



Channel Four Television Corporation

Pay Report 2023

This report sets out the gender pay gap and gender bonus gap at Channel Four Television Corporation, as well as other data required by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and is published annually. The reporting covers the 12-month period ending at 31 March 2023.

Driven by our commitment to inclusion and diversity, we have also chosen to publish our ethnically diverse, disability and LGBTQ+ pay gaps and bonus gaps. This enables us to track our progress and set the actions to reduce the diverse groups’ pay gaps in the organisation.

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This report was prepared in accordance with our Basis of Preparation document (see annex).

Foreword

For over 40 years, Channel 4 has had a duty to represent the underrepresented and reflect the diversity of the UK – this is how we create change. Our commitment to putting diversity, equity and inclusion at the heart of everything we do not only shapes our content, but also how we work as an organisation.

Four years ago, we committed to our workforce being composed by 2023 of no less than 20% ethnically diverse, 12% disability, 6% LGBTQ+ employees, and to a 50-50 gender split and 20% ethnically diverse make up within our top 100 paid employees.

I'm really proud that we have now achieved all these targets, but we continue to challenge ourselves to do more, to identify where we need to focus our efforts to enact further change that ensures equality of opportunity for all of our employees.

In 2023, the mean gender pay gap reduced by 1.3 percentage points year on year, to 18.2%. Within each of the four quartiles, the gender pay gap ranges from 4.1% to -1.4%, demonstrating that hourly pay is comparable by job level and underscoring our focus on progression for women within Channel 4.

In the last several years, we have focused on efforts on improving representation at senior levels. As of October 2023, we have 53 women in Channel 4's top 100 paid, exceeding our 2023 target of 50%. This is a substantial improvement from when we started tracking this data in 2017, when women made up 34 out of the top 100 and has had a positive effect to reduce the gender pay gap.

The remaining gap is driven by a higher proportion of women in the lower two pay quartiles. If the lower half of the organisation were rebalanced to 50% male and 50% female, the mean gender pay gap would reduce by around 15 points, from 18.2% to around 3%.

We are therefore now focused on improving mid-level representation, to provide opportunities for career progression for women at Channel 4 and to reduce our pay gap further.

We continue to voluntarily share our other key demographic pay gaps.

In 2023, we saw the mean ethnically diverse pay gap reduce by nearly one-third, to 6.7% (down from 9.8% in 2022). There are 20 ethnically-diverse employees in the top 100 paid, up from 10 in 2018, achieving our target set for 2023.

The disability pay gap has also continued to reduce, from 13.8% in 2022 to 12.4% in 2023, while the LGBTQ+ pay gap widened in the last year, from 15.6% in 2022 to 20.0% in 2023. However this increase was primarily driven by Channel 4 hiring a larger number of LGBTQ+ employees in the early stages of their careers, which we are proud to do.

Wherever our people are based across the UK – from Leeds, London and Bristol, to Glasgow and Manchester – we will continue to offer opportunities to support our employees' career development. This report includes the key actions we're taking to further close our pay gaps, which form part of a wider programme of work across the organisation.

We are wholly committed to making Channel 4 the most inclusive place to work. We believe that everyone, regardless of their background, ethnicity, sexuality or ability should be recognised for their unique skills and capabilities – and both enabled and supported to bring their true selves to work.

It's something I care deeply about and we're working hard to drive further change in our business, throughout the industry and across society.

Alex Mahon
Chief Executive
2 November 2023



Four years ago, we committed to our workforce being composed by 2023 of no less than 20% ethnically diverse, 12% disability, 6% LGBTQ+ employees, and to a 50-50 gender split and 20% ethnically diverse make up within our top 100 paid employees. I'm really proud that we have now achieved all these targets.



Our pay gap action plan

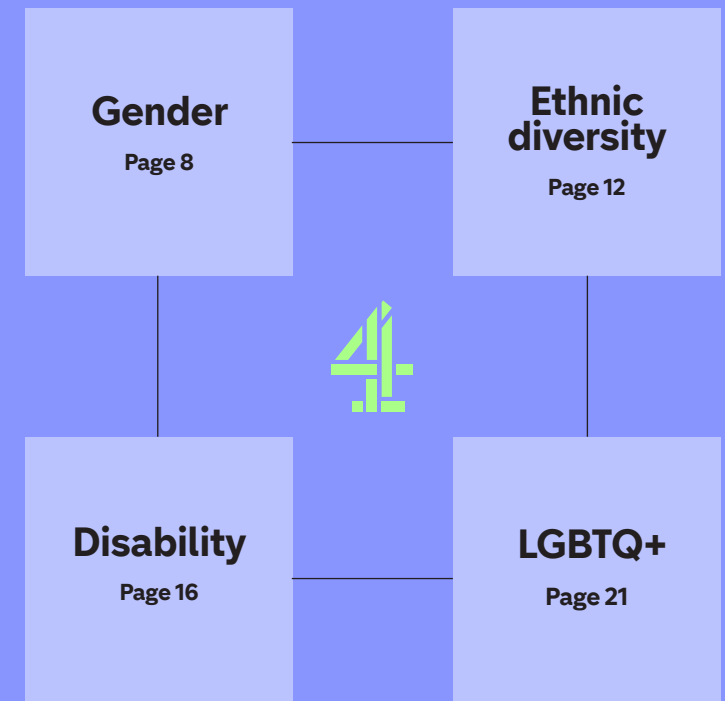
Everyone should have equal opportunity to develop and progress at work. Everyone should feel like they belong. Our action plan is centred on rebalancing our organisation to ensure that our diverse employees are represented fairly at all levels of seniority and pay.

This plan builds on our long track record of championing diversity and contains ambitious targets for the make-up of our own workforce. Our emphasis is on achieving inclusion.

If we get this right, we can create an environment that fully unlocks the creative potential of our people while enabling everyone to be who they are – and the best that they can be.

53

Channel 4 exceeded the target of a 50-50 gender balance in the top 100 earners by 2023. Currently women make up 53% of this group.



Our pay gap action plan (continued)

Being transparent about our data and increasing the representation of women, ethnically diverse, LGBTQ+ and disabled people at Channel 4 is a priority and we will achieve this by:

1 Management information

Objective

Developing a proprietary, digital diversity dashboard that enables Channel 4 Leaders and Managers to make informed people decisions – and to continuously monitor the impact of people decisions on the make-up of our organisation.

Impact

This helps to drive accountability in our hiring decisions, reduces any unconscious biases and ensures that decisions are made based on real data.

2023 action

We are continuing to use the diversity dashboard data to make informed people decisions and use quarterly tracking to monitor progress with how we evenly distribute our protected classes across the organisation to support pay parity.

2 Balancing the organisation

Objective

Having identified under-indexed demographic groups in different areas of Channel 4, we are ensuring that our hiring activities have a positive impact on the mix of the organisation.

Impact

While the diversity of talent in the market has an impact on this action, we can ensure that, in the long term, we are changing the core composition of Channel 4 to have diverse employees spread across all areas and all levels of the business.

2023 action

To support internal progression, specifically at the P1-P3 levels, we have made available 'creating careers' to this population, to support employees be more successful in their role, take responsibility for their career and create an ideal future in their profession. 32% of our vacancies year to date have been filled with internal candidates. Clear attraction and retention targets have been set at CEO Committee level to support our drive to an inclusive culture.

