



SUSTAINABILITY ACCOUNTING STANDARD
SERVICES SECTOR

MEDIA PRODUCTION & DISTRIBUTION

Sustainability Accounting Standard

Sustainable Industry Classification System™ (SICS™) #SV0302

Prepared by the
Sustainability Accounting Standards Board®

December 2014
Provisional Standard

MEDIA PRODUCTION & DISTRIBUTION

Sustainability Accounting Standard

About SASB

The Sustainability Accounting Standards Board (SASB) provides sustainability accounting standards for use by publicly listed corporations in the U.S. in disclosing material sustainability information for the benefit of investors and the public. SASB standards are designed for disclosure in mandatory filings to the Securities and Exchange Commission (SEC), such as the Form 10-K and 20-F. SASB is an independent 501(c)3 non-profit organization. Through 2016, SASB is developing standards for more than 80 industries in 10 sectors.

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INTRODUCTION

Purpose & Structure

This document contains the SASB Sustainability Accounting Standard (SASB Standard) for Media Production & Distribution.

SASB Standards are comprised of **(1) disclosure guidance and (2) accounting standards on sustainability topics** for use by U.S. and foreign public companies in their annual filings (Form 10-K or 20-F) with the U.S. Securities and Exchange Commission (SEC). To the extent relevant, SASB Standards may also be applicable to other periodic mandatory filings with the SEC, such as the Form 10-Q, Form S-1, and Form 8-K.

SASB's disclosure guidance identifies sustainability topics at an industry level, which may be material— depending on a company's specific operating context— to a company within that industry.

Each company is ultimately responsible for determining which information is material and is therefore required to be included in its Form 10-K or 20-F and other periodic SEC filings.

SASB's accounting standards provide companies with standardized accounting metrics to account for performance on industry-level sustainability topics. When making disclosure on sustainability topics, companies adopting SASB's accounting standards will help to ensure that disclosure is standardized and therefore useful, relevant, comparable, and auditable.

Industry Description

Media Production & Distribution companies create content or acquire rights to distribute content over cable or broadcast media, including entertainment programs, news, music, and children's programming. Companies in this industry also publish books, newspapers, and periodicals and broadcast radio and local television programming.

Note: Companies in the Media Production & Distribution industry are increasingly engaged in distributing content via the Internet. SASB standards for such activities are outlined in the Internet Media & Services industry standard. For the purposes of this standard, it is assumed that Media Production & Distribution companies distribute content using traditional channels, such as television broadcasts and movie theater screenings. Therefore, issues around data center energy use and online privacy, which may be material for companies in the industry that deliver content online, are not covered by this standard.

Guidance for Disclosure of Material Sustainability Topics in SEC Filings

1 . Industry-Level Sustainability Disclosure Topics

For the Media Production & Distribution industry, SASB has identified the following sustainability disclosure topics:

- Journalistic Integrity & Sponsorship Identification
- Media Pluralism
- Intellectual Property Protection & Media Piracy

2 . Company-Level Determination and Disclosure of Material Sustainability Topics

Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.”^{1,2}

SASB has attempted to identify those sustainability topics that it believes may be material for all companies within each SICS industry. SASB recognizes, however, that each company is ultimately responsible for determining what is material to it.

Regulation S-K, which sets forth certain disclosure requirements associated with Form 10-K and other SEC filings, requires companies, among other things, to describe in the Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section of Form 10-K “any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. If the registrant knows of events that will cause a material change in the relationship between costs and revenues (such as known future increases in costs of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.”²

Furthermore, Instructions to Item 303 state that the MD&A “shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.”²

In determining whether a trend or uncertainty should be disclosed, the SEC has stated that management should use a two-part assessment based on probability and magnitude:

- First, a company is not required to make disclosure about a known trend or uncertainty if its management determines that such trend or uncertainty is not reasonably likely to occur.
- Second, if a company’s management cannot make a reasonable determination of the likelihood of an event or uncertainty, then disclosure is required unless management determines that a material effect on the registrant’s financial condition or results of operation is not reasonably likely to occur.

¹ TSC Industries v. Northway, Inc., 426 U.S. 438 (1976).

² C.F.R. 229.303(item 303)(a)(3)(ii).

