighted how the climate crisis is impacting the country and what people are doing to help; current affairs programme *Scotland Tonight* aired a special on sustainability issues facing the country, and a dedicated Green Hub of sustainability themed programming ran on STV Player. Drawing all of this together, specially produced promos ran across the schedule highlighting *Sustainable Scotland Week* and providing tips for viewers to help make a difference.

Research was commissioned through ScotPulse to measure the impact of the campaign. This revealed that 3 in 5 Scots think TV broadcasters should make more programmes on climate change and sustainability and 72% of those who saw *Sustainable Scotland Week* activity said it made them more likely to make more environmentally conscious choices.

Working in collaboration with our broadcasting peers, Simon Pitts, joined the CEOs of the BBC, Channel 4, ITV, Paramount and Sky to convene a unique event to highlight the power of storytelling to inspire climate action. Following the commitments made by these organisations in the Climate Content Pledge at COP26, working in collaboration with Chatham House over 80 CEOs from the food, energy, FMCG, broadcasting and transport sectors met to discuss how climate-related stories can inspire climate and systems change at scale. The event also involved Bill Gates, Co-Chair of the Bill & Melinda Gates Foundation and Founder of Breakthrough Energy.

### Achieve a sustainable supply chain by 2030

This long-term aim has been progressed through a targeted approach which has segmented our supplier base into three tiers. An engagement programme with our largest - Tier 1 - suppliers has clarified a number of actions to be addressed as we widen the scope and seek to engage a larger number of smaller scale suppliers. These second and third tier suppliers will have a less developed approach to sustainability and will require longer lead times to change their processes. Our approach is based on partnership and providing support to encourage suppliers to make changes to improve their sustainability credentials and we recognise this will require a long-term commitment with many of our current suppliers.

Our second submission to the Carbon Disclosure Project (CDP) secured an improved rating, scoring B (2022 submission: D). Through CDP, STV is benchmarked against companies globally assessing environmental practices with a focus on supply chain and emissions monitoring. The rating of B recognises that the environment impacts of the business have been addressed and that there is good evidence of environmental management.

### Net zero by 2030

Maintaining momentum and increasing opportunities to involve more colleagues on our journey to 2030 are priorities for 2024. New targets have been set for 2024 and beyond, and incorporated into the corporate objectives cascaded through the organisation for tracking and reporting during 2024.

### STV Zero: Aligning with external initiatives and benchmarks



We have reported our climate disclosures in line with the Task Force on Climate-related Disclosures (TCFD) since 2021 and in 2023 have extended this to meet the requirements of the Climate-related Financial Disclosure (CFD).



Project albert is the leading screen industry organisation for environmental sustainability. Albert supports the film and TV industry to reduce the environmental impacts of production and to create content that supports a vision for a sustainable future. STV is a consortium member of Project albert working in collaboration with industry peers to share, learn and act for a sustainable industry future. In 2023, all programmes produced by STV Studios in the UK achieved albert certification.



The Carbon Disclosure Project runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts and is recognised as the gold standard of environment reporting with the most comprehensive dataset on corporate and city sustainability-related action. We made our first disclosure to CDP in 2022, receiving a 'D' rating, and in 2023 our disclosure was rated 'B' demonstrating the progress being delivered through STV Zero.

### DIMPACT

DIMPACT is a collaborative initiative between leading media, entertainment and technology companies and world-class researchers established to measure, understand and ultimately reduce the emissions of serving digital media and entertainment products. As STV's digital business continues to grow, an action plan to reduce the carbon impact of STV Player will form an important part activities to achieve net zero by 2030.

Other external initiatives and benchmarks we engaged with during 2023 include:



Science-Based Targets Initiative, accredited by SBTi in December 2022



### FTSE4Good

STV is a FTSE4Good Constituent of the FTSE4Good Index



Supporter and Member of Ad Net Zero since 2022

## Climate-related Financial Disclosures report

### Compliance Statement

STV Group plc has complied with the requirements of LR 9.8.6(8)R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures except for recommended disclosure (b) under the Strategy pillar where work on quantification of climate-related risks and opportunities remains ongoing.

