



Channel Four Television Corporation
Pay Report 2021

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 2021.

Driven by our commitment to inclusion and diversity, we have also chosen to again publish our ethnically diverse, disability and LGBTQ+ pay gaps and bonus gaps, which we started to do in 2019. This allows us to track our progress and help set the actions that we will take to reduce the diverse groups' pay gaps in the organisation.

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www.channel4.com/corporate

Foreword

Channel 4's unique purpose is to create change through entertainment. This applies to our output and activities as a public service broadcaster but, importantly, it also shapes how we work as an organisation and our impact as a major force in the creative industries.



At Channel 4, we aim to offer our people the chance to do the very best work of their career. We give them the chance to learn and grow on the job, supporting them with opportunities for learning and development. Our philosophy is to focus on what people need, when they need it.

Measuring ourselves is crucial to our success in achieving this. The annual pay report helps us to identify where we need to focus our efforts and enact further change.

The pandemic continued to impact our activities in 2021. This includes a lower level of staff turnover, especially in senior roles, which has resulted in less movement in our pay gaps. We made good progress in reducing the pay gaps in some areas, but not in every demographic. There is much more that we need to do to improve the differences that currently exist in terms of pay gap reporting.

Pay gaps

In 2021, the mean gender pay gap reduced by 1.9 percentage points year on year, to 19.6%. This is down one-third since 2017. There are nearly twice as many women than men in the lower quartile, which affects women's hourly pay rate. This, combined with a higher representation of men in the upper quartiles, is the most significant cause for the gender pay gap. We have made steady progress but more work needs to be done.

A key part of this work is to increase the number of women in our top 100 earners.



Everyone at Channel 4 is determined to make it one of the most inclusive workplaces in the UK. We want to drive lasting, positive change with and across the creative industries and throughout the UK.

Foreword (continued)

I am pleased to report this has increased to 48 women at the end of 2021 – up from 44 in 2020 and, more significantly, up from 34 people in the last five years. Increasing the progression of women into more senior roles has the most substantial impact on reducing our gender pay gap, so this remains a key priority for Channel 4.

We continue to voluntarily disclose the other key demographic pay gaps. In 2021, although we maintained the mean ethnically diverse pay gap at 15.3%, the median ethnically diverse pay gap decreased from 12.4% in 2020 to 10.3% in 2021.

We recruited a significant number of new roles during the year, and we were pleased that these attracted many diverse candidates. However, as these were primarily entry-level roles, this has had the effect of increasing our mean disability and LGBTQ+ pay gaps in 2021, to 17.4% and 14.9%, respectively. In addition, as a relatively small population of our overall staff composition, changes in headcount among these two groups can have a significant impact on the pay gap.

This report also includes the key actions that we are taking to further decrease our pay gaps across all demographic groups, which form just a part of what we are doing to become a fully inclusive organisation.

While we do not report socioeconomic pay data, this demographic group is a key priority for Channel 4. Socioeconomic diversity, and bringing new voices into the industry (as well as into our own organisation), is a key focus area for us. Our 4Skills programme – which aims to turbocharge our efforts to find, nurture and develop talent in the Nations and Regions – is already helping to address skills gaps and helping those in the industry to progress their careers.

Everyone at Channel 4 is determined to make it one of the most inclusive workplaces in the UK. We want to drive lasting, positive change with and across the creative industries and throughout the UK. Standing for the under-represented, challenging stereotypes and promoting diversity and inclusion is at the heart of what we do and why Channel 4 exists.

Alex Mahon

Chief Executive
20 January 2022



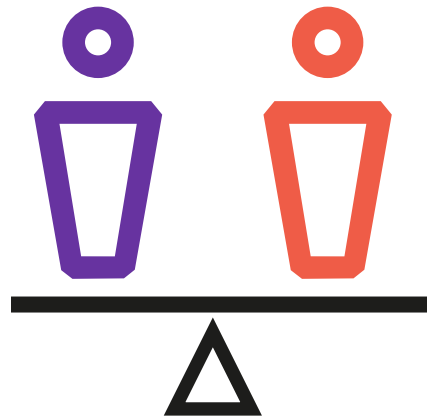
In 2021, the mean gender pay gap reduced by 1.9 percentage points year on year, to 19.6%.