3 . Sustainability Accounting Standard Disclosures in Form 10-K

a . Management's Discussion and Analysis

Companies should consider making disclosure on sustainability topics as a complete set in the MD&A, in a sub-section titled **"Sustainability Accounting Standards Disclosures."**³

b . Other Relevant Sections of Form 10-K

In addition to the MD&A section, companies should consider disclosing sustainability information in other sections of Form 10-K, as relevant, including:

- **Description of business**—Item 101 of Regulation S-K requires a company to provide a description of its business and its subsidiaries. Item 101(c)(1)(xii) expressly requires disclosure regarding certain costs of complying with environmental laws:

Appropriate disclosure also shall be made as to the material effects that compliance with Federal, State and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, may have upon the capital expenditures, earnings and competitive position of the registrant and its subsidiaries.

- **Legal proceedings**—Item 103 of Regulation S-K requires companies to describe briefly any material pending or contemplated legal proceedings. Instructions to Item 103 provide specific disclosure requirements for administrative or judicial proceedings arising from laws and regulations that target discharge of materials into the environment or that are primarily for the purpose of protecting the environment.
- **Risk factors**—Item 503(c) of Regulation S-K requires filing companies to provide a discussion of the most significant factors that make an investment in the registrant speculative or risky, clearly stating the risk and specifying how a particular risk affects the particular filing company.

c . Rule 12b-20

Securities Act Rule 408 and Exchange Act Rule 12b-20 require a registrant to disclose, in addition to the information expressly required by law or regulation, "such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading."

More detailed guidance on disclosure of material sustainability topics can be found in the **SASB Conceptual Framework**, available for download via <http://www.sasb.org/approach/conceptual-framework/>.

³ SEC [Release Nos. 33-8056; 34-45321; FR-61] [Commission Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations](#): "We also want to remind registrants that disclosure must be both useful and understandable. That is, management should provide the most relevant information and provide it using language and formats that investors can be expected to understand. Registrants should be aware also that investors will often find information relating to a particular matter more meaningful if it is disclosed in a single location, rather than presented in a fragmented manner throughout the filing."

Guidance on Accounting of Material Sustainability Topics

For sustainability disclosure topics in the Media Production & Distribution industry, SASB identifies accounting metrics.

SASB recommends that each company consider using these sustainability accounting metrics when disclosing its performance with respect to each of the sustainability topics it has identified as material.

As appropriate—and consistent with Rule 12b-20⁴—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported. Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following, related to the topic:

- The registrant's **strategic approach** to managing performance on material sustainability issues;
- The registrant's competitive positioning;
- The **degree of control** the registrant has;
- Any measures the registrant has undertaken or plans to undertake to improve performance; and
- Data for the registrant's **last three completed fiscal years** (when available).

SASB recommends that registrants use SASB Standards specific to their primary industry as identified in the [Sustainable Industry Classification System \(SICS™\)](#). If a registrant generates significant revenue from multiple industries, SASB recommends that it consider the materiality of the sustainability issues that SASB has identified for those industries and disclose the associated SASB accounting metrics.

Users of the SASB Standards

The SASB Standards are intended for companies that engage in public offerings of securities registered under the Securities Act of 1933 (the Securities Act) and those that issue securities registered under the Securities Exchange Act of 1934 (the Exchange Act),⁵ for use in SEC filings, including, without limitation, annual reports on Form 10-K (Form 20-F for foreign issuers), quarterly reports on Form 10-Q, current reports on Form 8-K, and registration statements on Forms S-1 and S-3. Nevertheless, disclosure with respect to the SASB Standards is not required or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

⁴ SEC Rule 12b-20: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

⁵ Registration under the Securities Exchange Act of 1934 is required (1) for securities to be listed on a national securities exchange such as the New York Stock Exchange, the NYSE Amex, and the NASDAQ Stock Market or (2) if (A) the securities are equity securities and are held by more than 2,000 persons (or 500 persons who are not accredited investors) and (B) the company has more than \$10 million in assets.

Scope of Disclosure

Unless otherwise specified, SASB recommends:

- That a registrant disclose on sustainability issues and metrics for itself and for entities in which the registrant has a controlling interest and therefore are consolidated for financial reporting purposes (controlling interest is generally defined as ownership of 50% or more of voting shares);⁶
- That for consolidated entities, disclosures be made, and accounting metrics calculated, for the whole entity, regardless of the size of the minority interest; and
- That information from unconsolidated entities not be included in the computation of SASB accounting metrics. A registrant should disclose, however, information about unconsolidated entities to the extent that the registrant considers the information necessary for investors to understand its performance with respect to sustainability issues (typically, this disclosure would be limited to risks and opportunities associated with these entities).