The climate-related financial disclosures made by STV Group plc comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

### Governance

**Our reporting in this section relates to the two recommended disclosures of the TCFD framework under the 'governance' pillar and the requirements of the Companies Act 2006, section 414CB, subsection 2A part (a).**

The Company's governance structure in relation to climate-related matters is set out below. This structure identifies the key responsibilities at all levels in the organisation and clarifies accountability for governance.

During the year, a new Board committee – the ESG Committee – was constituted to ensure sufficient, dedicated time was set aside for consideration of environmental, social and governance matters given the increasing focus across these areas by stakeholders and in recognition of the additional reporting and regulatory requirements that the Board must seek to comply with. This committee meets at least 3 times each year and the Chair of the Committee is required to report to the Board on its activities after each committee meeting and make recommendations for approval by the Board on any aspect of its remit, including approval of the governance framework relating to climate-related matters and the identification or climate-related risks and opportunities. The initial report of the ESG Committee is shown on pages 86 and 87.

As part of its annual Board evaluation process, which included an assessment of the effectiveness of each of the Board Committees, this structure is considered to enhance the prior structure and is considered to be appropriate and operating effectively.

In providing its annual approval of the sustainability governance structure, the Board has continued to consider its own expertise and experience in this area. Directors are comfortable that there is sufficient experience among existing members of the ESG Committee, and Board, for the short to medium term. Notwithstanding this, it forms part of the normal succession planning undertaken for Non-Executive Directors to consider the developing skills and experience of the Board against an evolving landscape, of which climate-related experience is one factor.

The Board and/or ESG Committee has received three reports over the course of 2023 covering a wide range of matters in relation to sustainability and climate-related risks and opportunities, including (i) progress against operational targets set for 2023 that underpin the ultimate goal of being a net zero carbon business by 2030; (ii) the Group's governance structure; and (iii) identification and assessment of emerging and existing climate-related risks and opportunities. The Group's Risk Impact Heat Map – the framework against which the significance and likelihood of each identified risk must be scored – includes specific criteria for sustainability risks.

Across the organisation, managers have sustainability targets incorporated into their personal objectives for bonus purposes. The Remuneration Committee is responsible for approving the strategic and personal objectives of the Executive Directors, on which an element of variable pay is dependent, and which ESG matters more broadly, and sustainability specifically, are a key component. On a quarterly basis, and as part of routine risk reviews, managers are responsible for assessing and managing climate-related risks and opportunities within their business area. Additionally, managers are responsible for ensuring appropriate action is being taken to deliver the STV Zero strategy as it relates to their business and areas within their control. Reports on sustainability related issues, including progress against targets, have been delivered and discussed at divisional board meetings, and at meetings of the Management Board.

### Strategy

**Our reporting in this section relates to the three recommended disclosures of the TCFD framework under the 'strategy' pillar and the requirements of the Companies Act 2006, section 414CB, subsection 2A parts (d), (e) and (f).**

The Group has identified several climate-related risks and opportunities over the short, medium and long term. In assessing the significance of each it has defined 'materiality' as an impact on the business that limits our ability to carry out our operations, and/or requires a change to our business model, and/or has a significant impact on our liquidity thereby limiting our ability to invest or meet our obligations as they fall due.

**STV: Sustainability governance structure**

**PLC Board – meets at least 7 times each year**

Responsible for:

- Ensuring the effective delivery of STV Zero targets
- Reviewing key climate-related risks and opportunities and overseeing mitigation strategies as part of the regular review of principal and emerging risks
- Considering sustainability as part of stakeholder engagement
- (Remuneration Committee) Setting sustainability-related targets in executive incentive arrangements



**Environmental, Social and Governance (ESG) Committee – meets at least 3 times each year**

Responsible for:

- Making recommendations to the Board on all aspects of the sustainability strategy, STV Zero
- Oversight of the establishment of sustainability-related policies and codes of practice and their implementation
- Reviewing external assurance of sustainability matters
- Reviewing the challenging objectives, targets and key performance indicators relating to STV Zero
- Ensuring the Group continues to deliver a positive social impact to support long-term shareholder and stakeholder values



**Audit & Risk Committee – meets at least 3 times each year**

Responsible for:

- Supporting the Board in its responsibilities for sustainability, including:
  - (Shared with the ESG Committee) Overseeing compliance with, and progress on, sustainability reporting
  - Overseeing the Company’s environmental data and its accuracy and completeness
  - Ensuring sufficient, appropriate assurance is obtained in relation to numerical sustainability reporting

**Management Board – meets weekly**

Responsible for:

- Reviewing and monitoring climate-related risks and related mitigating actions on a bi-annual basis, as part of routine risk reviews, and determining whether the net risk is within Board-approved risk appetite
- Ensuring appropriate action is being taken to achieve the STV Zero strategy, through review of quarterly reporting on climate-related issues, including metrics and targets



**Divisional Boards – meet monthly**

Responsible for:

- Identifying all climate-related risks and opportunities and developing appropriate mitigation strategies
- Monitoring progress against divisional emissions reduction plans and identification of remedial actions required should sufficient progress not be achieved
- Studios and Broadcast – tracking Project albert carbon action plans to ensure achievement of accreditation for all STV-produced programming



**Sustainability Group – meets monthly**

Responsible for:

- Promoting and championing sustainable behaviours across the Group
- Embedding a positive climate culture across the Group

Overview

Strategic Report

Governance

Financial Statements

Additional Information

# ESG report

In terms of the risk assessment, transition and physical risks were considered – transition risks being those that are associated with the transition to a low carbon economy, and physical risks being those that are associated with the physical impacts of a changing climate. In carrying out this assessment, we considered three time periods: the short term, being the next financial year (2024); the medium term, being the period of our Group 3 Year Plan (through to the end of 2026); and the long term, from 2027 to 2030 (with 2030 being our target date for becoming a net zero carbon business). These time periods were considered relevant in the context of the Company's business planning cycle, investment plan, financing facility and its strategy to transition to a net zero carbon business by 2030.

In terms of physical climate-related risks, our operations are based in the UK with limited physical presence elsewhere. Therefore, we consider the risk of severe weather events and their impact on our properties to be low risk. We have informed this conclusion through completion of a flood risk assessment, undertaken for insurance purposes at our Pacific Quay offices in Glasgow which

are on the banks of the River Clyde, that determined that a 1-in-200 year event of flood waters reaching 1m would have a limited impact on the building due to the level of the interiors being further above the external ground level. Flood levels of 1.5m would need to be reached for the building's defences to be breached, which is the equivalent of a 1-in-1,000 year event.

In terms of transition risks and opportunities, we identified a number that have been assessed as being of minor concern as they are either unlikely to materialize or they are of low materiality for our business. The risks identified below are those we consider to be most significant, and we have assessed them on a division-by-division basis. As the Group operates predominantly in the UK, a breakdown by geography is not considered material or relevant. The risk scores in the table below are on a gross risk basis only – as we continue to develop and refine our related risk management activities we will look to expand our disclosure to include net risk scores. We will continue to keep these risks under review, and to evaluate market trends over time and by division, where appropriate.

Time horizon			Potential impact	Division	How we manage risks
Short term	Medium term	Long term			
L	L	L	Failure to maintain albert accreditation for STV News	B	<ul style="list-style-type: none"> <li>Proportion of programmes that qualify is tracked</li> <li>Review of progress at News Leadership meetings</li> <li>Process and controls embedded in day-to-day operations</li> </ul>
L	M	M	Failure to maintain albert accreditation for programme production for third parties	S	<ul style="list-style-type: none"> <li>Proportion of programmes that qualify is tracked and reported at divisional board meetings</li> <li>Roll-out of training by albert</li> </ul>
L	L	L	Energy price inflation, particularly electricity, remains elevated	G	<ul style="list-style-type: none"> <li>Third party energy consultant used to provide advice on optimal contractual arrangements for the Group to maximise climate credentials and manage cost</li> </ul>
L	M	+	Government policy decision prevents advertising by high carbon products or services	B, D	<ul style="list-style-type: none"> <li>Engage with UK and Scottish governments on regular basis to put forward STV perspective on potential policy decisions</li> <li>STV Green Fund introduced to offer match-funding to businesses with 'green' credentials</li> </ul>
L	M	M	Failure to maintain momentum in embedding sustainable behaviours across the business results in inability to achieve net zero carbon by 2030	G	<ul style="list-style-type: none"> <li>Active engagement with the Sustainability Group</li> <li>Regular events to encourage employee engagement</li> <li>STV Zero targets shared group-wide, sponsored by the CEO</li> </ul>
+	+	+	Using STV's position as a public service broadcaster to raise awareness	B, S	<ul style="list-style-type: none"> <li>Specific programming including current affairs on climate-related matters</li> <li>STV Green Fund to make advertising on TV affordable to 'green' businesses</li> <li>Signatory of the Climate Content Pledge with other UK PSBs</li> </ul>