3 Demystifying the pay gap

Objective

Supporting all hiring managers, Executives and the wider organisation to ensure that there is a consistent understanding of the pay gaps, their causes and how we are addressing them.

Impact

Demystifying the pay gap will help everyone at Channel 4 understand what factors impact our pay gaps and the work we are doing to reduce them.

2023 action

Developing more targeted action plans to improve pay gaps using an interactive business information tool that provides detailed analysis to allow us to focus on specific areas of the organisation where pay gaps need to be addressed.

Our pay gap action plan (continued)

4 Performance management

Objective

Developing a clear and transparent performance management system across the organisation.

Impact

Employees are clear about expectations during the year and are given regular feedback in order to support their success. This also supports the link between reward and performance.

2023 action

A regular performance management cycle has been well established which includes mid and full year reviews. To complement these reviews, we encourage continuous feedback conversations during one-to-one meetings and we have developed a set of simple questions for managers and employees to support this.

5 Increased transparency

Objective

Putting into place an efficient transparent reward strategy, including developing best-practice policies and procedures.

Impact

This will help to ensure that we maintain equal pay and helps employees to better understand progression and promotion routes.

2023 action

Currently an employee can see their own grade and pay range in our people system. Managers can see the grade and pay range of their employees. We are also including grades on all new roles. As the organisation gets more familiar with the pay framework, we will increase transparency, which will be supported by management training.

6 Talent management

Objective

Identify top talent and understand risk to delivering Future4 where there is opportunity to broaden roles to move into senior leadership.

Impact

Place a diversity lens across our succession planning to develop a diverse talent pipeline.

2023 action

Continuing with targeted talent management to address the structural issues at two lowest quartiles, with a focus on development plans. Developing attraction and selection plans to engage key demographics into non-traditional roles, specifically where Gender and Ethnicity is concerned.

7 Employee Disclosure

Objective

Encouraging our employees to confidentially and securely disclose their protected characteristics within 4People.

Impact

Increased disclosure to help make Channel 4 the most inclusive place to work.

2023 action

Encouraging our employees to disclose through clear communication and regular disclosure campaigns supported by a culture of openness.

Our pay gap action plan (continued)

We will also continue to support the actions outlined in our previous pay reports, which were targeted specifically at improving inclusion and representation:

- **Support:** Using the advice and expertise of our employee networks to create a two-way dialogue and integrate employees in the ways that we work and make decisions. Our networks include: our inclusive and allyship gender networks 4Womxn and The Shed; our 4Parents & Carers network for people with parenting or caring responsibilities; our ethnically diverse network The Collective; our LGBTQ+ network 4Pride; our disability network 4Purple; and our mental health network 4Mind.
- **Accountability:** Ensuring that each member of the Executive Management Board has specific inclusion and diversity objectives for their departments against which they are measured and held to account. This includes objectives built into the Channel 4 corporate objectives, which factor into Executive remuneration. The CEO Committee also has diversity and retention targets.
- **Culture:** Continuing to drive inclusion through our culture and values to strengthen our inclusion and diversity structures and actively engage our employees with this work. This includes all employees having an inclusion objective, our recruitment framework, and inclusive leaders programmes.
- **Training and skills:** Consolidating and strengthening our training and development work to support a diverse talent pipeline under our Leeds-based 4Skills initiative and ongoing training programmes.
- **Employee lifecycle:** Better understanding and responding to the full employee lifecycle, including by looking at how we can continuously adapt our recruitment practices to improve the diversity of our shortlists, implementing a new mentoring scheme for diverse employees and creating wide-ranging development opportunities for our employees to support progression and inclusive training for hiring managers.



We believe that everyone, regardless of their background, ethnicity, sexuality or ability should be recognised for their unique skills and capabilities – and both enabled and supported to bring their true selves to work.

Alex Mahon
Chief Executive

Gender

Gender pay at Channel 4

In the last year, Channel 4 has improved the balance of its upper pay quartile, which now stands at an almost 50-50 split between women and men. However, we have also increased the proportion of women in the lower two pay quartiles.

As a result, while Channel 4 has reduced its mean gender pay gap by -1.3 percentage points year on year, to 18.2%, our median gender pay gap has increased by 2.5 percentage points. This remains higher than we would like.

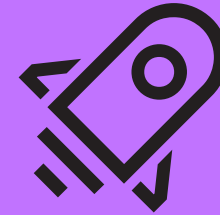
Overall, 58.8% of employees are women. Among our top 100 earners, the number of women has increased to 53 as of October 2023, a significant increase from 34 women in 2017, when we introduced our action plan to improve the gender pay gap. This exceeds our 2023 target for 50 women in the top 100.

Two primary factors explain our gender pay gap:

- 1 The main driver is that we have more than twice as many women as men in the lower-earning quartile. The higher number of women in the lower quartiles reduces the average female earnings overall and, therefore, broadens our gender pay gap.
- 2 Although 53% of our top 100 paid are women, we do have slightly more men in the top two pay quartiles.

We will continue to support the progression of female employees into more senior roles, as this has the most substantial impact on reducing our gender pay gap.

Note: The data is based on 99.0% of our workforce self-reporting their gender. The 1.0% of our workforce who have not disclosed their gender have been excluded from our calculations.



Exceeded

our target of 50 women in the top 100 paid in 2023. Women make up 53% of this group – a significant increase from 34 women in 2017, when we started measuring the gender pay gap

Equal pay

Gender pay is not the same as equal pay, which is a legal requirement to ensure that employees performing like work or work of equal value are treated the same.

Gender pay at Channel 4 (continued)



18.2%

Gender pay gap 2023 (mean) – a decrease from 19.5% in 2022



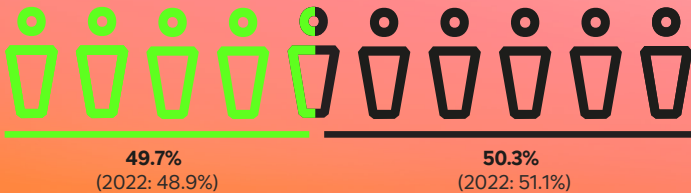
24.9%

Gender pay gap 2023 (median) – an increase from 22.4% in 2022

Proportion of female and male employees by quartile

● WOMEN ● MEN

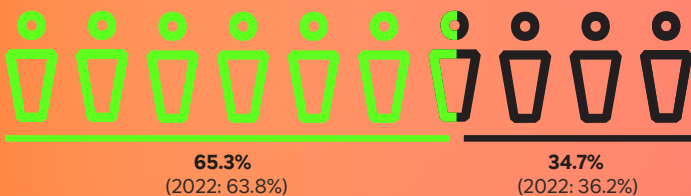
UPPER QUARTILE



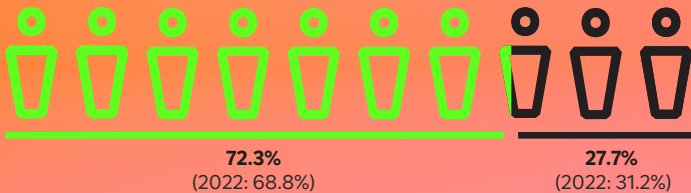
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



Gender bonus gap at Channel 4

Based on the average gross bonus paid, the mean gender bonus gap in 2023 was 33.0% and the median bonus gap was 34.1%.