Reporting Format

Activity Metrics and Normalization

SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures.

SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K (e.g., revenue, EBITDA, etc.).

Such data—termed “activity metrics”—may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities, or number of customers. It may also include industry-specific data such as plant capacity utilization (e.g., for specialty chemical companies), number of transactions (e.g., for Internet media and services companies), hospital bed days (e.g., for health care delivery companies), or proven and probable reserves (e.g., for oil and gas exploration and production companies).

Activity metrics disclosed should:

- Convey contextual information that would not otherwise be apparent from SASB accounting metrics.
- Be deemed generally useful for users of SASB accounting metrics (e.g., investors) in performing their own calculations and creating their own ratios.
- Be explained and consistently disclosed from period to period to the extent they continue to be relevant. However, a decision to make a voluntary disclosure in one period does not obligate a continuation of that disclosure if it is no longer relevant or if a better metric becomes available.

⁶ See US GAAP consolidation rules (Section 810).

Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Total recipients of media in the U.S. and the number of (1) households reached by broadcast TV, (2) subscribers to cable networks, and (3) circulation for magazines and newspapers ⁷	Quantitative	Number	SV0302-A
Total number of media productions and publications ⁸	Quantitative	Number	SV0302-B

Units of Measure

Unless specified, disclosures should be reported in International System of Units (SI units).

Uncertainty

SASB recognizes that there may be inherent uncertainty when disclosing certain sustainability data and information. This may be related to variables such as the imperfectness of third-party reporting systems or the unpredictable nature of climate events. Where uncertainty around a particular disclosure exists, SASB recommends that the registrant should consider discussing its nature and likelihood.

Estimates

SASB recognizes that scientifically-based estimates, such as the reliance on certain conversion factors or the exclusion of *de minimis* values, may be necessary for certain quantitative disclosures. Where appropriate, SASB does not discourage the use of such estimates. When using an estimate for a particular disclosure, SASB expects that the registrant discuss its nature and substantiate its basis.

Timing

Unless otherwise specified, disclosure shall be for the registrant's fiscal year.

Limitations

There is no guarantee that SASB Standards address all sustainability impacts or opportunities associated with a sector, industry, or company, and therefore, a company must determine for itself the topics—sustainability-related or otherwise—that warrant discussion in its SEC filings.

Disclosure under SASB Standards is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations. Where such laws or regulations address legal or regulatory topics, disclosure

⁷ Note to **SV0302-A** - "Recipients of media" includes viewership, listenership, and readership, as measured by Nielsen and Arbitron for television and radio and through sales for newspapers and publications.

⁸ Note to **SV0302-B** - Media productions and publications include book titles, movies, television programs, newspapers, blogs, and radio programs, among others.

under SASB Standards is not meant to supersede those requirements. Disclosure according to SASB Standards shall not be construed as demonstration of compliance with any law, regulation, or other requirement.

SASB Standards are intended to be aligned with the principles of materiality enforced by the SEC. However, SASB is not affiliated with or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB. Forward-looking Statements

Disclosures on sustainability topics can involve discussion of future trends and uncertainties related to the registrant's operations and financial condition, including those influenced by external variables (e.g., environmental, social, regulatory, and political). Companies making such disclosures should familiarize themselves with the safe harbor provisions of Section 27A of the Securities Act and Section 21E of the Exchange Act, which preclude civil liability for material misstatements or omissions in such statements if the registrant takes certain steps, including, among other things, identifying the disclosure as "forward-looking" and accompanying such disclosure with "meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the forward-looking statements."

Assurance

In disclosing to SASB Standards, it is expected that registrants disclose with the same level of rigor, accuracy, and responsibility as they apply to all other information contained in their SEC filings.

SASB encourages registrants to use independent assurance (attestation); for example, an Examination Engagement to AT Section 101.

The following sections contain the disclosure guidance associated with each accounting metric such as guidance on definitions, scope, accounting, compilation, and presentation.