**Key:**  
 L = low risk; M = medium risk; H = high risk (being those that would be material as defined)  
 + = opportunity  
 B = Broadcast; D = Digital; S = Studios; G = Group-wide

Having identified the most potentially significant climate-related risks for our business, we have considered ways in which we might quantify them but due to the complexity involved and the significant unknowns associated with the potential risks, we have not been able to make that assessment. As part of our ongoing review of climate-related risks and opportunities, we will look for ways in which we can undertake this assessment in the future.

STV's plans for transitioning to a net zero carbon business are centred around our sustainability strategy, STV Zero. How it is being adopted across the Group and embedded in our strategy, operations, and culture, is included in the narrative on pages 54 to 57.

## Resilience

Against this backdrop of climate-related risks and opportunities, and under a Paris agreement aligned scenario, we consider the organisation's strategy, business model and cash generation to be resilient. Our sustainability strategy, STV Zero, which is targeting net zero carbon by 2030, means that we would be protected from significant carbon taxes that may be introduced. More generally, our business model (as set down on pages 10 and 11) is centred around provision of advertising services and IP creation/acquisition, none of which involve global, physical supply chains.

Alongside our assessment of climate-related risks and opportunities, we have undertaken an exercise to understand the related actual and potential financial impacts of climate change on our business. This is continually reassessed to ensure it reflects emerging risks and opportunities, and the wider markets in which we operate. Our conclusion remains that there is no significant financial impact in terms of operating costs, capital investment or balance sheet valuations arising from the risks and actions required to achieve the headline sustainability target of becoming net zero by 2030. Details behind this assessment are set out below:

- Maintaining carbon neutrality is supported by sourcing renewable electricity at sites where we control supply contracts, and reducing business travel.
- There are no items of property, plant and equipment (PPE) that are impaired as a result of changes to the way we work to reflect transition to a more environmentally sustainable operation with no impairment charges recognised.
- Our investment programme that supports our growth strategy focuses on Digital and Studios and the nature of this investment has not changed as a result of our work to achieve STV Zero targets and priorities, nor has there been any impact on the capital available to invest. We do not anticipate any change to the priority we attach to each area of investment.
- It is possible that certain costs of operation may increase as we transition to lower carbon operations, for example heat, light and power, and insurance. The high energy prices over the last 12-18 months have been UK-wide and not climate-related. We do not expect any future climate-related impact to be material, and there may be opportunity to offset any cost impacts through additional advertising revenue from brands seeking to promote the sustainability of their products and services.
- We continue to engage with the trustees of the Group's defined benefit pension schemes to understand their approach to the climate crisis from an investment perspective. Based on discussions to date we have not identified any significant risks or incremental costs to the Group but continue engagement with them as they develop their thinking and look to implement potential actions in this area.
- Lenders and equity investors are placing increasing significance and importance on our sustainability credentials, and we actively engage with them on STV Zero and our targets. We anticipate that, at some point in the future, lenders may seek to embed climate-related clauses in our facility agreement and thereby directly link the cost of funds with successful delivery of our sustainability targets. Our current debt facility, which matures in March 2026, has no such linkage.

### Risk management

Our reporting in this section relates to the three recommended disclosures of the TCFD framework under the 'risk management' pillar and the requirements of the Companies Act 2006, section 414CB, subsection 2A parts (b) and (c).

The identification, assessment and management of climate-related risks and opportunities is undertaken throughout the business, with subsidiary/divisional management teams responsible for these activities in their own business and then the Management Board and Board of Directors (and its Board Committees as per the governance structure presented previously) taking a Group-wide perspective.