Men and women at Channel 4 are offered the same opportunities to receive bonuses, but there continues to be more men in senior positions with higher bonus rates: bonuses can be up to 10% of total gross salary for employees; 20% for Heads of Department; and between 30% and 80% for the Executive team. (Our Advertising Sales department operates on a separate scheme, linked to advertising revenue.)

The presence of significantly more women in the lower quartiles also affects the average bonus paid to women, as bonuses are based on a percentage of salary.

A higher proportion of women working part-time further exacerbates the gap (10.4% female headcount compared with 1.8% male headcount), as the reporting legislation does not take into account part-time working (bonus gaps are calculated on actual bonus paid, rather than on a full-time pro-rated equivalent amount).



33.0%

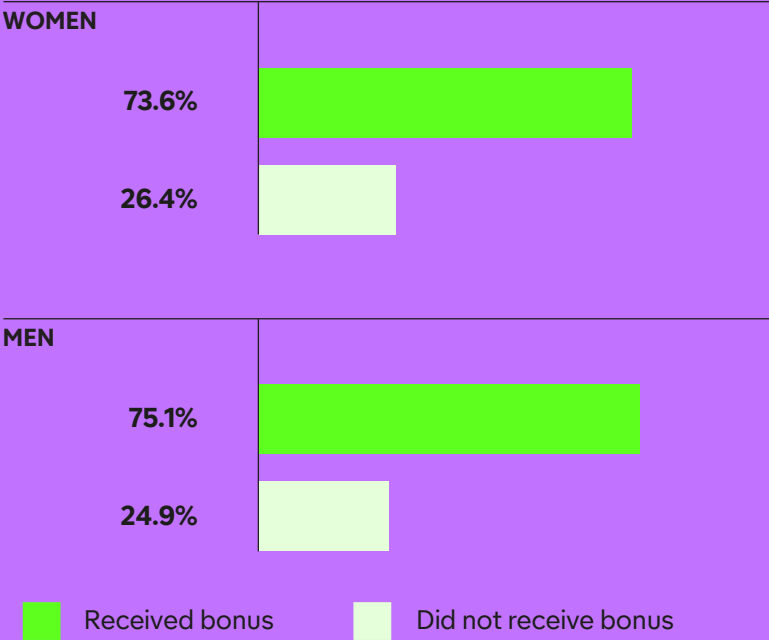
Gender bonus gap
2023 (mean)



34.1%

Gender bonus gap
2023 (median)

Proportion of Channel 4 employees that received a bonus



Ethnic diversity

Ethnically diverse pay at Channel 4

Channel 4 significantly decreased its mean ethnically diverse pay gap in 2023, reducing the gap by nearly one-third, from 9.8% in 2022 to 6.7% in 2023.

This is the result of an increase in the proportion of ethnically diverse employees across the majority of pay quartiles – but most meaningfully in the upper and upper-middle quartiles.

The median ethnically diverse pay gap was 9.5% in 2023, compared to 11% in 2022.

As with our other demographic groups, there are two key factors that drive Channel 4's ethnically diverse pay gap: a lower representation at senior levels and a higher representation at junior levels.

Two primary factors:

- 1 The pay gap is affected by a lower representation of ethnically diverse people among our more senior, top-earning employees. There were 20 ethnically diverse employees in our top 100 earners in 2023, which is an increase from 10 employees when we started measuring this metric. It demonstrates that our strategy to improve ethnically diverse representation in the highest-paid roles is working correctly.
- 2 There is a higher representation of ethnically diverse people working in the lower quartile, which is 26.5% ethnically diverse.

The combination of these two factors has led to a difference in the average pay between ethnically diverse and non-ethnically diverse employees.

It remains a priority for the organisation to remove any barriers to progression and we continue to fully support increasing representation of ethnically diverse people at senior levels, which will help to further reduce our ethnically diverse pay gap.

Note: In May 2023, the UK Government issued guidelines on ethnicity pay gap reporting, which sets out a recognised methodology for 2023 onwards:

The ethnicity pay/bonus gap calculation measures the difference between 'Non-ethnically diverse' and 'Ethnically diverse' employees, but the pay quarter distribution now includes non-disclosure ('Prefer not to say' and 'No Data'). As such, the quartile distribution is comprised of three categories:

- Non-ethnically diverse
- Ethnically diverse
- Non-disclosure

As at the snapshot date, 92% of our workforce had self-reported their ethnicity, with the remaining 8% choosing not to disclose.

We have recalculated the 2022 quartile distribution based on this new methodology to allow for a year on year comparison.

20%

of Channel 4 employees – and 20 employees in the top 100 paid – are ethnically diverse, achieving our 2023 targets

Ethnically diverse pay at Channel 4 (continued)



