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**Channel Four Television Corporation**  
Pay Report 2020

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 31 March 2020.

Driven by our commitment to inclusion and diversity, we have also chosen to publish our BAME, disability and LGBT+ pay gaps and bonus gaps. This will allow us to track our progress and help set the actions that we will take to reduce the pay gaps in the organisation.

## Contents

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Foreword	03
Our pay gap action plan	05
Gender pay at Channel 4	09
BAME pay at Channel 4	14
Disability pay at Channel 4	18
LGBT+ pay at Channel 4	23
Basis of Preparation	27

[www.channel4.com/corporate](http://www.channel4.com/corporate)

# Foreword

From our very inception, it has always been in Channel 4's DNA to use entertainment to make a difference. We are unashamedly noisy, distinctive and different – and we stand for equality and diversity. This applies to our content, of course, but it also applies within our organisation: we are committed to making Channel 4 fully inclusive.



It has always been in Channel 4's DNA to use entertainment to make a difference. We are unashamedly noisy, distinctive and different – and we stand for equality and diversity.

Being held accountable is critical to ensuring that we deliver on this promise. Regularly measuring our progress is key. This annual pay report helps us to identify where we need to focus our efforts and enact further change.

Overall, we have made good progress with our pay gaps in 2020, but we know that there is still much to do in order to bring these gaps to an acceptable level.

## **Pay gaps**

In 2020, the gender pay gap reduced by 1.6 percentage points year-on-year, to 21.5%. This is down by 7.1 percentage points since we started reporting the gender pay gap in 2017, which is good progress, but there is clearly more work to be done.

The main drivers for our gender pay gap remain the same. It is primarily caused by an imbalance between men and women's pay at different levels of the organisation, with more men in higher-paid roles and more women in lower-paid roles. The lower half of the organisation is comprised of 65.6% women compared to 47.4% in the upper half. We are focused on rebalancing this at the senior end.

The key target that we have set ourselves is to achieve a 50-50 gender balance in the top 100 earners by 2023. This is where we believe we can make the most impact and I am pleased that the number of women in our top 100 earners has continued to grow in 2020 to 44, up from 43 in 2019, 41 in 2018 and 34 in 2017.



## Foreword (continued)

We are continuing to voluntarily disclose our other key demographic pay gaps in 2020, and I am pleased that we have reduced our mean BAME pay gap by 3.7 percentage points year-on-year, to 15.3%.

Our mean LGBT+ pay gap has also decreased, by a significant 71 percentage points year-on-year, to 10.6%. Our median LGBT+ pay gap is now -0.7%, a decrease from 8.1% in 2019. We are proud of this result.

Regrettably, our mean disability pay gap has increased from 0.4% in 2019 to 12.6% in 2020. As the number of employees with disabilities is relatively small compared to the overall number of employees, the disability pay gap can be significantly affected when a small number of employees in the upper quartiles leave the business, as was the case in 2020.

When we consider the median average – which reduces the impact of the highest and lowest-paid employees – our disability pay gap has decreased from 7.6% in 2019 to 5.2% in 2020. This therefore suggests that the distribution of employees with disabilities has improved overall, which is a satisfactory outcome.

### A fully inclusive Channel 4

While this report includes the key actions that we are taking to redress the pay gaps, these form only a part of what we are doing to become the fully inclusive organisation we aspire to be.

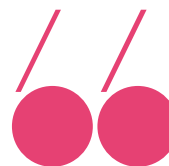
Earlier this year, I announced our [pledge to being an anti-racist organisation](#), which includes a six-point plan to drive the industry in improving black and minority ethnic representation. We have also signed a commitment to [The Valuable 500](#), a global movement that puts disability on the business leadership agenda.

And I am also proud that Channel 4 was included in Stonewall's [Top 100 Employers](#) for the first time this year, ranking 35th on the LGBT charity's annual list, and also being recognised as a [top trans employer](#) – something only 20 organisations in the Top 100 have been recognised for.

We are determined to make Channel 4 one of the most inclusive workplaces in the country and to drive lasting positive change within and across the media industry and the whole of the UK. Standing for the underrepresented, challenging stereotypes and promoting diversity and inclusion is at the heart of why Channel 4 exists.

### Alex Mahon

Chief Executive  
29 October 2020



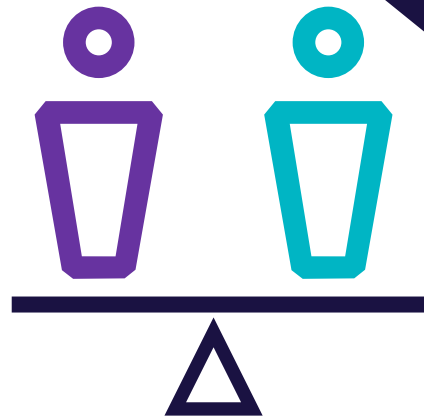
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# Our pay gap action plan