The term "shall" is used throughout this document to indicate those elements that reflect requirements of the Standard. The terms "should" and "may" are used to indicate guidance, which, although not required, provides a recommended means of disclosure.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Journalistic Integrity & Sponsorship Identification	Amount of legal and regulatory fines and settlements associated with libel or slander ⁹	Quantitative	U.S. Dollars (\$)	SV0302-01
	Fact-checking expenses as a percentage of news production costs ¹⁰	Quantitative	Percentage (%)	SV0302-02
	Revenue from embedded advertising	Quantitative	U.S. Dollars (\$)	SV0302-03
	Discussion of management approach to assuring journalistic integrity of news programming related to: (a) truthfulness, accuracy, objectivity, fairness, and accountability, (b) independence of content and/or transparency of potential bias, and (c) protection of privacy and limitation of harm	Discussion and Analysis	n/a	SV0302-04
Media Pluralism	Percentage of gender and racial/ethnic group representation for: (1) executives, (2) professionals, and (3) all others	Quantitative	Percentage (%)	SV0302-05
	Description of approach to ensuring pluralism in news media content	Discussion and Analysis	n/a	SV0302-06
Intellectual Property Protection & Media Piracy	Number of copyright infringement cases, number successful, and number as copyright owner	Quantitative	Number	SV0302-07
	Discussion of management approach to assuring IP protection	Discussion and Analysis	n/a	SV0302-08

⁹ Note to **SV0302-01** - Disclosure shall include a description of fines and settlements and corrective actions implemented in response to events.

¹⁰ Note to **SV0302-02** - Disclosure shall include a discussion of mechanisms in place to recognize and address errors and the need for corrections.

Journalistic Integrity & Sponsorship Identification

Description

Audiences rely on journalists for accurate and timely information on current events. Principles of journalism include accuracy, fairness, minimization of harm, independence, accountability, and transparency. Failure to adhere to these principles can affect the credibility of not only the journalist, but also the organization responsible for publishing or broadcasting the news. Transparency is important, not only for journalism, but also for entertainment content. In particular, regulations around the disclosure of sponsorship and endorsement are evolving.

Accounting Metrics

SV0302-01. Amount of legal and regulatory fines and settlements associated with libel or slander

.01 The registrant shall disclose the amount, in U.S. dollars, (excluding legal fees) of all fines or settlements associated with involving libel or slander, where:

- Libel is governed by state law and is therefore defined by the state with jurisdiction over a given incident. For example, California Civil Code §45 defines libel as a false and unprivileged publication by writing, printing, picture, effigy, or other fixed representation to the eye, which exposes any person to hatred, contempt, ridicule, or obloquy, which causes him to be shunned or avoided, or which has a tendency to injure him in his occupation.
- Slander is governed by state law and is therefore defined by the state with jurisdiction over a given incident. For example, California Civil Code §46 defines slander as a false and unprivileged publication, orally uttered, including by radio or any mechanical or other means, which: charges any person with crime or with having been indicted, convicted, or punished for crime; imputes in him the present existence of an infectious, contagious, or loathsome disease; tends directly to injure him with respect to his office, profession, trade, or business, either by imputing to him general disqualification in those respects which the office or other occupation peculiarly requires or by imputing something with reference to his office, profession, trade, or business that has a natural tendency to lessen its profits; imputes to him impotence or a want of chastity; or which, by natural consequence, causes actual damage.

.02 Disclosure shall include civil actions (e.g., civil judgment, settlements, or regulatory penalties) and criminal actions (e.g., criminal judgment, penalties, or restitutions) taken by any entity (government, businesses,

Note to **SV0302-01**

.03 The registrant shall briefly describe the nature (e.g., guilty plea, deferred agreement, or non-prosecution agreement) and context (e.g., slander) of fines and settlements.

.04 The registrant shall describe any corrective actions it has implemented as a result of each incident. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

SV0302-02. Fact-checking expenses as a percentage of news production costs

- .05 The registrant shall disclose fact-checking expenses as a percentage of total programming expenses associated with news production, where fact-checking expenses are those associated with actions taken to verify the factual accuracy of information before publication.
- .06 Fact-checking expenses include, but are not limited to, staff salaries, outsourced information verification service fees, consulting and legal fees, and technology costs associated with the review of information by journalists, editors, lawyers, and dedicated fact-checking personnel before media is broadcast to the public.
- .07 The scope of this disclosure includes all forms of the registrant's media services that provide news programming, such as television, radio, Internet, print media, etc.

Note to SV0302-02

- .08 The registrant shall discuss the nature of the mechanisms it has in place to recognize and address errors and the need for corrections including, but not limited to, assurance policies and programs, News Ombudsmen, and complaints handling procedures.
- .09 The registrant shall discuss notable incidents involving inaccuracies in news productions, such as those that resulted in significant harm to an individual or that negatively affected a large number of people.