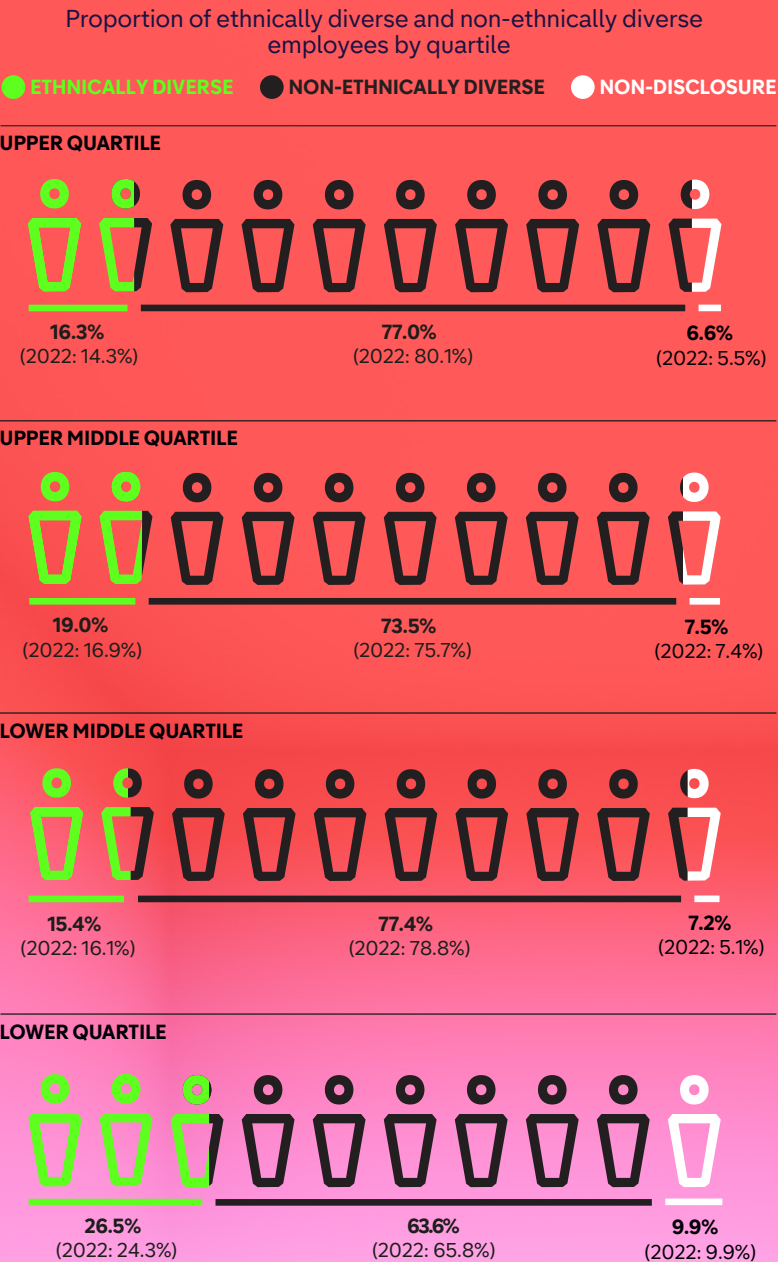
6.7%

Ethnically diverse pay gap 2023 (mean) – a decrease from 9.8% in 2022



9.5%

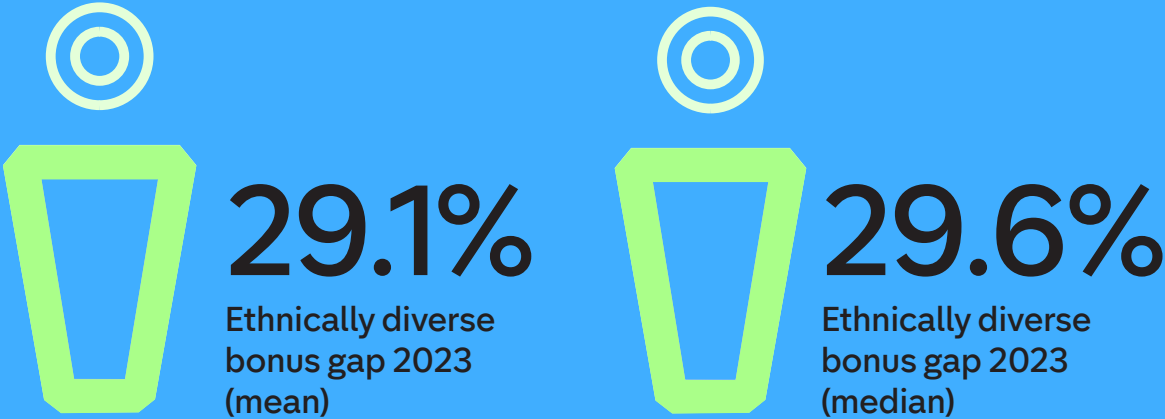
Ethnically diverse pay gap 2023 (median) – a decrease from 11% in 2022



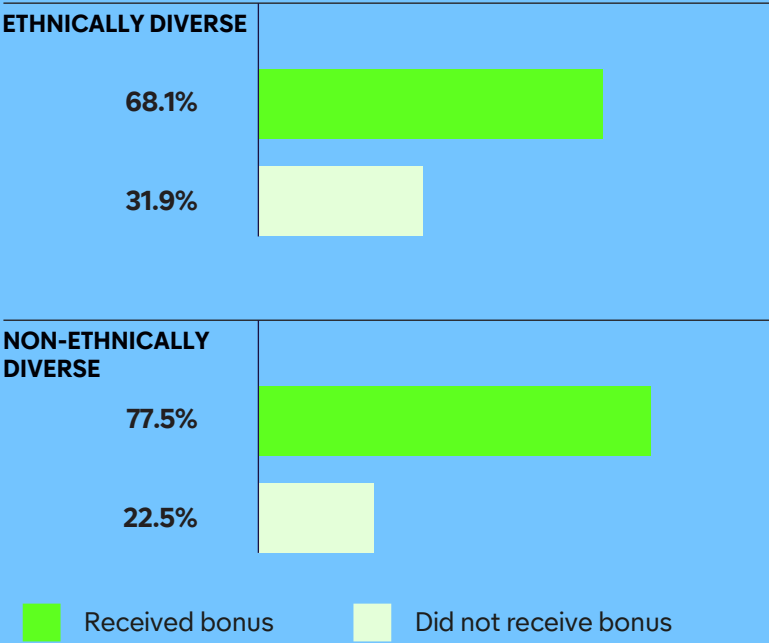
Ethnically diverse bonus gap at Channel 4

Based on the average gross bonus paid, the ethnically diverse bonus gap at Channel 4 is 29.1% (mean) and 29.6% (median) in 2023.

As with the gender bonus gap, the ethnically diverse bonus gap is primarily due to the lower representation of ethnically diverse people in senior positions that attract higher bonus rates: bonuses can be up to 10% of total gross salary for employees; 20% for Heads of Department; and between 30% and 80% for the Executive team.



Proportion of Channel 4 employees that received a bonus



Disability

Disability pay at Channel 4

The mean pay gap for disabled employees has decreased from 13.8% in 2022 to 12.4% in 2023. The median pay gap has increased, from 8.5% in 2022 to 11.8% in 2023.

As with the other demographic groups we report on, the over-representation of disabled employees in the lower pay quartiles is the primary driver behind these gaps. However, in 2023, Channel 4 saw the distribution of disabled employees become more equitable across all pay quartiles, with an increase in disabled employees in the upper two quartiles.

With disabled employees making up a relatively small population of Channel 4's overall employee composition (13%), changes in headcount can have a significant impact on the pay gap.

Note: There is no official guidance in place regarding the calculation of a disability pay gap; therefore, we have used the same methodology as for our ethnicity pay gap.

As at the snapshot date, 87% of our workforce had self-reported whether they have a disability or do not have a disability. The remaining 13% have not disclosed this information.

We have recalculated the 2022 quartile distribution based on this new methodology to allow for a year on year comparison.



Exceeded

target of 12% of disabled employees across Channel 4 by 2023 – 13% of employees have a disability

Disability pay at Channel 4 (continued)

Valuable 500 commitments

As part of our ongoing commitment to disability inclusion, Channel 4 is a signatory of **The Valuable 500**, with three specific commitments to action:

1 **Disability leadership reporting and workforce targets**

We report our disability data, as well as other diversity data, to the Channel 4 Board on a quarterly basis and have introduced a new real-time diversity reporting tool at leadership level which looks at representation, attrition, and pay gaps broken down by departments, which allows for greater transparency and accountability. In 2019, we made a commitment to double our workforce disability target from 6% to 12% by 2023 and we have exceeded this target (13%).