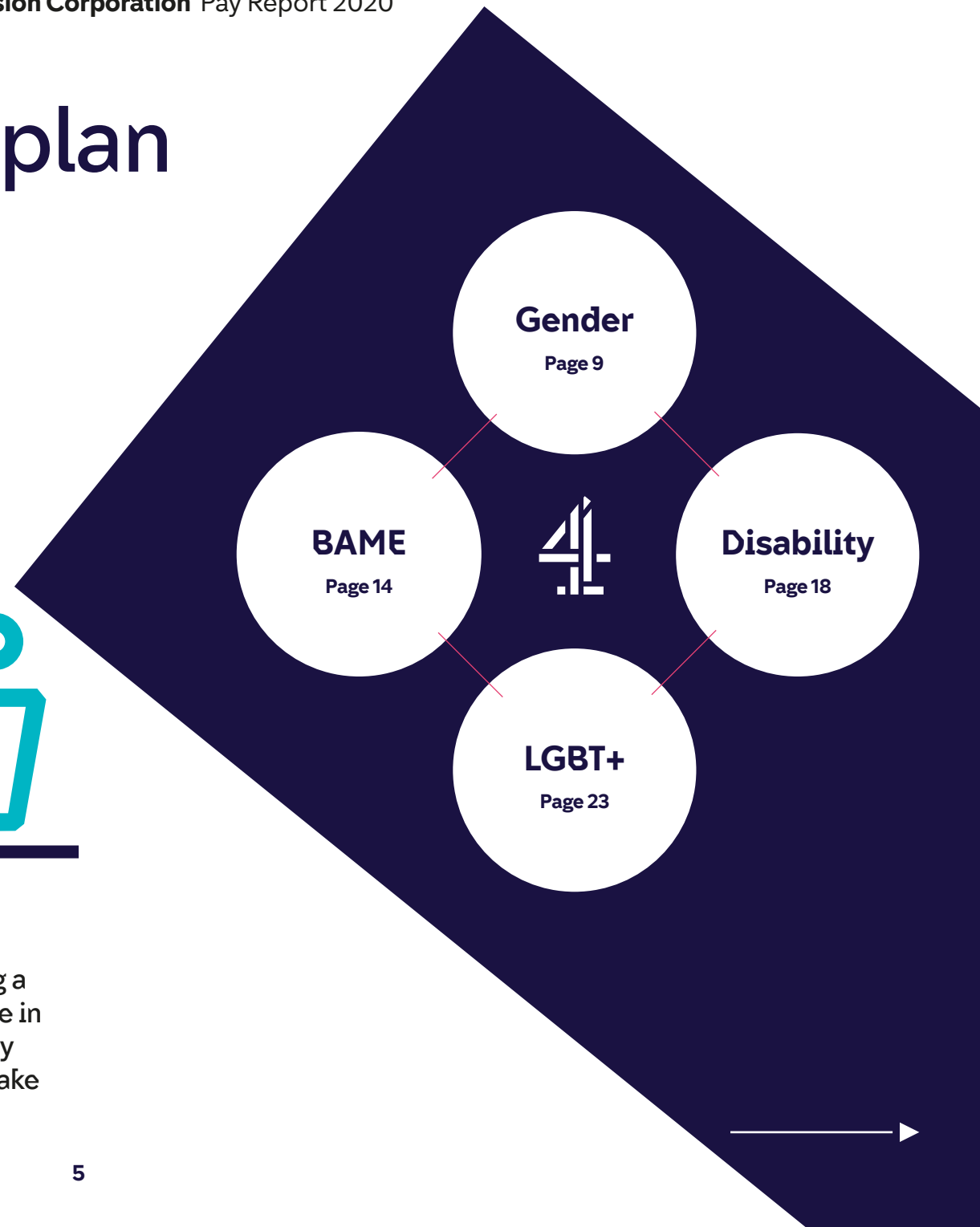
Everyone should have equal opportunity to develop and progress at work. Everyone should feel like they belong. This action plan, which we set out in 2019, is centred on rebalancing our organisation to ensure that our diverse employees are represented fairly at all levels of seniority and pay.

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

If we get this right, we can create an environment that allows everyone to be the best that they can be and fully unlock the creative potential of our people and teams.



Channel 4 is targeting a 50-50 gender balance in the top 100 earners by 2023. Women now make up 44% of this group.



## Our pay gap action plan (continued)

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

### 1 Management information

**Objective** Developing a proprietary, real-time 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 makeup of our organisation.

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

**Progress (2020)** We have developed and published an HR dashboard used by Channel 4 Executives, which provides real-time data on diversity statistics. Our next step is to further work with leaders on how to best use the dashboard when making key decisions.

### 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.

**Progress (2020)** Through the HR dashboard, we have been providing key management information that tracks our diversity data across the business, both for all staff and among the top 100 paid. This has helped us to shape targets for Executives to reach all groups, which will help to balance Channel 4's demographic profile over time.

## Our pay gap action plan (continued)

### 3 Demystifying the pay gap

**Objective** Educating all hiring managers, Executives and the wider organisation to ensure that there is a consistent understanding of our 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.

**Progress (2020)** Channel 4's Reward team has held a programme to educate our leadership group about the root causes of our pay gaps and how we aim to reduce them. Work is ongoing to further educate the wider organisation.

### 4 Performance management

**Objective** Developing a more stringent performance management system across the organisation.

**Impact** This will make it easier to promote the right people internally and will help to address the distribution of staff demographics at Channel 4.

**Progress (2020)** All employees have been asked to set clear objectives, and these will be used to set a half-year and full-year performance rating.

### 5 Increased transparency

**Objective** Putting into place an efficient transparent reward strategy, including developing spot bonus and off-cycle payments policies and procedures to establish best practice.

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

**Progress (2020)** Work in this area has been delayed due to the Covid-19 crisis, with spot bonuses and off-cycle increases being frozen. It remains a key objective of Channel 4's Reward team. Nevertheless, a renewed reward strategy is being developed and our philosophy is to recognise performance against the organisation's objectives and our anti-values, in order to result in a high-performing and highly-engaged workforce.

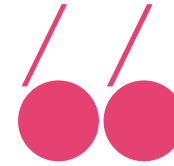
## Our pay gap action plan (continued)

We will also continue to support the actions that we have outlined previously, which were targeted specifically at improving inclusion, including:

- **Support:** Harnessing the power of our employee networks – including our women's network 4Women, our BAME network The Collective, our LGBT+ network 4Pride and our disability network 4Purple – to create a two-way dialogue and to integrate employees in the ways that we work and make decisions.
- **Accountability:** Ensuring that each member of the Executive has specific inclusion and diversity objectives for their departments against which they will be measured and held to account. This includes objectives built into the Channel 4 corporate objectives, on which bonus payments are based.
- **Culture:** Continuing to drive inclusion through our **Culture and Anti-Values**, in order to strengthen our inclusion and diversity structures and actively engage our staff with this work.

- **Training and skills:** Consolidating and strengthening our training and development work to support a diverse talent pipeline under our new **4Skills** initiative and ongoing training programmes.
- **Employee life cycle:** Better understanding and responding to the full employee life cycle, including by looking at how we can adapt our recruitment practices to improve the diversity of our shortlists, implementing a new mentoring scheme for diverse staff and creating wide-ranging development opportunities for our staff to support progression.

To help drive change through the organisation, we have appointed Channel 4's Chief Marketing Officer, Zaid Al-Qassab, as the Executive Sponsor of inclusion and diversity, and we have also hired a dedicated Inclusion and Diversity Lead. These appointments will help to develop a more targeted approach to reducing our pay gaps.



We have made good progress with our pay gaps in 2020, but we know that there is still much to do in order to bring these gaps to an acceptable level.