Our pay gap action plan

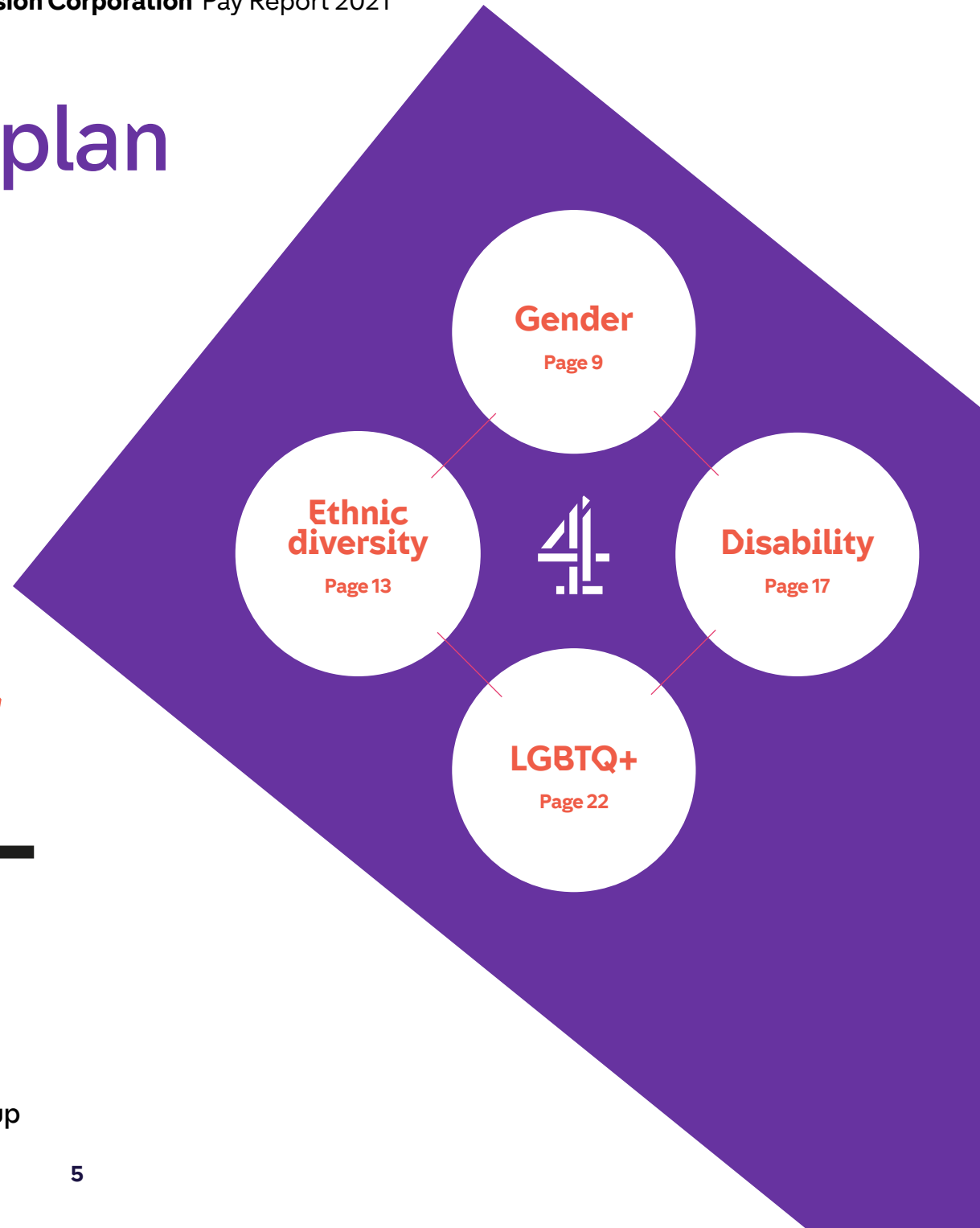
Everyone should have equal opportunity to develop and progress at work. Everyone should feel like they belong. Our action plan – published in 2019 – is centred on rebalancing our organisation to ensure that our diverse employees are represented fairly at all levels of seniority and pay.

This plan builds on our long track record of championing diversity and contains ambitious targets for the make-up 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. Currently women make up 48% 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 (2019): 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 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.

2021 focus: We have combined our dashboard data with feedback from exit interviews and engagement surveys. This is giving us insights and trends, ensuring we are able to put appropriate actions into place.

2 Balancing the organisation

Objective (2019): 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.

2021 focus: We are developing a career and reward framework to help Channel 4 identify and target the areas of the organisation where a better demographic balance would have the highest impact on the pay gaps.

Our pay gap action plan (continued)

3 Demystifying the pay gap

Objective (2019): 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.

2021 focus: Continuing to conduct a series of 'lunch and learn' sessions for all employees, in order to demystify the pay gap.

4 Performance management

Objective (2019): Developing a more 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.

2021 focus: In 2021, employees linked their objectives to Channel 4's Future4 strategy, which were reviewed mid-year and at year-end.

5 Increased transparency

Objective (2019): Putting into place an efficient transparent reward strategy, including a recognition scheme (Thanks4).

Impact: This will help to ensure equal pay and helps employees to better understand progression and promotion routes.

2021 focus: We are developing a reward framework to provide transparency and expanded talent reviews to the management level, we have developed succession plans and increased the opportunity to achieve greater diversity in the talent pipeline, especially for senior management.

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 – including our women’s network 4Women, our ethnically diverse network The Collective, our LGBTQ+ 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 & 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 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 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.



At Channel 4, we aim to offer our people the chance to do the very best work of their career in the broadcast sector.

Alex Mahon
Chief Executive



Gender

Gender pay at Channel 4

Channel 4 has reduced its mean gender pay gap by -1.9 percentage points year on year, to 19.6%. Our median gender pay gap has also reduced by 2.5 percentage points, to 20.5%. We are pleased to have reduced the gender pay gap this year, but it remains significantly higher than what we would like.

Among our top 100 earners, the number of women has increased to 48 at the end of 2021, up from 44 women in 2020 (and up from 34 women when we started reporting this metric, 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.

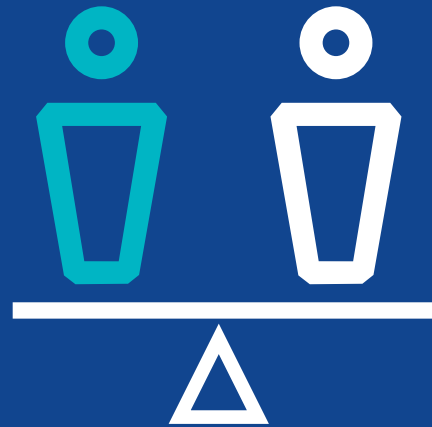
There are two primary factors that explain our gender pay gap:

- 1 We have nearly 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 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.

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.

We are confident that male and female employees are paid the same for like work.

