



Channel Four Television Corporation
Pay Report 2022

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 2022.

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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www.channel4.com/corporate

Foreword

Diversity and inclusion have always been at the heart of what we do at Channel 4. We were set up to create change and be a different voice for the UK – and this applies within our own organisation and in our workforce.

Whether based in our offices in Leeds, London, Bristol Glasgow or Manchester, we want to offer opportunities for our people to learn, develop and grow on the job.

We're proud of the positive impact we've made, but we're always challenging ourselves to do better – we know that we can, and we will.



Pay gaps

The annual pay report is a key moment for us to measure and analyse this progress. In this report, we look at four key demographics: gender, ethnic diversity, disability and sexuality.

In 2022, the mean gender pay gap has reduced by 0.1 percentage points year on year, to 19.5%. While this is down one-third since 2017, the current imbalance is driven by the organisation having nearly two-thirds of female employees within the lowest quartile. This has a significant impact on our overall mean gender pay gap.

Our work on closing the gender pay gap is focused on the top of the organisation: growing the proportion of women in senior roles has the most substantial impact on reducing our gap. As of October 2022, we have 51 women in Channel 4's Top 100 paid – hitting our 2023 target of 50% early. I'm really proud of this. It's a significant improvement from when we started tracking this data five years ago, when women made up 34 out of the top 100 paid.

We have also continued to voluntarily share our other key pay gaps. In 2022, we have seen the mean ethnically diverse pay gap reduce by one-third, to 9.8% (down from 15.3% in 2021). With 18 ethnically-diverse employees in the top 100 paid, we're confident of achieving our target of 20% in 2023.

The disability pay gap has also reduced significantly, from 17.4% in 2021 to 13.8% in 2022. The LGBTQ+ pay gap has widened slightly, from 14.9% in 2021 to 15.6% in 2022, driven by an increase in the proportion of LGBTQ+



Whether based in our offices in Leeds, London, Bristol Glasgow or Manchester, we want to offer opportunities for our people to learn, develop and grow on the job

Foreword (continued)

employees in the lower-middle and lower quartiles.

However, while the data in this report follows the reporting guidance correctly, it doesn't paint the full picture due to a change in when Channel 4 pays its annual bonuses. With the 2022 bonus payment date being outside of the 2022 pay gap reporting window, it has led to our data – especially our bonus pay gaps – appearing higher than if we hadn't moved the date.

As a result, this year's data is unusual and does not reflect fully the progress that we've continued to make. We're confident that next year's report will be a more accurate reflection of our pay and bonus data.

This report includes the key actions that we're taking to further close our pay gaps, which form part of a wider programme of work across the organisation. Channel 4 is wholly committed to being a fully inclusive organisation. It's something I care deeply about and we're working hard to drive change – within Channel 4, but also across the wider creative industries.

To create change, it's vital that everyone – regardless of their gender, ethnicity, sexuality, ability or background – is recognised for their unique skills and abilities. Our priority is to enable them to be their true selves and support them to deliver the best work of their careers.

Alex Mahon
Chief Executive
5 October 2022



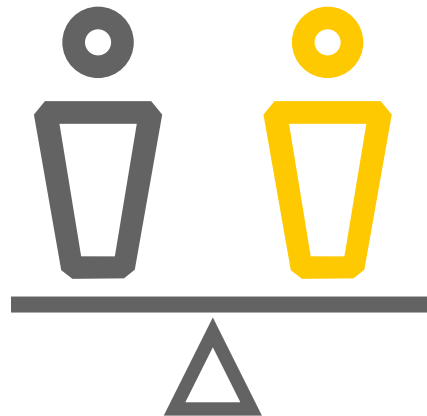
To create change, it's vital that everyone – regardless of their gender, ethnicity, sexuality, ability or background – is recognised for their unique skills and abilities. Our priority is to enable them to be their true selves and support them to deliver the best work of their careers