**Alex Mahon**  
Chief Executive





# Gender

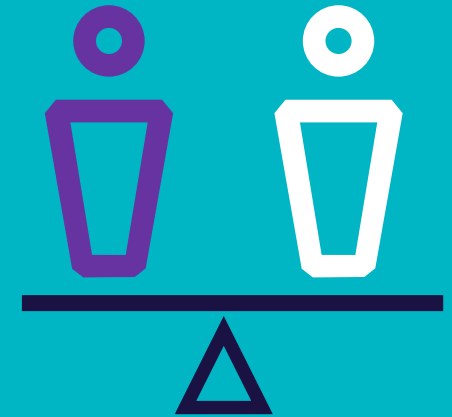
# Gender pay at Channel 4

Channel 4 has reduced its mean gender pay gap by 1.6 percentage points year-on-year, to 21.5%. Our median gender pay gap has also slightly reduced by 0.8 percentage points, to 23.0%. While we are pleased to have reduced the gender pay gap, it remains significantly higher than we would like.

Among our top 100 earners, the number of women has increased to 44 in 2020, up from 43 in 2019, 41 in 2018 and 34 in 2017. We will continue to support the progression of female staff into more senior roles, as this will have the most substantial impact on reducing our gender pay gap.

## Two primary factors:

- 1 We have nearly twice as many women as men in the two lower-earning quartiles (the two lower quartiles are 66% women, 34% men). The higher number of women in these lower quartiles reduces the average female earnings overall and, therefore, broadens our gender pay gap.
- 2 Our gender pay gap is also the result of a higher proportion of men in senior positions, including in departments that attract higher average salaries overall.



Target of 50-50 gender split across the top 100 paid by 2023.

## Equal pay

The gender pay gap 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.

External counsel Lewis Silkin LLP found that there was no evidence of a systemic gendered equal pay issue at Channel 4 in a 2018 review and we remain confident that men and women are paid the same for like work. However, we have also set up a formal process for any employees with equal pay concerns.



## Gender pay at Channel 4 (continued)



**21.5%**

Gender pay gap 2020 (mean) – a decrease from 23.1% in 2019



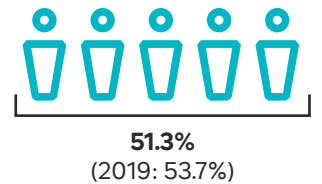
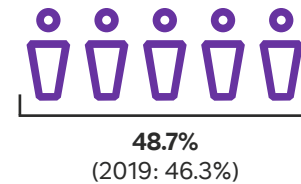
**23.0%**

Gender pay gap 2020 (median) – a decrease from 23.8% in 2019

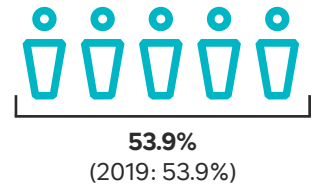
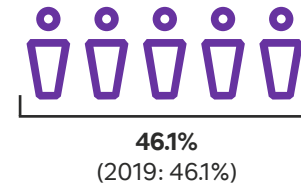
Proportion of female and male employees by quartile

● WOMEN  
● MEN

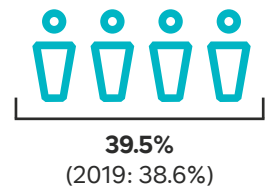
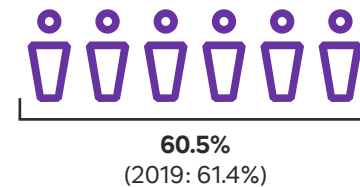
### UPPER QUARTILE



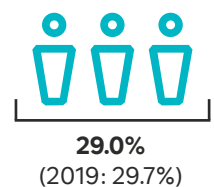
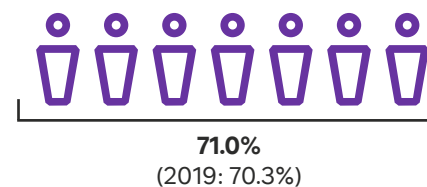
### UPPER MIDDLE QUARTILE



### LOWER MIDDLE QUARTILE



### LOWER QUARTILE



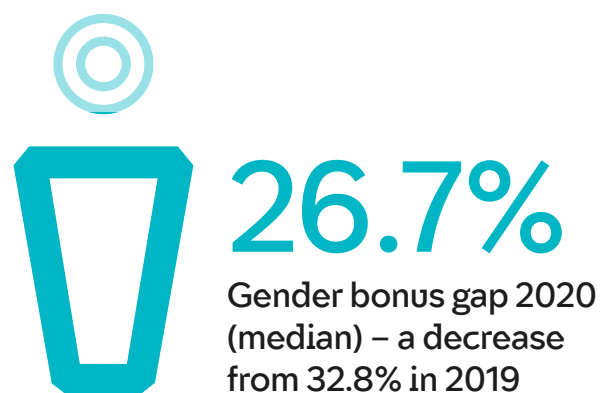
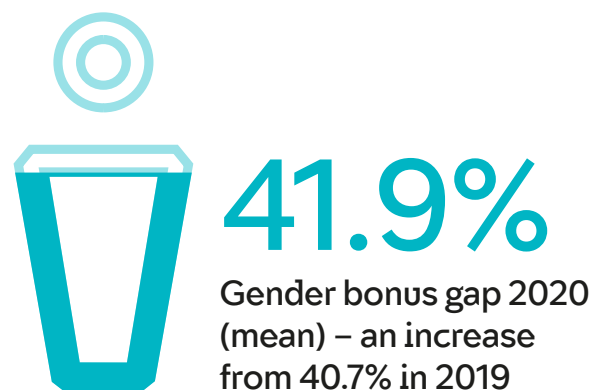
## Gender bonus gap at Channel 4

Based on the average gross bonus paid, the mean gender bonus gap has increased very slightly from 40.7% in 2019 to 41.9% in 2020. However, the median bonus gap has decreased significantly from 32.8% in 2019 to 26.7% in 2020.