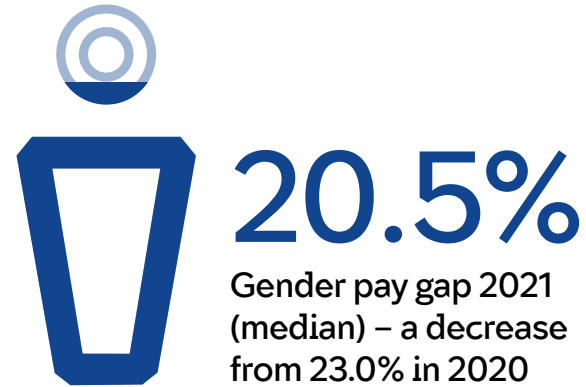
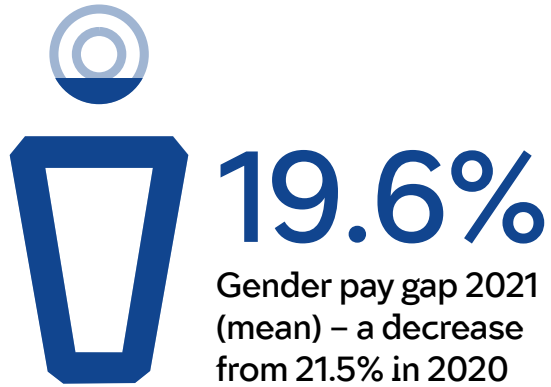


Target of 50-50 gender split across the top 100 paid by 2023

48

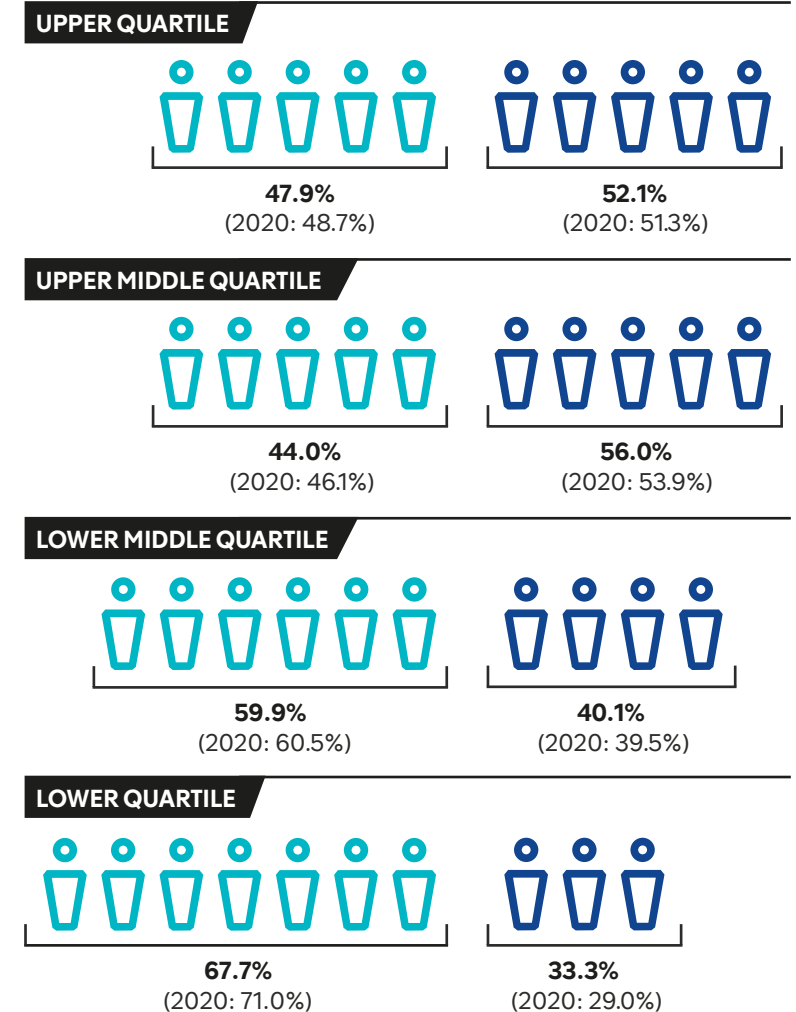
women in the top 100 paid – this is an increase from 44 women in 2020, 43 women in 2019, 41 women in 2018 and 34 women in 2017

Gender pay at Channel 4 (continued)



Proportion of female and male employees by quartile

● WOMEN
● MEN



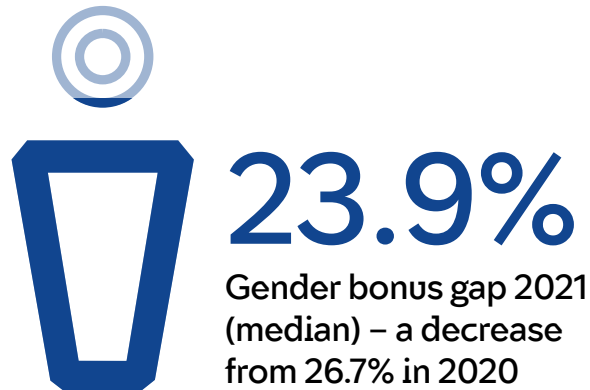
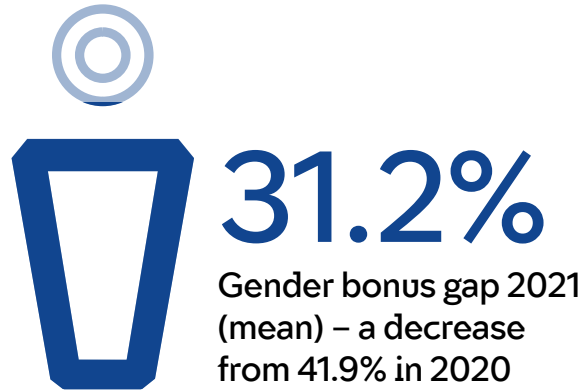
Gender bonus gap at Channel 4

Based on the average gross bonus paid, the mean gender bonus gap has decreased significantly from 41.9% in 2020 to 31.2% in 2021. The median bonus gap has also decreased from 26.7% in 2020 to 23.9% in 2021.