The identification, assessment and management of climate-related risks has been embedded into the Company's risk management and internal control processes and forms part of the routine risk reviews and Board/Committee reporting in place across the business. A Risk Impact Heat Map with specific criteria

for sustainability risks is used by those charged with governance to ensure potential risks are considered and measured in a way consistent with other identified risks across the Group.

Detailed reporting on the Group's risk management framework has been included in the Risk Management report on pages 37 to 45.

The Management Board is actively engaged in climate-related risk management activities, with regular discussions on the status of achievement of targets (including scope 3 GHG reduction targets for business travel and achievement of Project albert certification for all programming produced by STV Studios and the Broadcast division) and identification of follow-up actions required. Divisional action plans have been developed to drive accountability for making the changes necessary to achieve our short-term and long-term targets, and to ensure we are managing the potential impact of climate-related risks and opportunities in a timely and effective manner.

Each divisional action plan has specific targets that relate to the activities of the division. Designed to increase focus on adopting new ways of working to reduce the Company's carbon impact, targets include training and sustainability awareness; measurement of business travel; and incorporating a carbon calculation into production processes.

### Metrics and targets

Our reporting in this section relates to the three recommended disclosures of the TCFD framework under the 'metrics and targets' pillar and the requirements of the Companies Act 2006, section 414CB, subsection 2A parts (g) and (h).

The fourth pillar of the TCFD Framework (recommended disclosure (b)) requires disclosure of Scope 1, Scope 2 and Scope 3 Greenhouse Gas (GHG) emissions, and related risks. The Group's Streamlined Energy and Carbon Reporting (SECR) forms the last section of this report and can be found on pages 62 and 63. This shows the Group's Scope 1 and Scope 2 GHG emissions for the current and prior year, and several of the 15 categories of Scope 3 GHG emissions (noting that five are not applicable to STV), where data can be obtained and measured reliably. There is only one category of relevant scope 3 emissions that we have not reported on in 2023 and we do not consider this to be material under the definition of TCFD. In FY22, we set medium term carbon reduction targets for Scope 1 and Scope 2 for the period to the end of 2025 and further details are included in the SECR report, along with a summary of risks to achieving those targets.

The Group has achieved carbon neutrality for each year since FY21.

The metrics and targets that we use to assess our progress towards achieving net zero carbon are targets aimed at reducing our carbon impact in the five key areas identified in STV Zero: energy consumption; waste reduction; programme making; promoting sustainability using STV's reach; and achieving a sustainable supply chain. In turn, these targets will only be achieved if we successfully embed a sustainability culture into the business. We have included an update on the STV Zero targets that we set ourselves for 2023 on page 54, along with an overview of the new targets we are working towards in 2024 on page 56. This section also includes details of the KPIs that we measure to assess progress towards achievement of targets.

A summary of the Group's reporting against TCFD's cross-industry metrics reporting categories is provided below. Where the Group is not yet tracking against a metric or target, an explanation is provided on its intentions going forward.



# ESG report

	Metric	Target
GHG emissions	STV reports its GHG inventory breakdown as well as its emissions intensity – see narrative above and SECR below	STV Zero sets out our emissions reductions targets – see SECR below and pages 54 to 63
Transition	<p>For an overview of metrics and targets in relation to our net zero carbon strategy, STV Zero, refer to pages 54 to 63</p> <p>Specifically in relation to the climate-related risks and opportunities identified in the ‘Strategy’ section of this report, we measure the number of programmes produced by STV News and STV Studios (separately) that achieve albert accreditation. Our target is to achieve 100%</p> <p>In FY23, we achieved 100% of all programming from both STV News and STV Studios, with 100% and 79% being achieved, respectively, in FY22</p>	
Physical	As outlined in our TCFD strategy section, we currently have no material physical risks	We will continue to monitor feedback from our insurers and will develop metrics if appropriate
Climate-related opportunities	The main opportunities for the Group are in relation to bringing new advertisers with ‘green’ businesses to television to promote their brands. We monitor the number of businesses who receive matched funding from our STV Green Fund, but we don’t have a metric or target in relation to the number of ‘green’ businesses booking campaigns with STV as the scale of most local advertisers is below the threshold for climate-related reporting	
Capital deployment	Not currently reported	Will be further developed if deemed material and relevant
Internal carbon prices	Not currently reported	Will be further developed if deemed material and relevant
Remuneration	See TCFD Governance disclosures on page 58 and the Directors’ Remuneration Report (pages 88 to 105)	See TCFD Governance disclosures on page 58 and the Directors’ Remuneration Report (pages 88 to 105)