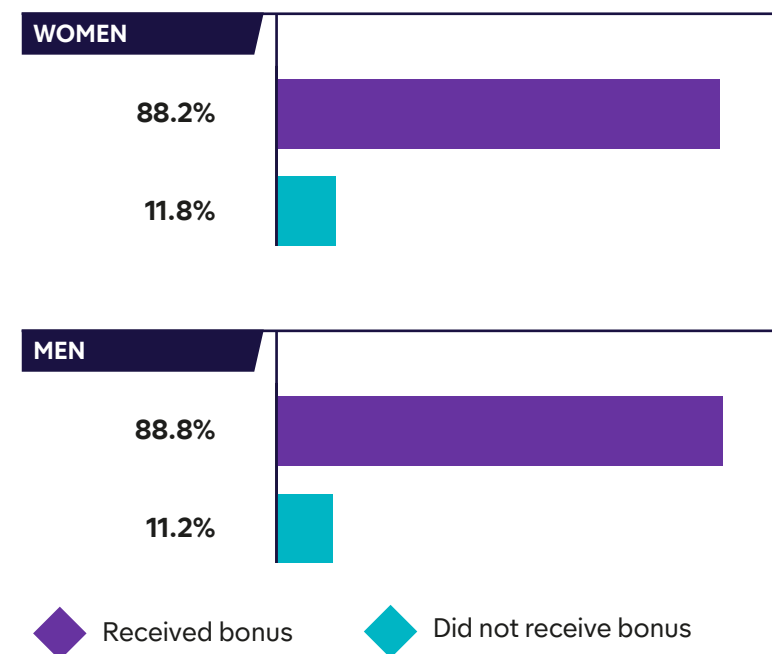
Men and women at Channel 4 are offered the same opportunities to receive bonuses, but there continues to be more men in senior positions with higher bonus rates: bonuses can be up to 10% of total gross salary for staff; 20% for Heads of Department; and between 30% and 50% for the Executive team. (Our Advertising Sales department operates on a separate scheme, linked to advertising revenue.)

An increase in the mean average, paired with a corresponding decrease in the median average, suggests that the distribution of the bonuses is more even in 2020 than in 2019. 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, 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 prorated equivalent amount).



Proportion of Channel 4 employees that received a bonus



## Gender pay – achievements so far

In our previous pay reports, we announced a host of targeted measures to help reduce our gender pay gap.

These included: focusing on career progression for women across the organisation; reviewing the factors that make Channel 4 an attractive place to work; and undertaking a comprehensive review of our recruitment and selection practices.

These projects have made good progress and, alongside our action plan set out on page 5 and our wider inclusion and diversity strategy, form the basis of our ambition to be a truly inclusive organisation and further decrease our pay gaps over time.

However, we do expect that the impact of these projects and actions will take time to filter through to our pay gap results. We are also unlikely to fully close the gender pay gap. This is because, in addition to increasing the number of women in the highest-paid roles, we would also need to rebalance our lower two quartiles, which are predominantly female (66%) and this would not be consistent with our goals.

44

women in the top 100 paid – this is an increase from 43 women in 2019, 41 women in 2018 and 34 women in 2017

# BAME

# BAME pay at Channel 4

Channel 4 reduced its mean BAME pay gap by a substantial 3.7 percentage points in 2020 to 15.3% but very slightly increased its median BAME pay gap by 0.3 percentage points to 12.4%.

We are pleased to have reduced the mean BAME pay gap this year, particularly as we have opened new offices and hired a significant number of new employees in Leeds, Bristol and Glasgow, which have a significantly smaller diverse talent pool to recruit from than London.

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

## Two primary factors:

1 The BAME pay gap is affected by a lower representation of BAME people among our more senior, top-earning employees. There are 14 BAME staff in our top 100 earners, which is an increase from ten employees when we started measuring this and demonstrates that our strategy to improve BAME representation in the highest-paid roles is working correctly.

2 There is a higher representation of BAME people working in lower-earning jobs, particularly administrative functions. The lower quartile is 25.2% BAME.

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

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

**Note:** There is no official guidance in place regarding the calculation of a BAME pay gap, therefore we have used the same methodology as for our gender pay gap. The data is based on 94.0% of our workforce self-reporting their ethnicity. The 6.0% of our workforce who have not disclosed their ethnicity have been excluded from our calculations.

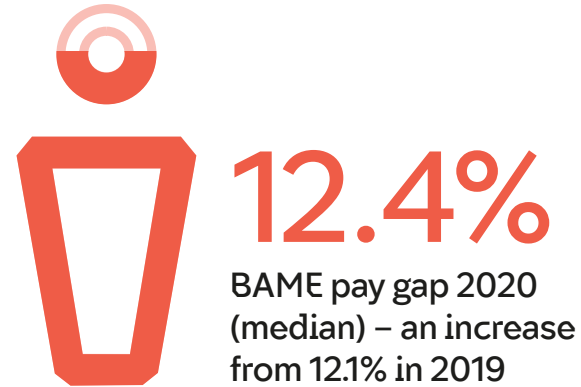
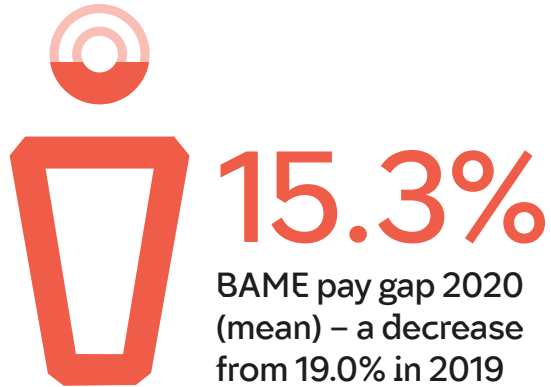
# 16.2%

of total employees are BAME, and there are 14 BAME employees within our top 100 paid employees

# 20%

Target of 20% of BAME staff across Channel 4 and in our top 100 paid by 2023

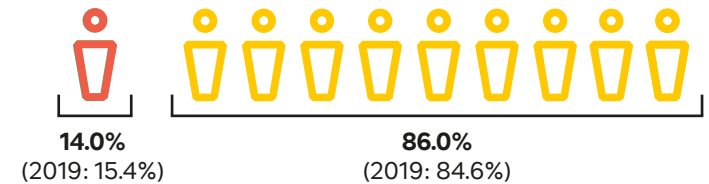
## BAME pay at Channel 4 (continued)



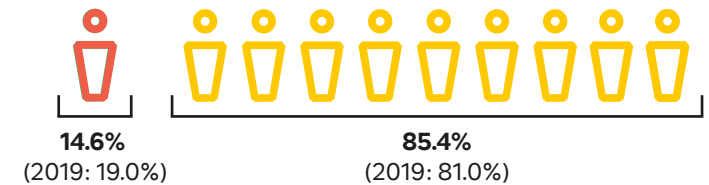
Proportion of BAME and non-BAME employees by quartile