2 **New awareness and data sharing campaign to ensure our staff data is up to date**

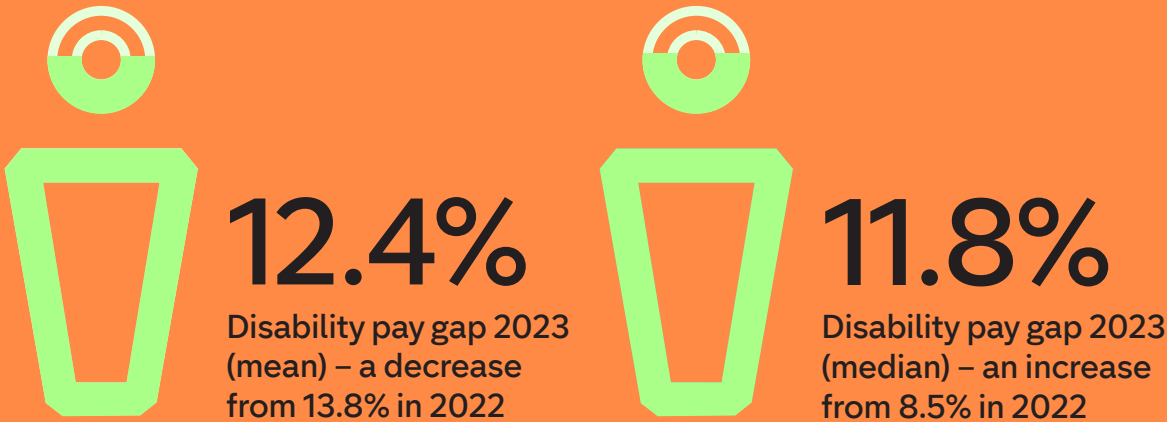
It is important that we continue to have accurate data to inform our approach to disability and ensure we can provide adjustments where needed. A key part of that is raising awareness and creating a culture where Channel 4 employees feel able to share a disability. Channel 4 has created an internal disclosure campaign to help achieve that, which also has had the positive additional impact of creating more role models within the workforce.

3 **4Skills Initiatives**

Our Leeds-based 4Skills initiative is promoting social mobility and economic growth, helping to break down barriers so that more people from all places and all backgrounds can join the industry, addressing skills gaps and helping those who are already in broadcasting and production to progress their careers. It is building upon existing talent schemes and is increasing Channel 4's overall impact further.

In addition, in 2023 Channel 4 launched a refreshed 'Engage and enable' disability strategy, focused on driving structural shifts across the industry to increase disabled representation on and off-screen.

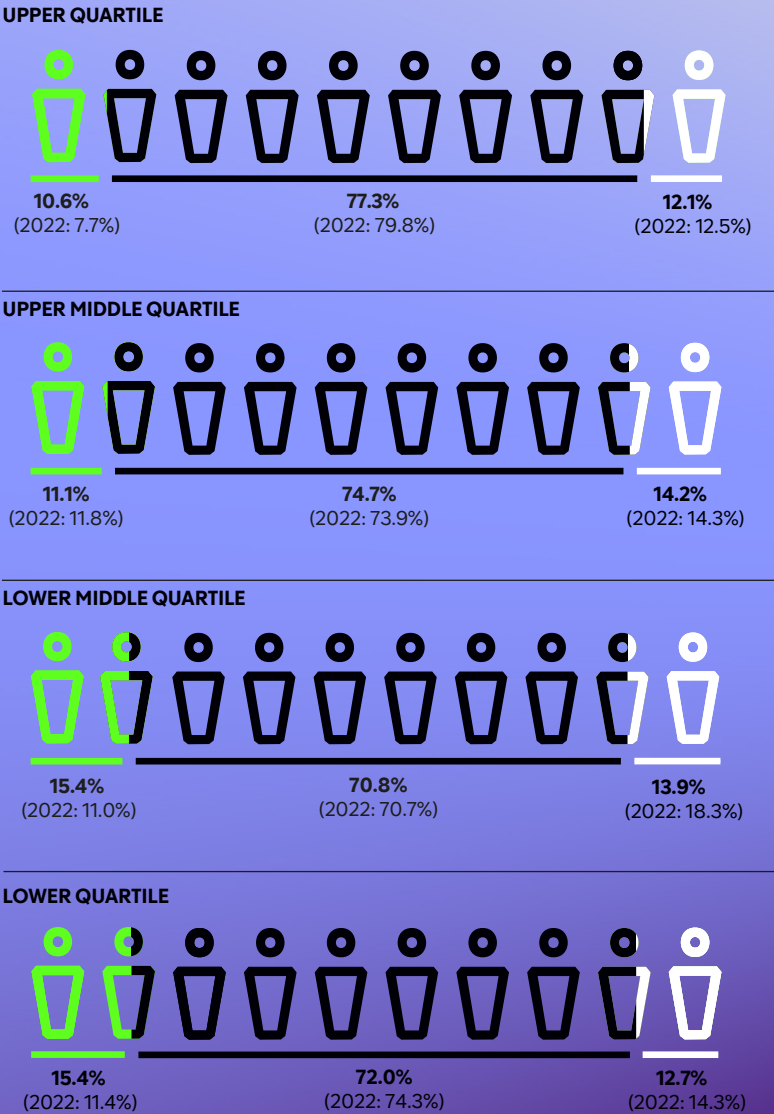
Disability pay at Channel 4 (continued)



“
In 2019, we made a commitment to double our workforce disability target from 6% to 12% by 2023. We have successfully exceeded this target (13%).

Proportion of disabled employees and employees with no disability

● WITH A DISABILITY ● NO DISABILITY ● NON-DISCLOSURE



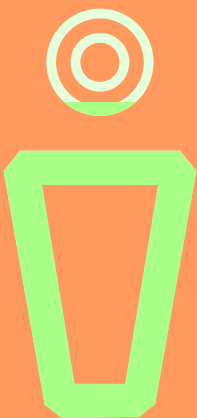
Disability bonus gap at Channel 4

Based on the average gross bonus paid, the disability bonus gap at Channel 4 is 40.7% by mean and 23.2% by median.

The bonus gap is primarily due to the lower representation of disabled people in senior positions that attract the highest bonus rates (bonuses can be up to 10% of total gross salary for employees; 20% for Heads of Department; and between 30% and 50% for the Executive team) as well as in departments where bonuses are a more prominent part of the remuneration package.

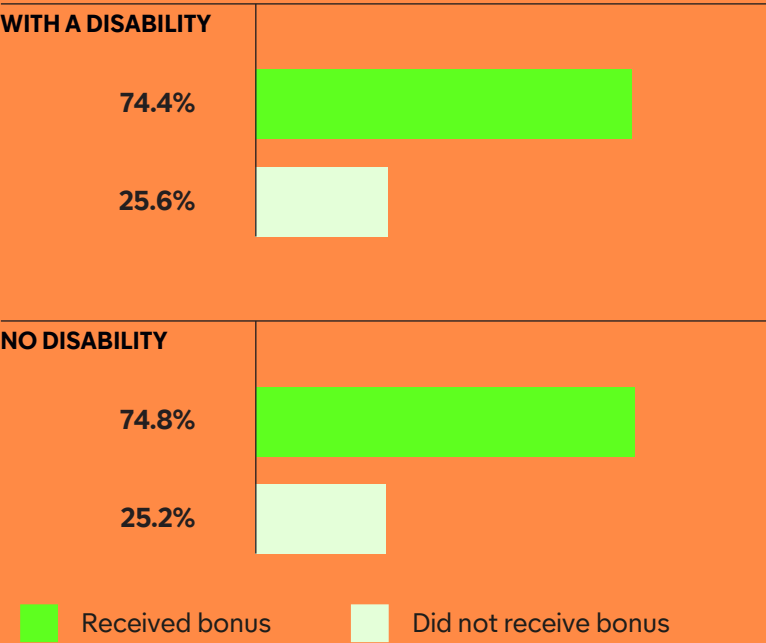


40.7%
Disability bonus gap
2023 (mean)



23.2%
Disability bonus gap
2023 (median)

Proportion of Channel 4 employees that received a bonus



LGBTQ+

LGBTQ+ pay at Channel 4

Channel 4 has an LGBTQ+ pay gap of 20.0% by mean and 22.8% by median in 2023. This is an increase from 15.6% by mean and 17.8% by median in 2022.