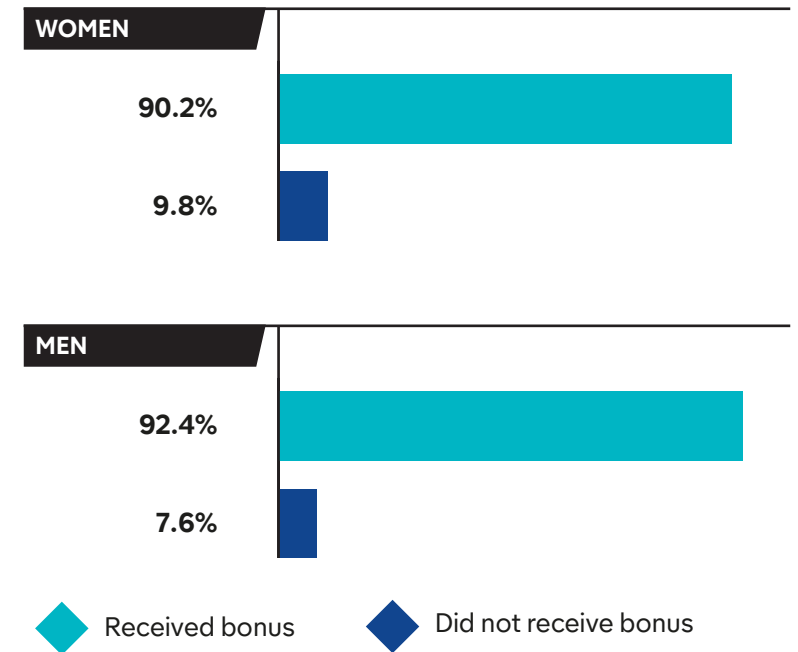
Men and women at Channel 4 are offered the same opportunities to receive bonuses, but there continues to be more men in senior positions with higher bonus rates: bonuses can be up to 10% of total gross salary for staff; 20% for Heads of Department; and between 30% and 50% for the Executive team. (Our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

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 pro-rated equivalent amount).



Proportion of Channel 4 employees that received a bonus



Ethnic diversity

Ethnically diverse pay at Channel 4

Channel 4 maintained its mean ethnically diverse pay gap at 15.3% in 2021, but reduced its median ethnically diverse pay gap by 2.1 percentage points to 10.3%.

We are pleased to have reduced the median ethnically diverse pay gap this year, as this signifies an improved distribution of pay across the quartiles.

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 are 17 ethnically diverse staff in our top 100 earners (at the end of 2021), which is an increase from ten employees when we started measuring this and 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 lower-earning jobs, particularly administrative functions. The lower quartile is 26.2% 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: There is no official guidance in place regarding the calculation of an ethnically diverse pay gap, therefore we have used the same methodology as for our gender pay gap. The data is based on 95.0% of our workforce self-reporting their ethnicity. The 5.0% of our workforce who have not disclosed their ethnicity have been excluded from our calculations.

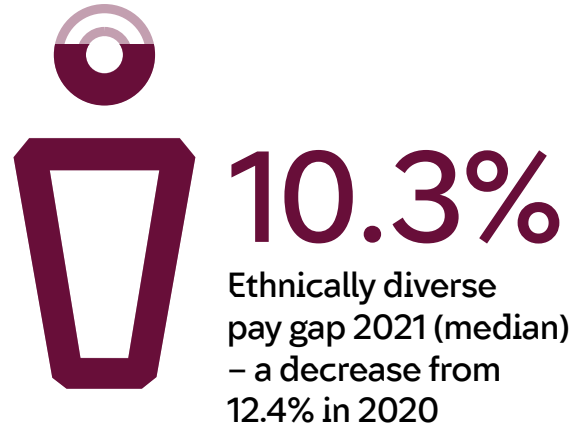
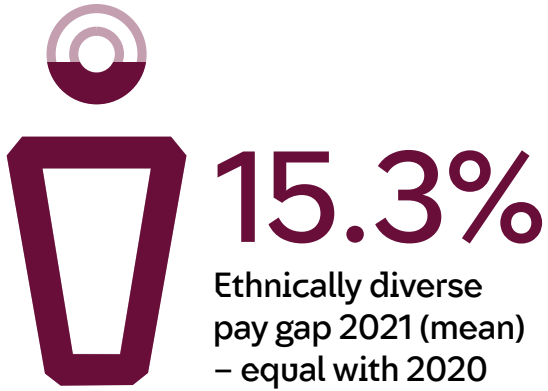
18%

of total employees are ethnically diverse, and there are 17 ethnically diverse employees within our top 100 paid employees

20%

Target of 20% ethnically diverse staff across Channel 4 and in our top paid by 2023

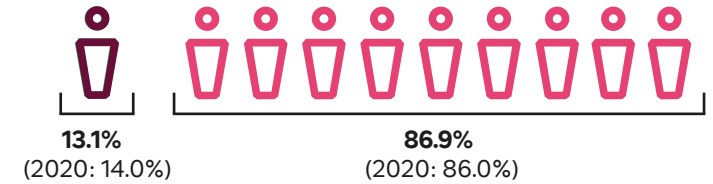
Ethnically diverse pay at Channel 4 (continued)



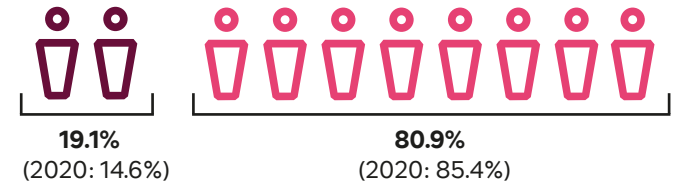
Proportion of ethnically diverse and non-ethnically diverse employees by quartile