● BAME  
● NON-BAME

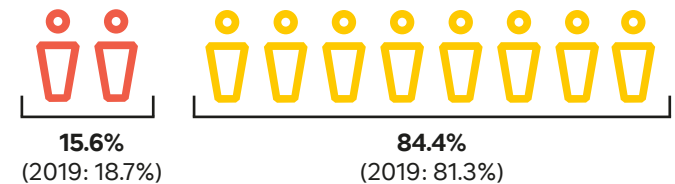
### UPPER QUARTILE



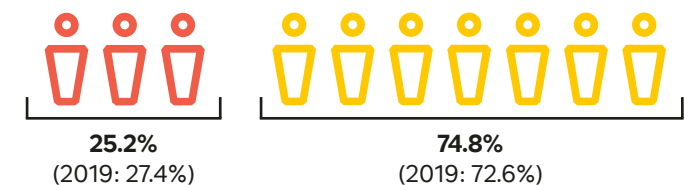
### UPPER MIDDLE QUARTILE



### LOWER MIDDLE QUARTILE



### LOWER QUARTILE



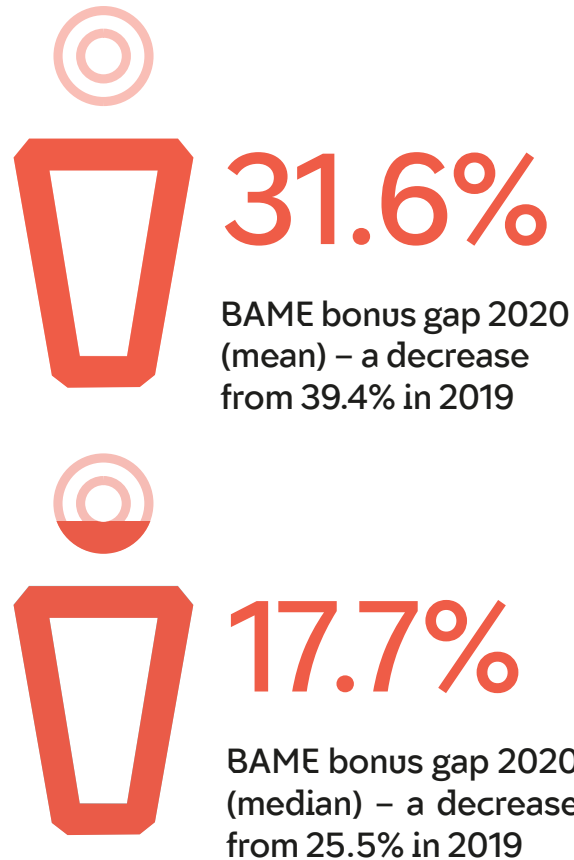


## BAME bonus gap at Channel 4

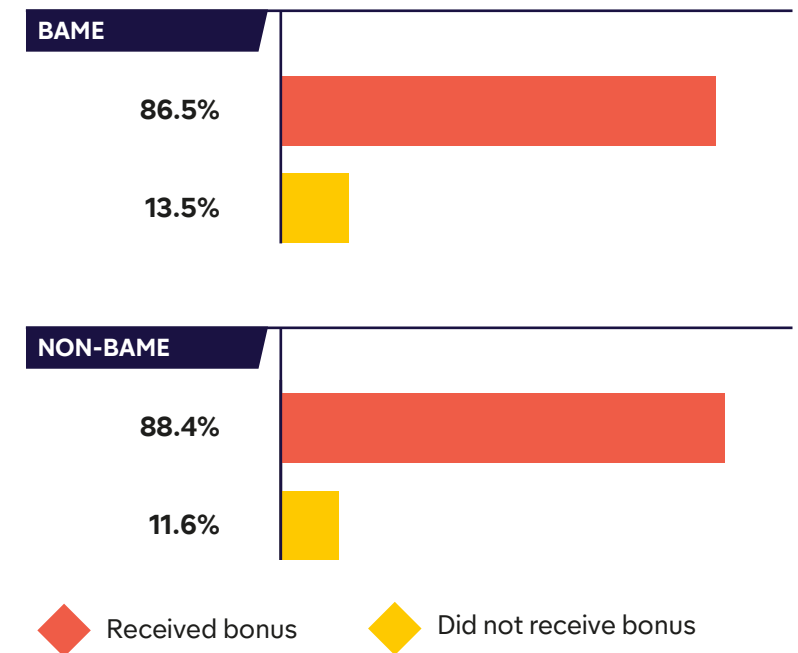
Based on the average gross bonus paid, the BAME bonus gap at Channel 4 is 31.6% (mean) and 17.7% (median). These have both decreased significantly, by 7.8 percentage points each, compared to 2019.

As with the gender bonus gap, the BAME bonus gap is primarily due to the lower representation of BAME people in senior positions that attract higher bonus rates: bonuses can be up to 10% of total gross salary for staff; 20% for Heads of Department; and between 30% and 50% for the Executive team.

The proportion of BAME employees (86.5%) who received bonus pay in the 12 months to 31 March 2020 is comparable to the proportion of non-BAME employees (88.4%).



Proportion of Channel 4 employees that received a bonus



# Disability

# Disability pay at Channel 4

Channel 4 has recorded a considerable increase in its mean disability pay gap, from -0.4% in 2019 to 12.6% in 2020. However, the median pay gap has decreased, from 7.6% in 2019 to 5.2% in 2020.

As the number of employees with disabilities is relatively small compared to the overall number of employees (10.7% of Channel 4 employees report having a disability), the pay gap can be significantly influenced by small changes in staff numbers. (For example, if a highly-paid employee with disabilities leaves the business, this can have a significant effect on the pay gap.)

While the mean pay gap has increased, the median pay gap has decreased, from 7.6% in 2019 to 5.2% in 2020. This suggests that the distribution of employees with disabilities has improved overall.

While there is a slightly higher representation of staff with disabilities in the lower quartile, overall the proportion of staff with disabilities is fairly consistent and reflective of the organisation.

**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 gender pay gap. The data is based on 84.8% of our workforce self-reporting whether they have a disability or not. The 15.2% of our workforce who have not disclosed this information have been excluded from our calculations.

10.1%

of employees have a disability

12%

Target of 12% of staff with disabilities across Channel 4 by 2023

## Disability pay at Channel 4 (continued)

### The Valuable 500 commitments

As part of our ongoing commitment to disability inclusion, Channel 4 has recently signed a commitment to [The Valuable 500](#), with three specific commitments to action:

1

#### **Disability leadership reporting and workforce targets**

We report our disability 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. We have made a commitment to doubling our workforce disability target from 6% to 12% by 2023.

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 staff feel able to share when they have a disability. We will create a new campaign to help us achieve that, which will also have the positive additional impact of creating more role models.