Relative to 2022, there has been a significant increase of LGBTQ+ employees in the lower and lower-middle quartiles, which is the primary driver behind these pay gaps. Channel 4 has had proportionally more LGBTQ+ hires over the past 12 months (14.8%) than it has within the overall organisation (11.8%). These employees are typically a younger age demographic and at the start of their career, which attracts a lower pay level.

As LGBTQ+ employees make up a relatively small population of Channel 4's overall employee composition (12%), changes in headcount can have a significant impact on the pay gap.

Note: There is no official guidance in place regarding the calculation of a LGBTQ+ pay gap; therefore we have used the same methodology as for our ethnicity pay gap.

As at the snapshot date, 86% of our workforce had self-reported their sexual preference. The remaining 14% have not disclosed this information.

12%

of our employees report themselves as LGBTQ+

LGBTQ+ pay at Channel 4 (continued)



20.0%

LGBTQ+ pay gap 2023 (mean) – an increase from 15.6% in 2022



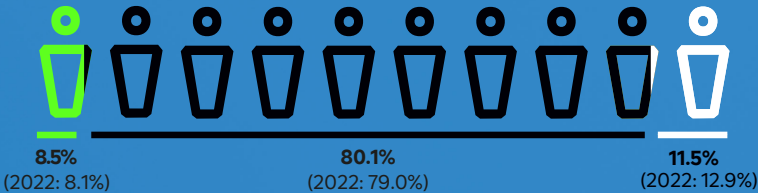
22.8%

LGBTQ+ pay gap 2023 (median) – an increase from 17.8% in 2022

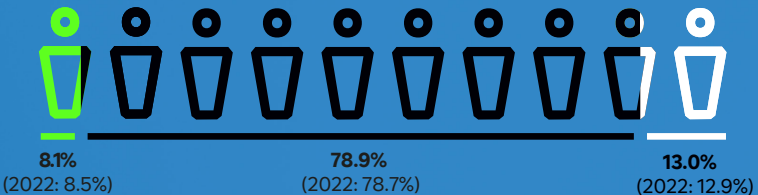
Proportion of LGBTQ+ and non-LGBTQ+ employees by quartile

● LGBTQ+ ● NON-LGBTQ+ ● NON-DISCLOSURE

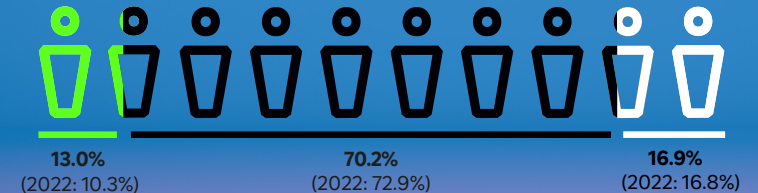
UPPER QUARTILE



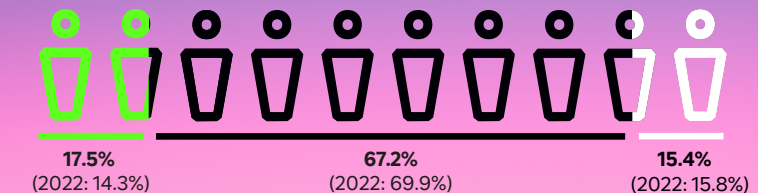
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



LGBTQ+ bonus gap at Channel 4

Based on the average gross bonus paid, the LGBTQ+ bonus gap at Channel 4 is 43.4% by mean and 32.3% by median.

However, the bonus gap is also due to: a significant representation of LGBTQ+ employees in the lower quartiles; and a lower representation in senior positions that attract the highest bonus rates (bonuses can be up to 10% of total gross salary for employees; 20% for Heads of Department; and between 30% and 50% for the Executive team) as well as in departments where bonuses are a more prominent part of the remuneration package.

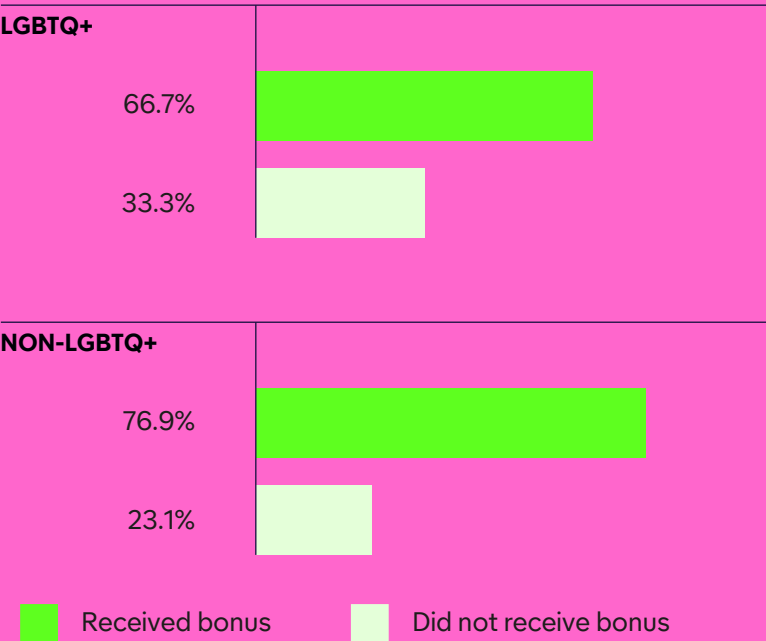


43.4%
LGBTQ+ bonus gap
2023 (mean)



32.3%
LGBTQ+ bonus
gap 2023 (median)

Proportion of Channel 4 employees that received a bonus





Channel Four Television Corporation

Basis of Preparation for Pay Report 2023

Introduction

This Basis of Preparation document sets out how Channel Four Television Corporation ('Channel 4') has prepared and reported upon various pay gap calculations as set out in Channel 4's Pay Report 2023. The reporting covers the 12-month period to 31 March 2023.

The approach taken to prepare and report upon Channel 4's pay gap calculations takes into account the requirements set out in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. Channel 4 has also been informed by the guidelines issued by [Acas Gender pay gap reporting, March 2022](#), [Acas Ethnicity pay gap reporting, May 2023](#), plus the Government's guidance on [Gender pay gap reporting](#) and [Ethnicity pay gap reporting](#).

Scope

Unless otherwise indicated, the pay gap calculations include all of Channel 4's operations covering the 12-month period to 31 March 2023.

Channel 4 ensures that appropriate procedures are in place to report pay gap data in all material respects, as set out in this document. These procedures ensure that:

- The accounting and calculation methods are clearly described including any assumptions;
- Any specific exclusions are stated clearly and explained;
- The data is meaningful and is consistent with the stated scope and definitions;
- The reported information reflects Channel 4's performance; and
- The level of transparency is sufficient to enable users to have confidence in the integrity of Channel 4's reporting.

Definitions

This section contains the key definitions used to determine the pay calculations that are set out in Channel 4's Pay Report 2023.