● ETHNICALLY DIVERSE ● NON-ETHNICALLY DIVERSE

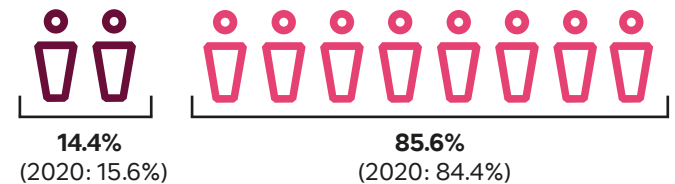
UPPER QUARTILE



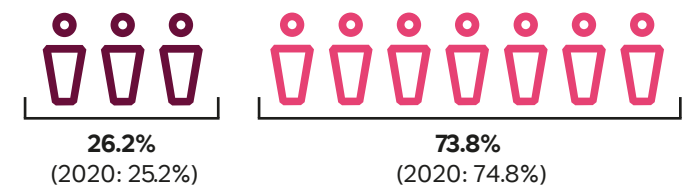
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



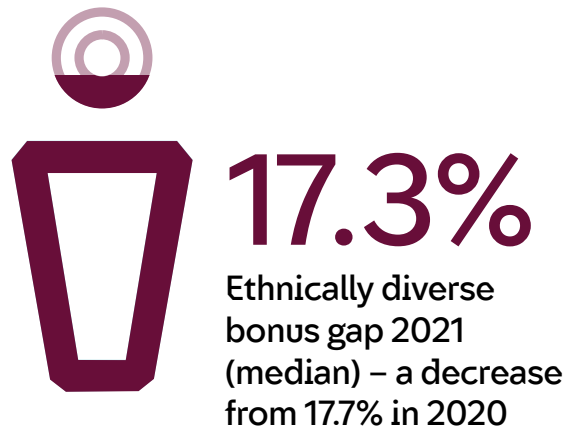
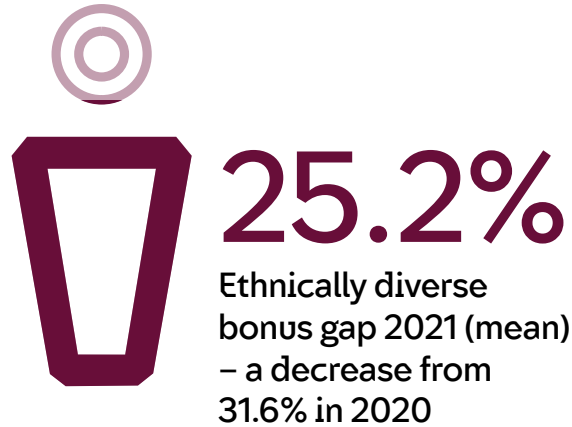
Ethnically diverse bonus gap at Channel 4

Based on the average gross bonus paid, the ethnically diverse bonus gap at Channel 4 is 25.2% (mean) and 17.3% (median). The mean bonus gap has decreased significantly year on year, by 6.4 percentage points. The median bonus gap has also decreased, by 0.4 percentage points.

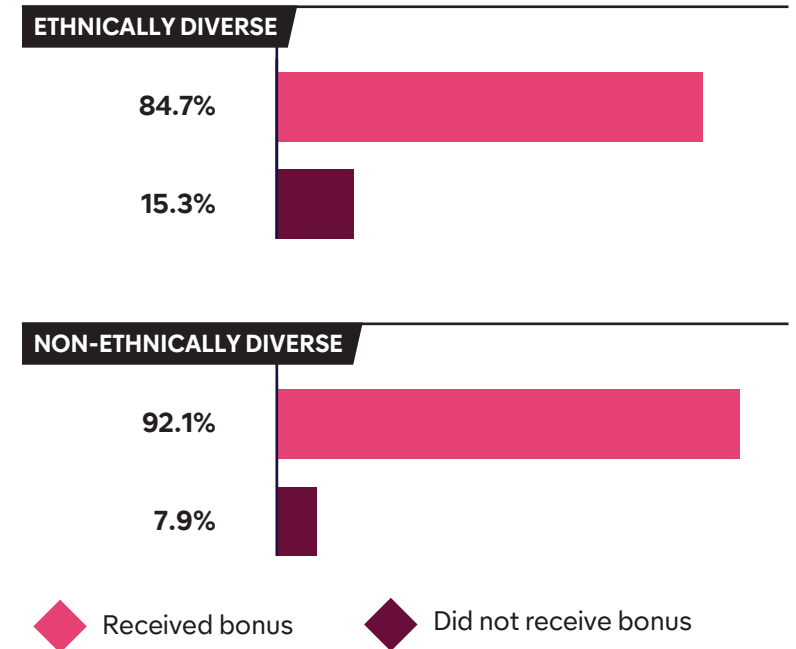
The decrease in the ethnically diverse bonus gap is due to a higher proportion of ethnically diverse staff in the upper-middle quartile (+4.6% year on year), which has resulted in a higher average bonus among this population and a lower overall gap.

Nevertheless, 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 staff; 20% for Heads of Department; and between 30% and 50% for the Executive team.

The proportion of ethnically diverse employees (84.7%) who received bonus pay in the 12 months to 31 March 2021 is lower than the proportion of non-ethnically diverse employees (92.1%). This is due to a number of ethnically diverse people joining Channel 4 outside of the eligible bonus period.



Proportion of Channel 4 employees that received a bonus



Disability

Disability pay at Channel 4

Channel 4 has recorded an increase in its mean disability pay gap, from 12.6% in 2020 to 17.4% in 2021. The median pay gap has increased slightly, from 5.2% in 2020 to 5.4% in 2021.

Disabled employees make up a relatively small population of Channel 4's overall staff composition (11%) and therefore changes in headcount can have a significant impact on the pay gap.