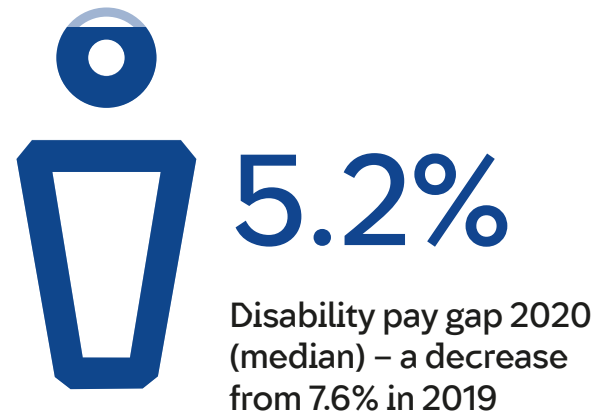
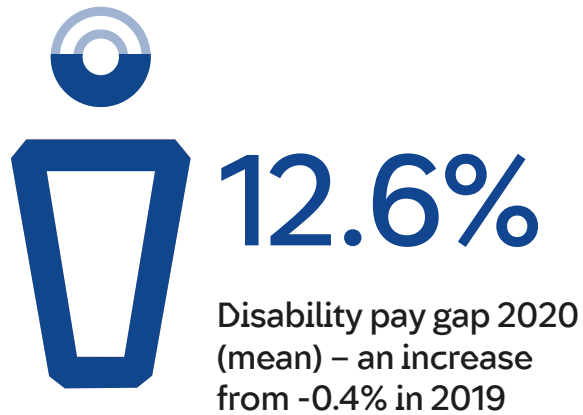
3

#### **4Talent initiatives**

Following on from the successful Rio Production Training Scheme in 2016, 14 disabled trainees have been placed with independent production companies around the UK. We have had to make adjustments given the impact of Covid-19 and the postponement of the Tokyo Paralympic Games and will offer contract extensions to all Apprentices affected, to ensure they still get maximum value out of the scheme. Additionally, we are exploring the possibility of giving some of the Trainees the opportunity to work on Channel 4's Tokyo Paralympic Games coverage upon successful completion of their training.



## Disability pay at Channel 4 (continued)

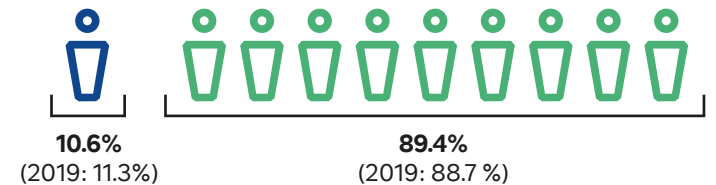


Channel 4 has a greater proportion of staff with disabilities than any other public service broadcaster

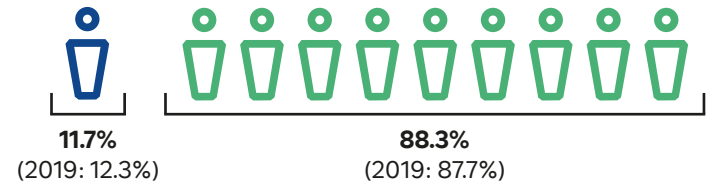
Proportion of staff with a disability and with no disability by quartile

● **WITH A DISABILITY**  
● **NO DISABILITY**

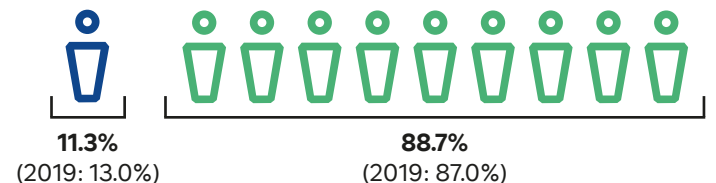
### UPPER QUARTILE



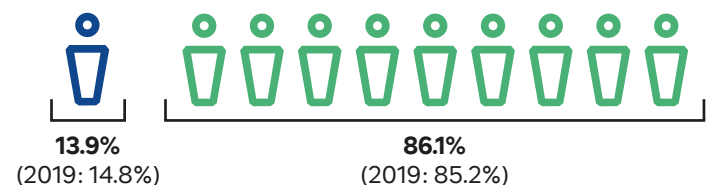
### UPPER MIDDLE QUARTILE



### LOWER MIDDLE QUARTILE



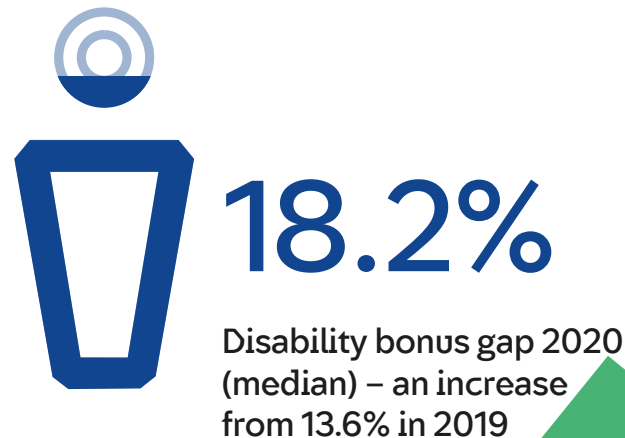
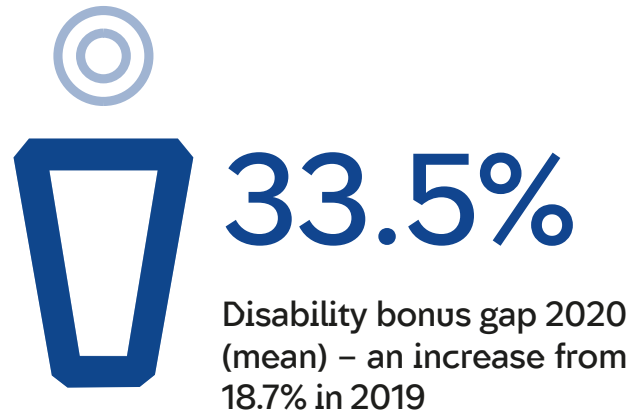
### LOWER QUARTILE