SV0302-03. Revenue from embedded advertising

- .10 The registrant shall disclose the amount, in U.S. dollars, of revenue it earns from embedded advertising, where:
 - Embedded advertising is defined as the inclusion of sponsored brands into entertainment and editorial media content. The scope of embedded advertising includes product placement, product integration, and sponsored content, where:
 - Product placement is the insertion of "branded products into programming in exchange for fees or other consideration," and includes the placement of a visual or aural reference to a commercial product, brand, or service in media content as a prop.
 - Product integration is the prominent positioning of a commercial product, brand, or service into media content.
 - Sponsored content is defined as advertisements that are designed to blend in with regular editorial content.

SV0302-04. Discussion of management approach to assuring journalistic integrity of news programming related to: (a) truthfulness, accuracy, objectivity, fairness, and accountability, (b) independence of content and/or transparency of potential bias, and (c) protection of privacy and limitation of harm

- .11 The scope disclosure shall include all news programming produced or distributed by the registrant (e.g., international, national, and regional news as well as political news, financial news, entertainment news, etc.) across all forms of produced media (e.g., television, radio, Internet, etc.).

- .12 The registrant shall discuss its approach to assuring the journalistic principles of truthfulness, accuracy, objectivity, fairness, and accountability, including policies to:
- Assure that copyright protection is maintained across all the registrant's produced media, such that all disseminated content acknowledges and respects the intellectual property rights of all authors.¹¹
 - Mitigate and disclose potential conflicts of interest.
 - Address corruption and any related codes of conduct.
- .13 The registrant shall discuss its approach to assuring the journalistic principles of independence of content and/or transparency of potential bias, including:
- Disclosure and transparency around sponsorship identification, paid product placement, and political advertising as well as the concentration of media ownership, among other topics.
 - Policies and processes to maintain editorial independence from the influence of government, business, or interest groups. Where potential bias may exist, the registrant shall discuss its approach to transparently disclosing that bias.
 - Approach to receiving benefits, including, for example, inducement, charging for coverage, and, in the case of journalists, paying sources illicitly for news content.
- .14 The registrant shall discuss its approach to assuring the journalistic principles of protection of privacy and limitation of harm, including:
- Privacy of people (especially children) who may appear or be referred to in content.
 - Privacy in gathering content and undertaking business activities (for example, maintaining the confidentiality of sources, protecting sources' privacy when taken to court, and avoiding violation of privacy during news gathering).
 - Privacy in agreements for information provided by sources (e.g., on-the-record, off-record, Chatham House Rule, or embargos).

Additional References

Sponsorship Identification Rules & Embedded Advert., Notice of Inquiry & Notice of Proposed Rule Making, 23 F.C.C.R. 10682, at para. 2 (2008). Available online [here](#).

¹¹ GRI, G4 Media Sector Supplement

Media Pluralism

Description

Pluralism in media, which is diversity in the broadest sense, has many aspects. This disclosure topic focuses on both external and internal pluralism. External pluralism refers to media ownership, independent editorial boards, channels, titles, or programs, whereas internal pluralism refers to the social and political diversity represented in media content. Media Production & Distribution companies can ensure pluralism by maintaining on- and off-screen diversity and by safeguarding the independence of editorial boards and programming.

Accounting Metrics

SV0302-05. Percentage of gender and racial/ethnic group representation for: (1) executives, (2) professionals, and (3) all others.

.15 The registrant should summarize and disclose employee representation by employee category in the following table format:

Employee Category	Gender (%)			Race and Ethnicity (%)					
	Male	Female	NA*	White	Black or African American	Hispanic or Latino	Asian	Other^	NA*
Executives/Sr. Managers									
Professionals									
All Others									

*NA = not available/not disclosed

^Other includes American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and "two or more races" classifications

.16 The registrant shall classify its employees according to the U.S. Equal Employment Opportunity Commission EEO-1 Job Classification Guide into the following three categories: Executives/Sr. Managers, Professionals (i.e., any employees classified as EEO-1 Professionals, with census job codes of 2600-2920), and All Others (i.e., other EEO-1 categories, including mid-level managers, professionals (with census job codes other than 2600-2920), technicians, sales, administrative support, and service workers).