In 2021, high recruitment activity amongst disabled people into entry-level jobs increased the number of disabled employees in the lower pay quartiles. This had a significant impact on increasing the disability pay gap relative to 2020. Had we not hired these new staff, the mean disability pay gap for 2021 would have decreased year on year.

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 87% of our workforce self-reporting whether they have a disability or do not have a disability. The 13% of our workforce who have not disclosed this information have been excluded from our calculations.

11%

of employees
have a disability

12%

Target of 12% of
disabled staff across
Channel 4 by 2023

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:

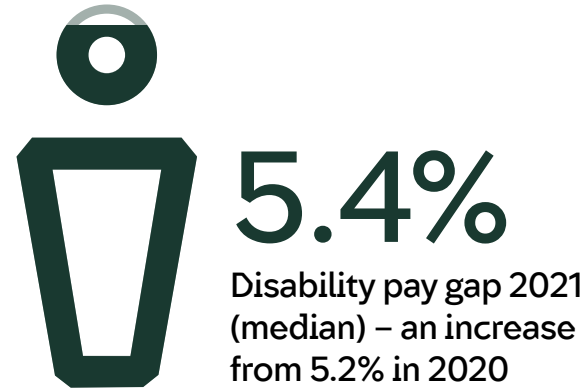
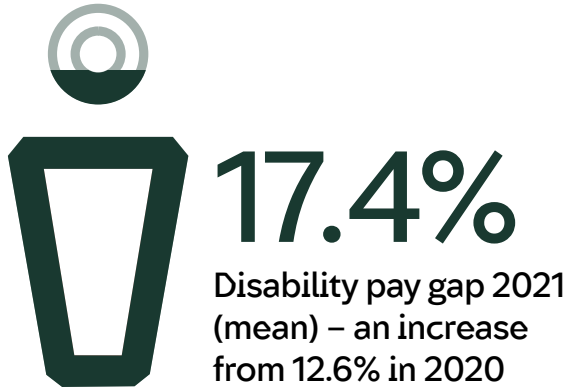
1 Disability leadership reporting and workforce targets
We report our disability data to the Channel 4 Board on a quarterly basis and have introduced a new real-time diversity reporting tool at leadership level which looks at representation, attrition, and pay gaps broken down by departments, which allows 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 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
Channel 4 has relaunched the successful '4Talent' programme under the new '4Skills' umbrella. 4Skills – which aims to turbocharge efforts to find, nurture and develop talent in the Nations and Regions – is attracting people from diverse backgrounds into broadcasting and production, addressing skills gaps and helping those who are already in the industry to progress their careers. It is building upon existing talent schemes and is increasing Channel 4's overall impact further.

In addition, Channel 4 has launched a refreshed creative diversity, '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)

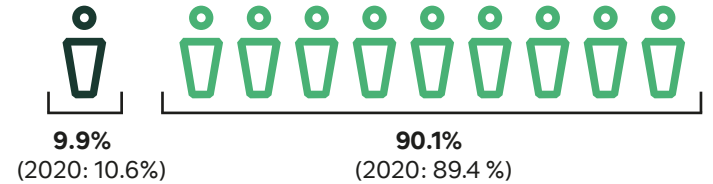


By 2023, Channel 4 is committed to doubling its workforce disability target from 6% to 12%

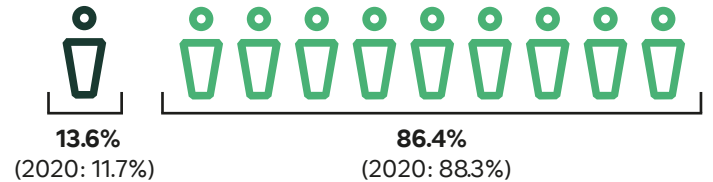
Proportion of disabled staff and staff with no disability

● WITH A DISABILITY
● NO DISABILITY

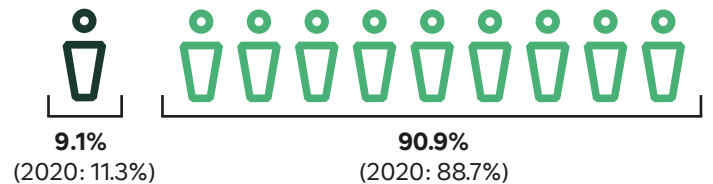
UPPER QUARTILE



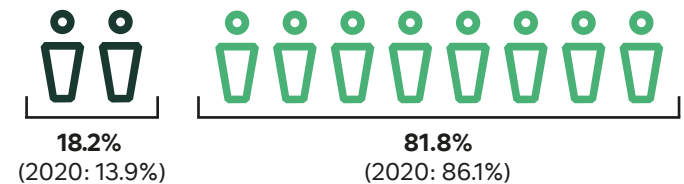
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



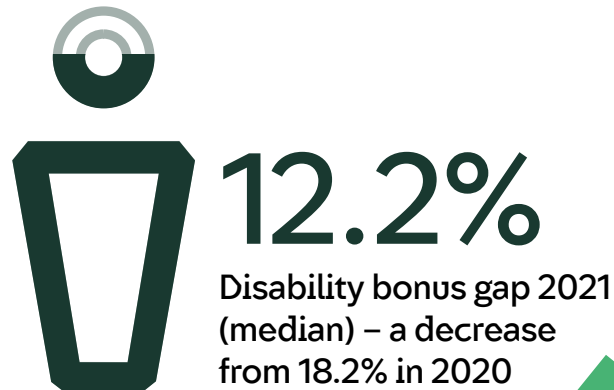
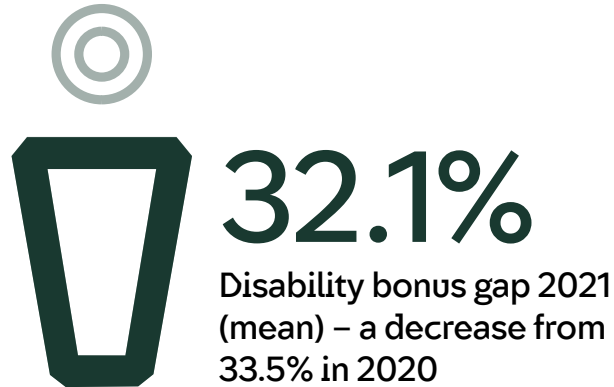
LOWER QUARTILE