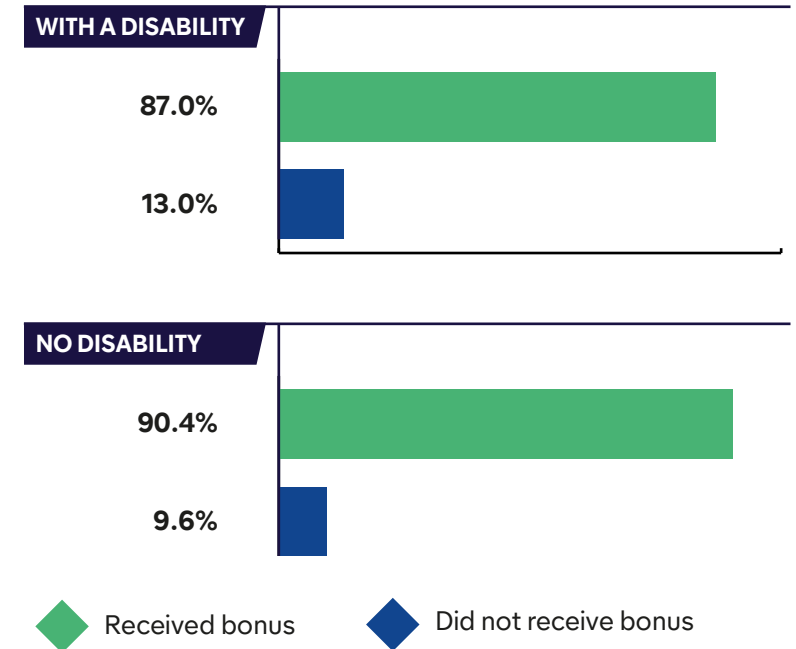
## Disability bonus gap at Channel 4

Based on the average gross bonus paid, the disability bonus gap at Channel 4 is 33.5% by mean and 18.2% by median. This is an increase compared to 2019's disability bonus gap of 18.7% by mean and 13.6% by median average. The increase is primarily due to the departure of disabled employees who were previously in the upper quartile.

The bonus gap is primarily due to the lower representation of people with disabilities in senior positions that attract the highest bonus rates: bonuses can be up to 10% of total gross salary for staff; 20% for Heads of Department; and between 30% and 50% for the Executive team.



Proportion of Channel 4 employees that received a bonus



# LGBT+

# LGBT+ pay at Channel 4

Channel 4 has an LGBT+ pay gap of 10.6% by mean and -0.7% by median. This is a substantial reduction on the 2019 LGBT+ pay gaps of 17.7% by mean and 8.1% by median.

While we maintain a pay gap in the mean average, the lack of a pay gap in the median average suggests a relatively even distribution of pay across Channel 4, with some outliers in the highest and lowest-paid roles.

We will continue to monitor our LGBT+ pay gap in order to maintain parity.

**Note:** There is no official guidance in place regarding the calculation of an LGBT+ pay gap, therefore we have used the same methodology as for our gender pay gap. The data is based on 87.7% of our workforce self-reporting their sexual preference. The 12.3% of our workforce who have not disclosed their sexual preference have been excluded from our calculations.

7.7%

of our employees report themselves as LGBT+

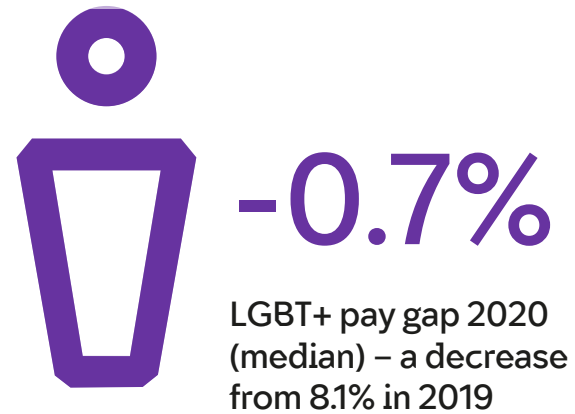
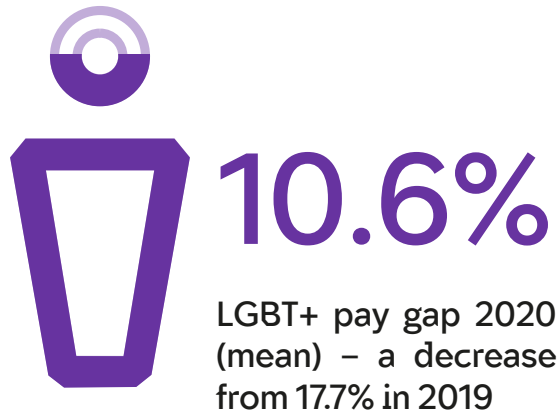
6%

Target of 6% LGBT+ employees across Channel 4 by 2020





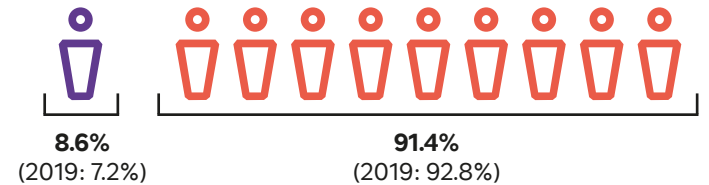
## LGBT+ pay at Channel 4 (continued)



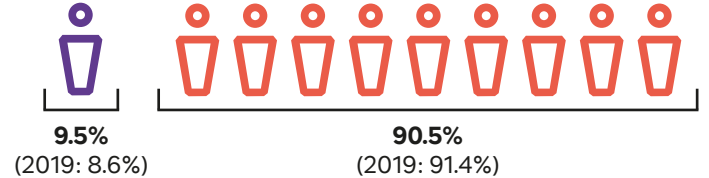
Proportion of LGBT+ and non-LGBT+ employees by quartile