.17 The registrant shall categorize the gender of its employees as: male, female, or not disclosed/available.

.18 The registrant shall classify the racial/ethnic group of its employees in the following categories, using the same definitions employed for the registrant's EEO-1 Report: White, Black or African American, Hispanic or Latino, Asian, and Other (which includes American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and "two or more races" classifications), or not disclosed/available.

- .19 Where racial/ethnic group and/or gender representation percentages are significantly influenced by the country or region where the workforce is located, the registrant shall provide contextual disclosure to ensure proper interpretation of results.
- Where relevant, the registrant may provide a supplemental breakdown of gender and racial/ethnic group representation by country or region.

SV0302-06. Description of approach to ensuring pluralism in news media content

- .20 The registrant shall describe its policies and procedures to ensure pluralism of news media content, where pluralism includes having a range of racial, linguistic, gender, political, cultural, ideological, and other forms of diversity within the registrant's news media content
- For the purposes of this disclosure the concept of pluralism shall not include "external pluralism" or the size, degree of consolidation, and/or influence of the registrant within the larger media system.
- .21 Relevant policies and procedures include, but are not limited to, those relating to hiring of news and other staff (both on-air and off-air); maintaining transparency of ownership structures, selection criteria for experts, pundits, and others who appear in media to offer insight, opinions, and perspectives on news events and political discourse; codes of ethics that commit to independence of editorial content and respect for freedom of expression; and review boards that assure adherence to these policies.
- .22 The registrant shall discuss the scope of these policies and procedures, the mechanisms and oversight used to ensure their implementation, and how performance against the criteria is measured or evaluated.
- Examples of how performance is measured or evaluated may include, but is not limited to, documentation of changes to produced or distributed content that demonstrated improved pluralism, measures of performance relative to stated targets, or discussion of compliance in jurisdictions where pluralism of media is subject to regulation.

Intellectual Property Protection & Media Piracy

Description

Companies in the Media Production & Distribution industry rely on their intellectual property (IP) to generate revenue. However, while IP protection is inherent to the business model of media companies, strong IP protection practices can sometimes conflict with the interest of society. Proponents of IP protection assert its importance as a driver of innovation. Opponents argue that assigning ownership can stifle innovation and competition since, by design, it creates monopolies. Despite the industry's best efforts, media piracy is quite rampant and companies devote significant resources to protecting and enforcing their IP rights. Media Production & Distribution companies must strike a balance between protecting their intellectual property and ensuring access to media and allowing fair use.

Accounting Metrics

SV0302-07. Number of copyright infringement cases, number successful, and number as copyright owner

.23 The registrant shall disclose the number of copyright infringement cases in which it was involved, where:

- Copyright infringement occurs when a copyrighted work is reproduced, distributed, performed, publicly displayed, or made into a derivative work without the permission of the copyright owner.
- Copyright owner is defined as the person or entity who retains legal control over all (or some) of the rights granted under copyright law, and is usually the author of the work.

.24 The registrant shall disclose the number of successful copyright infringement cases in which it was involved, where:

- Success is defined as the instances where a liability and damages or permanent injunction (if included) decision is made in favor of the registrant. Success encompasses findings made in summary judgment, trial by jury, and bench awards.

.25 The registrant shall disclose the number of copyright infringement cases in which it was involved as copyright owner.

.26 The scope of disclosure includes cases that were adjudicated during the fiscal year even if the decision is under appeal.

SV0302-08. Discussion of management approach to assuring IP protection.

.27 The registrant shall discuss its approach to the protection of its IP, where:

- The scope of this disclosure includes legal and non-compliance-based approaches to IP protection.
- Examples of legal approaches to IP protection include reliance on patent, copyright, trademark, and trade secret laws and licenses as well as other agreements with its employees, customers, suppliers, and other parties to establish and maintain a company's intellectual property rights in content, technology, and products and services used to conduct its businesses.

- Examples of non-compliance-based approaches to IP protection include, but are not limited to, Digital Rights Management (DRM) systems, licensing agreements with entities that may otherwise pirate materials, adjusted pricing structures in markets with less stringent IP protection, and developing new technologies that encourage legitimate media purchases to be favored over pirated materials.

.28 The registrant may choose to discuss risks and opportunities associated with technological developments that enable media delivery without a subscription or direct purchase, and which satisfy the requirement under copyright law that the transmissions be private performances (such as consumer-owned antennas that capture signals for private use).

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