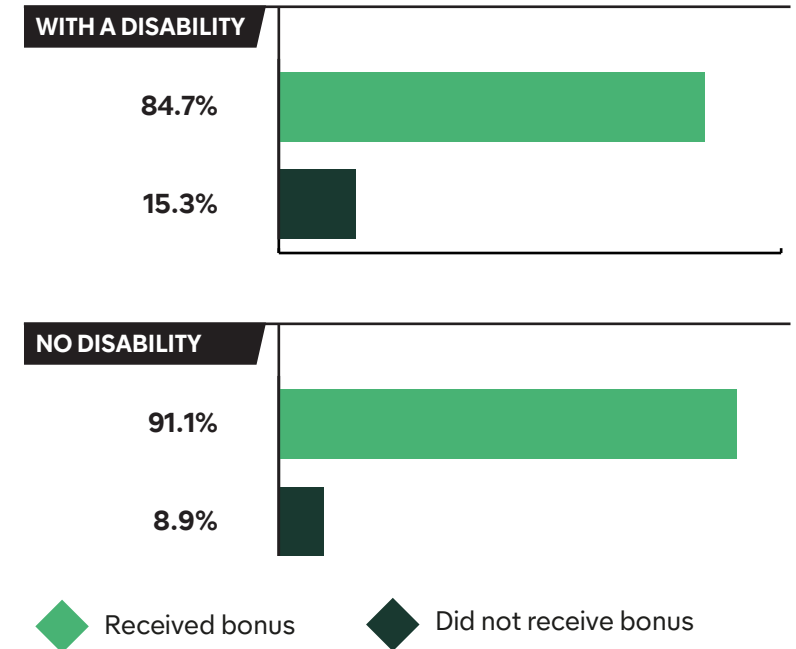
Disability bonus gap at Channel 4

Based on the average gross bonus paid, the disability bonus gap at Channel 4 is 32.1% by mean and 12.2% by median. This is a decrease compared to 2020's disability bonus gap of 33.5% by mean and 18.2% by median average.

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 staff; 20% for Heads of Department; and between 30% and 50% for the Executive team.



Proportion of Channel 4 employees that received a bonus



LGBTQ+

LGBTQ+ pay at Channel 4

Channel 4 has an LGBTQ+ pay gap of 14.9% by mean and 8.4% by median. This is an increase on the 2020 LGBTQ+ pay gaps of 4.3 and 9.1 percentage points, respectively.

Note: There is no official guidance in place regarding the calculation of an LGBTQ+ pay gap; therefore we have used the same methodology as for our gender pay gap. The data is based on 87% of our workforce self-reporting their sexual preference. The 13% of our workforce who have not disclosed their sexual preference have been excluded from our calculations.

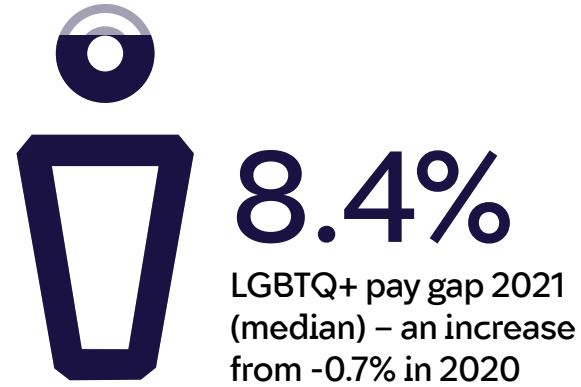
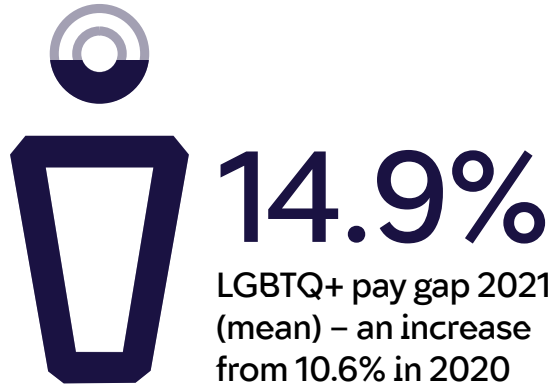
The gaps are primarily driven by the over representation of LGBTQ+ staff in the lower quartile, following significant recruitment activity into entry-level positions, as well as the departure of a small number of LGBTQ+ staff from the upper quartile.

As LGBTQ+ staff make up a relatively small population of Channel 4's overall staff composition (9%), changes in headcount can have a significant impact on the pay gap.