## Streamlined Energy and Carbon Reporting (SECR) – based on data for the year ended 31 December 2023

In line with the GHG Protocol Corporate Standard, the Company’s SECR is based on the disclosure of emissions from operations over which it has direct financial and operational control. As the Company is registered in the UK with no operations overseas, all emissions derive from UK-based activities. These Scope 1 and Scope 2 emissions are set out in the table below.

STV acquired Greenbird Media Limited on 6 July 2023. The data presented in this SECR statement does not include the emissions from the acquired businesses as the process of integration has focused on other areas of our enlarged operations up to now. However, there is a process underway to collate historic emissions data for 2023 and a new, ongoing process is being implemented to track and record emissions for 2024 onwards. The impact of Greenbird on the energy and carbon usage and reporting of the Group will be consolidated into the STV Group reported data in the 2024 annual report.

A dual reporting approach to emissions associated with the Company’s grid electricity consumption (Scope 2) has been used to disclose both a location-based and market-based figure.

During 2022, we performed an initial assessment of the relevance of each of the fifteen Scope 3 emissions categories to the business and concluded that nine of them were relevant to the Company. We reported against three of those nine relevant categories in our 2022 SECR statement, being fuel and energy related activities (cat 3), waste generated in operations (cat 5) and business travel (cat 6).

In 2023, we have undertaken further detailed work on the collection and analysis of data and have brought one of the previously eliminated categories of emissions into scope, being investments (cat 15). We have also extended our processes to enable us to report on a further six Scope 3 emissions categories in 2023, being: purchased goods and services (cat 1); capital

goods (cat 2); upstream transportation and distribution (cat 4); employee commuting (cat 7); upstream leased assets (cat 8); and investments (cat 15).

This means that there is one remaining Scope 3 category we have not yet reported on – use of sold products (cat 11), which measures the emissions of serving digital media. As noted above, our focus for 2024 is to fully integrate the energy and carbon emission data collation, management and reporting for Greenbird into the wider STV Group and our intention is to do that without seeking to expand the categories of emissions against which we report. We would expect to include the last of the relevant Scope 3 emissions categories into our reporting from 2025 onwards and will provide an update in our 2024 annual report.

During 2023, we continued to focus on our programming being certified by the industry-wide albert scheme and achieved our key objective of having all programming delivered certified by albert. This included our STV News output produced by STV Central Limited and STV North Limited together with all programming delivered by STV Studios.

Combined Scope 1 and Scope 2 consumption was broadly flat year on year, increasing by only 0.1%, although emissions increased by 3.3% on a market-based approach due to year on year changes in conversion rates. Scope 1 consumption increased by 3.9% and emissions increased by 3.2% during the year due to boiler issues in the Pacific Quay, Glasgow office which have now been resolved. Scope 2 consumption reduced by 2.0% and emissions increased by 4.7% on a market-based approach. Energy efficient measures introduced in the year included on-line driver training to STV staff which included modules on eco driving and environmental awareness, and an alert system was installed in the Dundee office which provides notification of excess energy usage.