● LGBT+  
● NON-LGBT+

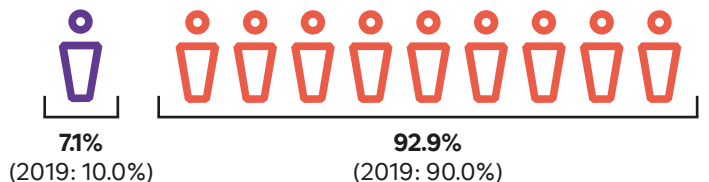
### UPPER QUARTILE



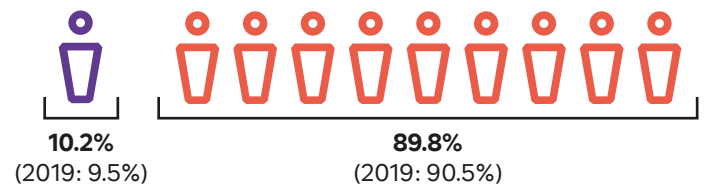
### UPPER MIDDLE QUARTILE



### LOWER MIDDLE QUARTILE



### LOWER QUARTILE

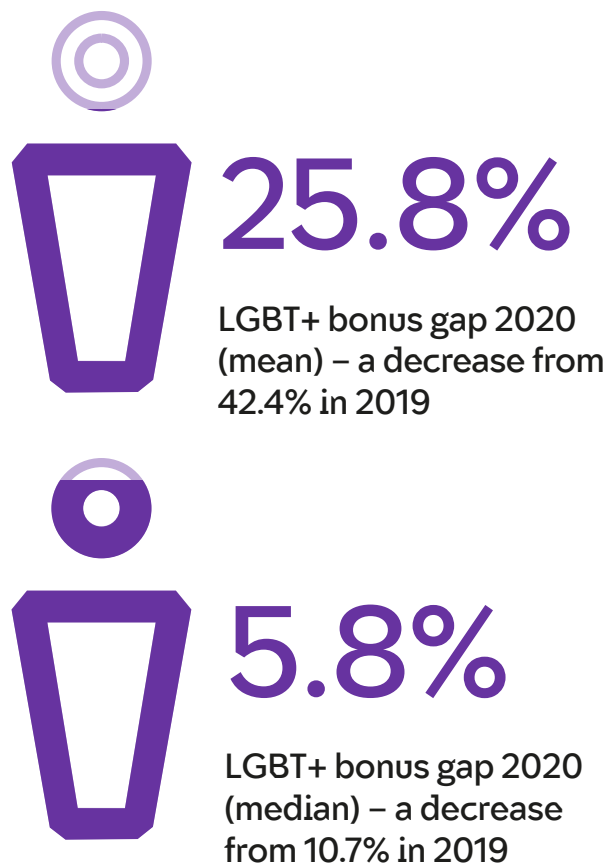


## LGBT+ bonus gap at Channel 4

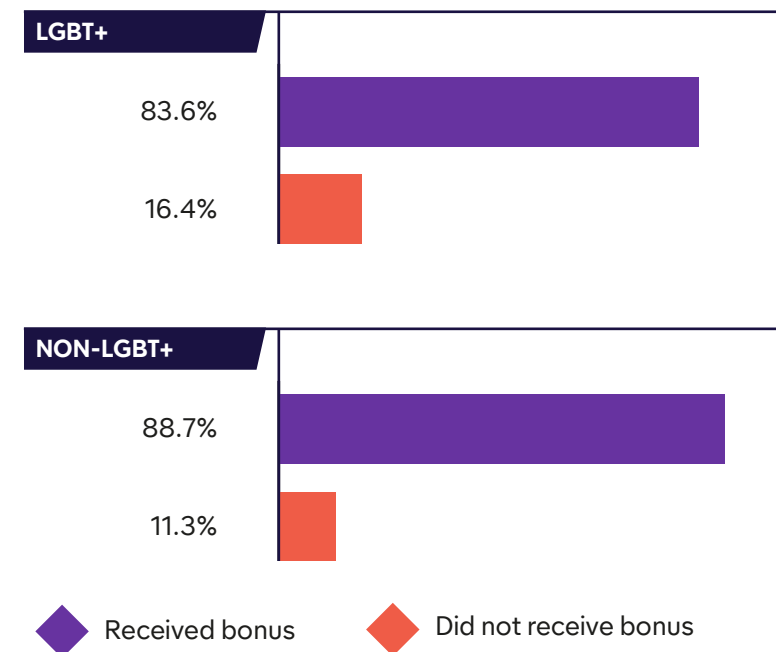
Based on the average gross bonus paid, the LGBT+ bonus gap at Channel 4 is 25.8% by mean and 5.8% by median. This is considerably lower than the gap in 2019 of 42.4% by mean and 10.7% by median. The reduction is in line with the significant reduction in the LGBT+ pay gap.

The difference between the mean bonus gap and the median bonus gap indicates that there are a small number of highly-paid non-LGBT+ staff who are driving the relatively high mean average. This has little impact on the distribution of our staff, therefore the median bonus gap is much lower.

Our analysis of the LGBT+ bonus gap also found that a slightly lower proportion of LGBT+ employees (83.6%) received bonus pay in the 12 months to 31 March 2020, compared to non-LGBT+ employees (88.7%). This is due to a small number of LGBT+ people joining Channel 4 outside of the eligible bonus period.



Proportion of Channel 4 employees that received a bonus



# **Channel Four Television Corporation**

Basis of Preparation  
for Pay Report 2020



# 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 2020. The reporting covers the 12-month period to 31 March 2020.

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 (Advisory, Conciliation and Arbitration Service) on [Managing Gender Pay Gap Reporting, February 2019](#). Channel 4 has established objective measurement techniques, including appropriate estimates and assumptions, where relevant.

## Scope

Unless otherwise indicated, the pay gap calculations include all of Channel 4's operations covering the 12-month period to 31 March 2020.

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 2020.

## 1. Employees

The pay gap reporting covers all relevant employees of Channel 4 on the snapshot date of 31 March 2020. 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. Whilst freelancers (contractors) were included as relevant employees in the 2019 Basis of Preparation document, since the 2019 report, all freelancers were outsourced to a third party agency and as such are no longer considered relevant employees for the purposes of the pay gap calculations.

## 2. Diversity

Diversity is wide-ranging, however for the Channel 4 Pay Report 2020, 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.

### BAME

#### (Black, Asian and Minority Ethnic):

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 BAME for the purposes of Channel 4's BAME pay gap calculations.

All other individuals, except for 'Prefer not to say' are considered to be Non-BAME for the purposes of the pay gap calculations. Those who 'Prefer not to say' are excluded from the calculations.

## Definitions (continued)

### Sexual orientation:

Overall this is defined as Lesbian, Gay, Bisexual and Trans (LGBT+). 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 LGBT+ for the purposes of Channel 4's LGBT+ pay gap calculations.

All other individuals, except for 'Prefer not to say' are considered to be Non-LGBT+ for the purposes of the pay gap calculations. Those who 'Prefer not to say' are excluded from the calculations.

### 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 calculations.

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

Employee's 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 2020, '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 2020:

### 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

### BAME/Non-BAME:

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

### LGBT+/Non-LGBT+:

- Mean LGBT+ pay gap in hourly pay
- Median LGBT+ pay gap in hourly pay
- Mean bonus LGBT+ pay gap
- Median bonus LGBT+ pay gap
- Proportion of LGBT+ and non-LGBT+ receiving a bonus payment
- Proportion of LGBT+ and non-LGBT+ 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.