1. Employees

The pay gap reporting covers all relevant employees of Channel 4 on the snapshot date of 31 March 2023. Relevant employees are defined as:

- Individuals who have a permanent or fixed term contract of employment (full or part-time) with Channel 4 and are paid through Channel 4's payroll system.

A number of individuals are excluded from the definition of relevant employee. This includes the majority of the individuals who appear in Channel 4's programmes and production staff as they are employed by Channel 4's suppliers, as all programmes are commissioned from external production companies.

Non-Executive Directors are also excluded from the calculations as they are office-holders, and not employees, of Channel 4. They are selected, appointed by and accountable to Ofcom. Freelancers (contractors) were outsourced to a third-party agency and as such are not considered relevant employees for the purposes of the pay gap calculations.

2. Diversity

Diversity is wide-ranging, however for the Channel 4 Pay Report 2023, the following diversity characteristics have been used. In all instances, it is the individual's choice in notifying/recording specific characteristics within Channel 4's systems.

Gender:

Within Channel 4's systems the following categories are used to define gender:

- Female*
- Male*
- Trans Woman*
- Trans Man*
- Non-Binary
- Prefer to use your own term for gender, please describe it here (free text field)
- Prefer not to say

* Individuals who have used categories above marked with an asterisk are included within Channel 4's gender pay gap calculations. Trans women are included in the female category and trans men are included in the male category. All other individuals are excluded from the calculations.

Ethnically diverse

Within Channel 4's systems the following categories are used to define ethnicity:

- Arab*
- Asian – Bangladeshi*
- Asian – Chinese*
- Asian – Indian*
- Asian – Pakistani*
- Asian – Other (please describe)*
- Black – African*
- Black – Black Scottish or Black British*
- Black – Caribbean*
- Black – Other (please describe)*
- Mixed – White and Asian*
- Mixed – White and Black African*
- Mixed – White and Black Caribbean*
- Mixed – Other (please describe)*
- White – British
- White – English
- White – Gypsy or Irish Traveller
- White – Irish
- White – Northern Irish
- White – Polish
- White – Scottish
- White – Welsh
- White – Other (please describe)
- Prefer not to say

* Individuals who have used categories above marked with an asterisk are considered to be ethnically diverse for the purposes of Channel 4's ethnically diverse pay gap calculations.

All other individuals, except for 'Prefer not to say' are considered to be non-ethnically diverse for the purposes of the pay gap calculations.

Those who 'Prefer not to say' are excluded from the pay gap calculation, but are included within the quartile distribution.

Definitions (continued)

Sexual orientation:

Overall this is defined as Lesbian, Gay, Bisexual and Trans (LGBTQ+). Individuals can choose from the following:

- Heterosexual/Straight
- Gay man*
- Gay woman/Lesbian*
- Bisexual*
- Pansexual*
- Other
- Prefer not to say

* Individuals who have used the categories above marked with an asterisk are considered to be LGBTQ+ for the purposes of Channel 4's LGBTQ+ pay gap calculations.

All other individuals, except for 'Prefer not to say' are considered to be Non-LGBTQ+ for the purposes of the pay gap calculations. Those who 'Prefer not to say' are excluded from the pay gap calculation, but are included within the quartile distribution.

Disability:

The definition of disability is the same as that set out in The Equality Act 2010 – if an individual has a physical or mental impairment that has a 'substantial' or 'long-term' negative effect on their ability to do normal daily activities. The term 'disability' includes, but is not restricted to, anyone who has trouble with:

- Vision (such as being partially-sighted, tunnel vision, cataracts or blind)
- Hearing (such as hearing loss, tinnitus, deafness)
- Mobility (such as limited/no use of legs, limb loss)
- Dexterity (such as tremor, paralysis, upper limb loss, RSI, arthritis)

- Understanding and remembering information (such as learning disabilities, dyslexia, ADHD)
- Long-term health (such as cancer, MS, HIV, diabetes)
- Mental health (such as depression, anxiety disorder, obsessive-compulsive disorder, bipolar disorder)
- Communication and social skills (such as Asperger's or autism, disfigurement, speech impairment)

The above definitions of disability are provided to Channel 4's employees together with the question:

"Do you have a disability, long-term injury or health condition that affects your day-to-day life?"

In response to the above question, employees can choose from any of the following answers:

- Yes*
- No*
- Prefer not to say

* Individuals who have used the categories above marked with an asterisk are included within Channel 4's disability pay gap calculations.

Those who 'Prefer not to say' are excluded from the pay gap calculation, but are included within the quartile distribution.

Collecting diversity information is voluntary, and all employees have the option to leave any response blank. Those employees who have not self-declared (left the response blank) for each of the characteristics are not included in the pay gap calculations.

3. Pay and Bonuses

The definition of pay and bonus is in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, however where Channel 4 has made specific judgements on pay or bonus categorisation, they are explained in the relevant section below.

Ordinary pay includes:

- Basic pay
- Cash allowances
- Acting up payments
- Bonus payments (on a prorated basis)

Ordinary pay excludes:

- Expenses
- Benefits in kind
- Back pay
- Holiday pay
- Overtime

Bonus pay is:

- Any remuneration that is in the form of money and relates to productivity or performance

Bonus pay includes:

Annual bonus, quarterly and spot awards

Bonus pay excludes:

Ordinary pay, overtime, pay relating to termination of employment/redundancy and allowances

The amount of any salary sacrifice deductions reduce an employee's pay for the purposes of the pay gap calculations. The hourly pay gap is only calculated for 'full

pay relevant employees'. The regulations define this as: 'A relevant employee who is not, during the relevant pay period, being paid at a reduced rate or nil as a result of the employee being on leave.' This means that any employees not receiving full pay, due to being on maternity or paternity leave for example, are not included in the hourly pay gap calculations. All relevant employees (even those not on full pay) are included in the bonus gap calculations.

4. Hourly rate

• Hourly rate for pay in March

The hourly rate is calculated by using the pay over the relevant period (weekly, monthly or annually) and then dividing by the number of contractual hours in that pay period.

• Hourly rate for bonus amounts paid in March

Where any bonus payments are made in March, these have been included in the hourly pay gap calculation. Where a bonus payment relates to a longer period than the March pay period, the bonus amount has been prorated so that only the amount which is attributable to March is included in the hourly pay gap calculation. Where a bonus payment relates to a part-time employee, the bonus is calculated on actual bonus paid, not on a full-time prorated equivalent amount.

Data sources

Channel 4's objective is to gather and report reliable and robust data. We are committed to providing transparency on the quality of the data where we consider there are matters that are material to users of the information. The information we report is subject to internal review processes.

Our employee database is maintained internally whereby only HR teams are authorised to make changes to employment status, pay and bonus, however, certain aspects of diversity, home address, emergency contact information is self-service which allows Channel 4 employees to go into the system and make changes as appropriate.

1. Diversity characteristics information

Employees' diversity characteristics are captured within Channel 4's HR system. All new joiners are asked to provide this information as part of their onboarding process. This request is not mandatory, and the employee has the option to leave responses blank or choose 'Prefer not to say'. The information is retained in the Channel 4 HR system and employees have access to amend their diversity characteristics through employee self-service whenever they wish.

If Channel 4 were to change any of the terminology or start to capture new information, Channel 4 would communicate this through our internal communications team to all employees and also through our employee networks.