Scope			Unit	2023	2022	YoY
1	Emissions from gas, refrigerants and owned vehicles		tCO <sub>2e</sub>	<b>356.94</b>	345.83	3.2%
			kWh	<b>1,854,992</b>	1,785,859	3.9%
2	Location based	Electricity emissions using geographical location	tCO <sub>2e</sub>	<b>625.80</b>	596.63	4.9%
			kWh	<b>3,022,106</b>	3,085,247	(2.0%)
	Market based	Electricity emissions using purchased electricity factor	tCO <sub>2e</sub>	<b>14.20</b>	13.56	4.7%
			kWh	<b>3,022,106</b>	3,085,247	(2.0%)
1 & 2	Location based	Electricity emissions using geographical location	tCO <sub>2e</sub>	<b>982.74</b>	942.45	4.3%
			kWh	<b>4,877,098</b>	4,871,107	0.1%
	Market based	Electricity emissions using purchased electricity factor	tCO <sub>2e</sub>	<b>371.14</b>	359.39	3.3%
			kWh	<b>4,877,098</b>	4,871,107	0.1%
Total revenue			£m	<b>153.5</b>	137.8	
Total Scope 1 & 2 intensity ratio (location based)			tCO <sub>2e</sub> per £m	<b>6.40</b>	6.84	
Total Scope 1 & 2 intensity ratio (market based)			tCO <sub>2e</sub> per £m	<b>2.42</b>	2.61	
3 (1)	Purchased goods and services		tCO <sub>2e</sub>	<b>12,325.16</b>	-	
3 (2)	Capital goods		tCO <sub>2e</sub>	<b>246.16</b>	-	
3 (3)	Fuel and energy related activities		tCO <sub>2e</sub>	<b>273.76</b>	260.61	5.0%
3 (4)	Upstream transportation and distribution		tCO <sub>2e</sub>	<b>100.25</b>	-	
3 (5)	Waste generated in operations		tCO <sub>2e</sub>	<b>6.02</b>	1.57	144.6%
3 (6)	Business travel		tCO <sub>2e</sub>	<b>144.74</b>	110.89	11.9%
3 (7)	Employee commuting		tCO <sub>2e</sub>	<b>275.79</b>	-	
3 (8)			tCO <sub>2e</sub>	<b>0.01</b>	-	
3 (15)	Investments		tCO <sub>2e</sub>	<b>10.26</b>	-	
3	Total Scope 3 emissions		tCO <sub>2e</sub>	<b>13,382.15</b>	373.07	
Total Scope 1, 2 and 3 (market based)			tCO <sub>2e</sub>	<b>13,753.29</b>	732.46	

### Methodology

The methodology used to calculate the 2023 emissions is the GHG Protocol Corporate Standard. In addition, the 2019 HM Government Environmental Reporting Guidelines: Including SECR guidance and the 2022 UK Government's Conversion Factors for Company Reporting have been used.

For Scope 1 emissions, the only estimated emissions data is for one month for the office in Pacific Quay, Glasgow, where an average has been used based on previous consumption, and for 6 months of the Balmore property where we are working with our energy supplier to resolve the issue of meter readings differing from amounts billed. The total estimated Scope 1 emissions amount to 7.09% of the total reported Scope 1 emissions (or 2.6% of the total reported Scope 1 and Scope 2 emissions).

For Scope 2 emissions, the only estimated emissions data is for electrical energy consumed in the Group's offices in Inverness and London. For both Inverness and London, the estimated consumption is based on square footage of these locations which is used for the same purpose as our other office premises. The total estimated Scope 2 energy emissions amount to 1.3% of our total reported Scope 2 emissions (or 0.8% of the total reported Scope 1 and Scope 2 emissions).

The calculations for Scope 3 emissions for categories 1, 2, 4, 8 and 15 are based on spend data with the corresponding emission factor sourced from the UK Footprint Results (1990 – 2020 Dataset), which provides conversion factors by SIC (Standard Industrial Classification) code. For Scope 3 waste generated in operations, we have been able to expand the

number of properties where we can compute our waste from two in 2022 to five in 2023. The additional three properties are multi-use offices and an estimate has been calculated as a percentage of STV office space against the total office space. For Scope 3 employee commuting, a questionnaire was issued group-wide to interrogate modes of travel to/from the office, distance from the office and days working from home, which had a 75% response rate. Emissions were computed using the UK Government's Conversion factors.