9%

of our employees report themselves as LGBTQ+

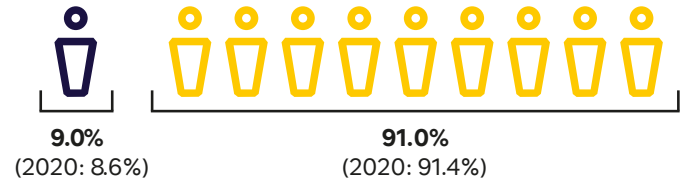
LGBTQ+ pay at Channel 4 (continued)



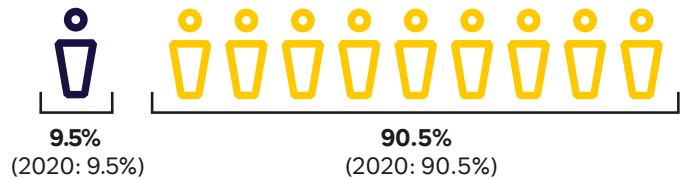
Proportion of LGBTQ+ and non-LGBTQ+ employees by quartile

● LGBTQ+
● NON-LGBTQ+

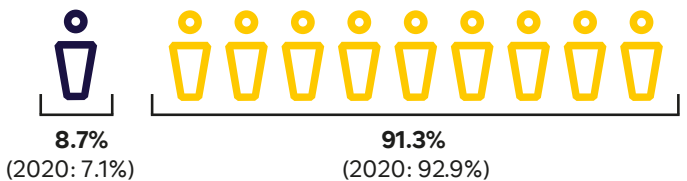
UPPER QUARTILE



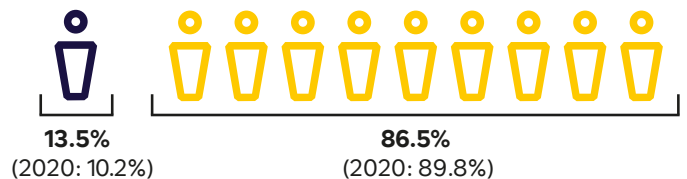
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE

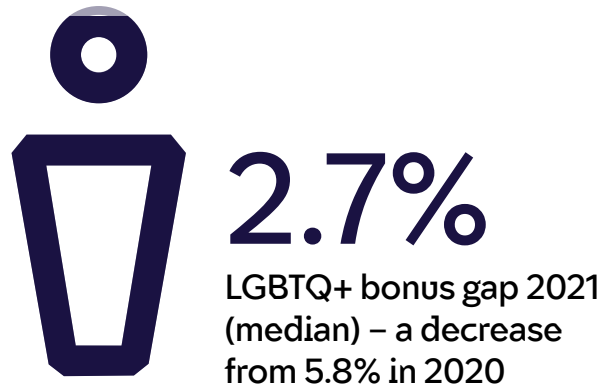
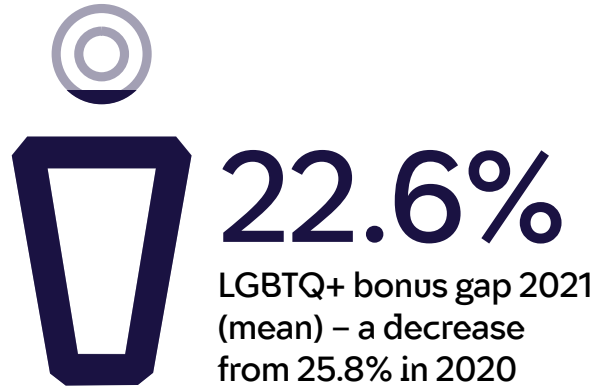


LGBTQ+ bonus gap at Channel 4

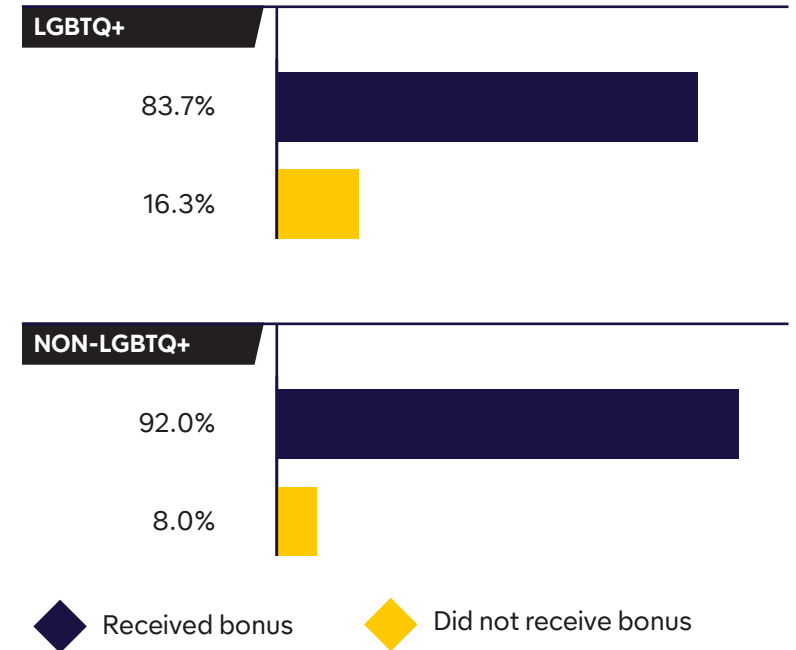
Based on the average gross bonus paid, the LGBTQ+ bonus gap at Channel 4 is 22.6% by mean and 2.7% by median. This is lower than the bonus gap in 2020 of 25.8% by mean and 5.8% by median.

The difference between the mean and median bonus gaps indicates that there are a small number of highly paid non-LGBTQ+ staff who are driving the relatively high mean average. This has little impact on the distribution of LGBTQ+ bonus payments, resulting in a substantially lower median bonus gap.

A lower proportion of LGBTQ+ employees (83.7%) received bonus pay in the 12 months to 31 March 2021, compared to non-LGBTQ+ employees (92.0%). This is due to a number of LGBTQ+ 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 2021



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 2021. The reporting covers the 12-month period to 31 March 2021.

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 2021.

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 2021.

1. Employees

The pay gap reporting covers all relevant employees of Channel 4 on the snapshot date of 31 March 2021. 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 2021, 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 calculations.

Definitions (continued)

Sexual orientation:

Overall this is defined as Lesbian, Gay, Bisexual, Trans and Queer (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 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 2021, '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 2021:

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.