2. Pay and bonus data

The pay and bonus data is maintained in Channel 4's payroll system. Channel 4's Pay Principles document sets out the details of pay and bonuses. The pay data is subject to regular reconciliations and approval. The payroll data is reconciled each month and signed off by the internal senior management team from Finance and HR, prior to pay day.

Pay gap calculations

The data used for reporting purposes is as of 31 March 2023, 'the snapshot date'. In accordance with the regulation's guidelines, we have calculated each of the KPIs noted below and presented the results in the Pay Report 2023:

Gender (male/female):

- Mean gender pay gap in hourly pay
- Median gender pay gap in hourly pay
- Mean bonus gender pay gap
- Median bonus gender pay gap
- Proportion of males and females receiving a bonus payment
- Proportion of males and females in each pay quartile

Ethnically diverse/Non-ethnically diverse:

- Mean ethnically diverse pay gap in hourly pay
- Median ethnically diverse pay gap in hourly pay
- Mean bonus ethnically diverse pay gap
- Median bonus ethnically diverse pay gap
- Proportion of ethnically diverse and non-ethnically diverse receiving a bonus payment
- Proportion of ethnically diverse and non-ethnically diverse in each pay quartile

LGBTQ+/Non-LGBTQ+:

- Mean LGBTQ+ pay gap in hourly pay
- Median LGBTQ+ pay gap in hourly pay
- Mean bonus LGBTQ+ pay gap
- Median bonus LGBTQ+ pay gap
- Proportion of LGBTQ+ and non-LGBTQ+ receiving a bonus payment
- Proportion of LGBTQ+ and non-LGBTQ+ in each pay quartile

Disability/Non-disability:

- Mean disability pay gap in hourly pay
- Median disability pay gap in hourly pay
- Mean bonus disability pay gap
- Median bonus disability pay gap
- Proportion of disability and non-disability receiving a bonus payment
- Proportion of disability and non-disability in each pay quartile

The figures were produced by Channel 4 and signed off by the Director of People.

Independent Assurance Statement

to Channel Four Television Corporation

('Channel 4') Management for Pay Report 2023

Scope

Channel Four Television Corporation (“Channel 4”) have asked Spktral (“Our”, “We”) to perform a de facto limited assurance engagement (“Assurance”) of its diversity pay gap metrics for the period covering 1 April 2022 to 31 March 2023. Spktral are not subject to ISCQ, but have extensive experience in the field of pay gap analysis, process assessment, and maintain close links with both the GEO and the EHRC.

This Assurance covers the information that Channel 4 must produce to meet the requirements of The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (“Regulations”). This information includes the calculation of 14 percentages that relate to the differences between men and women’s pay and bonuses. The regulations set out the methodology used to gather and filter the information as well as the formulas used to calculate the percentages. As such these regulations form an integral part of this Assurance.

Process and responsibilities

To calculate the required metrics a repeatable, auditable process was followed. The details of which are laid out below:

Payroll data

Channel 4 provided a spreadsheet consisting of the raw payroll data that had been processed for the period shown above. Spktral conducted a review of the data with a qualified Channel 4 representative. Every payroll element was assessed in accordance with the Regulations. All but one of the decisions were binary and when opinion was required Spktral quoted the Regulations and Channel 4 made an informed, audited decision.

Channel 4 made one (1) informed decision in this process; details can be found in the master file held by Channel 4.

Payroll audit

To provide assurance on the provenance of data, Spktral created a control measurement process using annual salaries, as of 31 March 2023, to assess if employees were being paid less than a normal 1/12th of their salary. Where figures differed by more than £0.01p an explanation was sought, and the reason recorded in the master file.

Twelve (12) queries were made and answered, details can be found in the master file held by Channel 4.

Talent data

To assess each employee IAW the Regulations, further specific data points were required. Channel 4 provided a full list of these via a template. Spktral used the combined data to build a unique picture for each employee in the payroll file and their status as defined in the Regulations. The control measurement process described above was used to highlight inconsistencies in data quality and the results were used to feedback to payroll/HR to mitigate future inconsistencies.

Final file

The final data product details a full account from the raw payroll and talent data through to audited account for each employee in the payroll period. The collated data is then fed into our SaaS platform via a template file.

Spktral software audit

The software uses the data contained in the template file to calculate the adjusted hourly rate and bonuses details for each employee. A copy of this calculated data point is added as a tab to the final file. This allows any viewer to view the journey from raw to calculated data.

Channel 4’s responsibilities

The management are responsible for the following items:

- Accuracy of the data within the payroll and talent management systems
- Establishment and maintenance of internal controls to ensure data accuracy and material mismanagement from either error or fraud

- Payroll element identification and explanation
- 100% check of the final file to ensure that the adjusted hourly rates are valid

Spktral’s responsibilities

We are responsible for the following items:

- Identification of edge cases using control measurements
- Identification of errors using the combined payroll/talent data
- Presentation of the raw to calculated data for each employee

Spktral are not responsible for:

- Inaccurate payroll data;
- start, birth, join or leave data; or
- any other data point used to assess an employee IAW the Regulations.

Independence and Quality Control (QC)

We have maintained our independence and confirm that we have met or exceed the service level detailed in our contract.

Our procedures are designed to assess if the data provided to us is reasonable, but it does not provide reasonable assurance. We can assure that the raw data has been checked for gross error and that each employee has been correctly processed using the data provided, but it cannot confirm if an employee is being the correct amounts laid out in their contracts of employment.

Scope (continued)

Examples of QC provided/not provided

The following assurance was provided:

- All employees paid less than 1/12th of their annual pay were checked and a reason recorded as to why this was the case: maternity leave, mid-month joiner, sick pay, etc
- Where the adjusted hourly rate was outside of the expected range a reason was recorded and Channel 4 were asked to provide explanatory information and/or correct errors within the file and/or their systems
- Using the raw data provided, the correct calculation criterion were used consistently
- Payroll extraction, pay element identification and edge case explanations were used to support the reasonableness of the data provided
- Audit of the provided raw information and presentation of the facts to Channel 4

The following assurance was not provided:

- No employee contracts were examined to ensure correct salaries and hours were valid
- No checks were made if an employee was marked as receiving less than normal due to leave reason
- Nothing more than verbal confirmation was obtained when we confirmed that Channel 4 had secured the explicit consent of its employees to process protected characteristic data
- No confirmation of the protected characteristics for employees were carried out

Risk

Channel 4's systems are wholly adequate and the personnel with whom we interacted conducted themselves professionally. As such we assess that the risk of their being major/fundamental errors in the raw data is: insignificant.

Conclusion

Based on our procedures, evidence and on the previous year's submission, we are confident that there are no modifications that need to be made to the raw data we assessed. We also confirm that the raw data provided has been processed IAW the Regulations and that where other characteristics were analysed, the same financial calculations were used.

Therefore, the gender, ethnicity, disability and LGBTQ+ summary information calculated for the period 1 April 2022 to 31 March 2023 is assessed as being accurate, and representative of the Channel Four Television Corporation.

Restricted use

This report is intended solely to inform and provide assurance to the Channel 4 management team. It should not be used by anyone else for any other purpose.

Spktral Limited

23 May 2023