### Emissions targets

Medium term targets to 2025 for combined Scope 1 and Scope 2 emissions were set in 2022 using 2019 as a baseline. In 2023 we achieved a reduction of 70% (equivalent to 835 tCO<sub>2e</sub>) driven by the business transitioning to renewable energy, which has been achieved at all offices where we control supply. This is broadly in line with our forecast. Our target for the end of 2025 is to reduce our emissions across Scope 1 and Scope 2 by a further 30 tCO<sub>2e</sub> which would be the equivalent of a 72% reduction on 2019 levels. This reduction is mainly driven by the conversion of part of our news fleet vehicles to electric from the start of 2025. There is a risk that lead times for appropriate vehicles may delay the conversion of the fleet to electric (equivalent to 19 tCO<sub>2e</sub>). Further boiler issues in Pacific Quay, Glasgow office may materialise which would result in higher gas consumption (equivalent to 11 tCO<sub>2e</sub>).

Overview

Strategic Report

Governance

Financial Statements

Additional Information

# ESG report

## Non-financial and sustainability information statement

The table below sets out where stakeholders can find information in our Strategic Report that relates to non-financial and sustainability matters as detailed under section 414CB of the Companies Act 2006.

Reporting requirement	Some of our relevant policies which govern our approach	Where to read more in this Strategic Report about our impact, including the principal risks relating to these matters	Pages
Environmental matters	<ul style="list-style-type: none"> <li>• STV Zero, our sustainability strategy</li> <li>• Travel Policy</li> </ul>	<ul style="list-style-type: none"> <li>• ESG report</li> <li>• Climate-related Financial Disclosures report</li> <li>• Risk management</li> <li>• Engaging with our stakeholders (S.172 report)</li> </ul>	46 to 64 58 to 63 37 to 45 12 and 13
Employees	<ul style="list-style-type: none"> <li>• Equity, Diversity and Inclusion Policy</li> <li>• Flexible Working Policy</li> <li>• Business Ethics Policy</li> <li>• Respect &amp; Dignity at Work</li> <li>• Health &amp; Safety Policy</li> <li>• Carers Policy</li> <li>• Maternity Policy</li> <li>• Menopause Policy</li> <li>• Parental Leave &amp; Policy</li> <li>• Transitioning at Work Policy</li> <li>• Adoption Policy</li> </ul>	<ul style="list-style-type: none"> <li>• ESG report</li> <li>• Risk management</li> <li>• Governance</li> <li>• Engaging with our stakeholders (S.172 report)</li> </ul>	46 to 64 37 to 45 65 to 105 12 and 13
Social matters	<ul style="list-style-type: none"> <li>• Diversity and Inclusion Strategy</li> <li>• STV Children's Appeal</li> </ul>	<ul style="list-style-type: none"> <li>• Engaging with our stakeholders (S.172 report)</li> <li>• ESG report</li> <li>• Governance</li> </ul>	12 and 13 46 to 64 65 to 105
Respect for human rights	<ul style="list-style-type: none"> <li>• Modern Slavery Statement</li> <li>• Data Protection Policy</li> <li>• Supplier Payment Policy</li> <li>• Information Security Policies</li> <li>• Social Media Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Operating reviews</li> <li>• Engaging with our stakeholders (S.172 report)</li> <li>• ESG report</li> </ul>	15 to 33 12 and 13 46 to 64
Anti-bribery and anti-corruption	<ul style="list-style-type: none"> <li>• Business Ethics Policy (includes Anti-bribery)</li> <li>• Whistleblowing Policy</li> <li>• Gifts and Hospitality Policy</li> <li>• Share Dealing Code</li> </ul>	<ul style="list-style-type: none"> <li>• Risk management</li> <li>• Governance</li> </ul>	37 to 45 65 to 105
Business model		<ul style="list-style-type: none"> <li>• Business model</li> </ul>	10 and 11
Principal risks		<ul style="list-style-type: none"> <li>• Risk management</li> </ul>	37 to 45
Non-financial KPIs		<ul style="list-style-type: none"> <li>• Operating reviews</li> <li>• ESG report</li> </ul>	15 to 33 46 to 64
Climate-related financial disclosures	<ul style="list-style-type: none"> <li>• STV Zero</li> </ul>	<ul style="list-style-type: none"> <li>• Climate-related Financial Disclosures report</li> <li>• Risk management</li> <li>• Remuneration report</li> </ul>	58 to 63 37 to 45 88 to 105

The Strategic report was approved by the Board and signed on its behalf by:



**Simon Pitts**  
 Chief Executive  
 5 March 2023