Our pay gap action plan

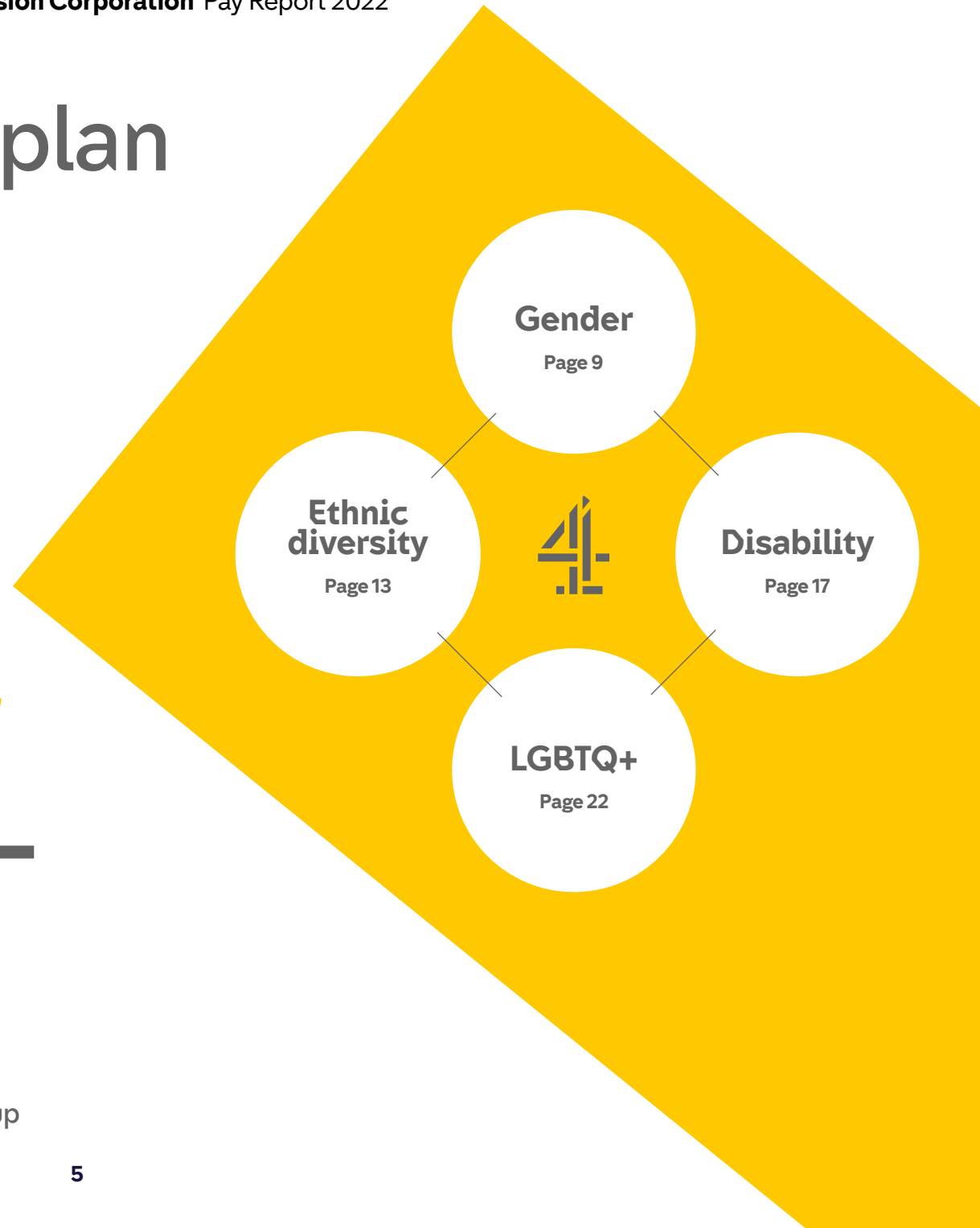
Everyone should have equal opportunity to develop and progress at work. Everyone should feel like they belong. Our action plan is centred on rebalancing our organisation to ensure that our diverse employees are represented fairly at all levels of seniority and pay.

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.



Channel 4 is targeting a 50-50 gender balance in the top 100 earners by 2023. Currently women make up 49% of this group



Gender

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Ethnic diversity

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Disability

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LGBTQ+

Page 22

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.

2022 focus We are continuing to embed Channel 4's pay framework across the organisation and, with the additional management information created by reporting on grades, we can build insights to target specific areas to improve pay gaps.

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.

2022 focus We continue to build the pipeline and we have an active development strategy to look at promotions from within Channel 4 first, if the right skills are available.

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.

2022 focus Continuing to communicate and explain the pay gaps across the organisation, including to new starters.

Our pay gap action plan (continued)

4 Performance management

Objective (2019) Developing a clear 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.

2022 focus We are continuing to embed pay performance through our performance management cycle. In addition to setting clear objectives, we have also defined what is expected at a grade, providing more clarity on what is expected from employees.

5 Increased transparency

Objective (2019) 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.

2022 focus Continuing to embed the pay framework to support transparency of pay for individuals. Our 'Thanks4' recognition scheme is in place and being actively used within the criteria.

6 Talent management Objective

Objective (2019) 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.

2022 focus We are continuing to embed the integrated performance management process further into the organisation and deploying active talent development plans.

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 inclusive gender network 4Womxn, our ethnically diverse network The Collective, our LGBTQ+ network 4Pride and our disability network 4Purple – to create a two-way dialogue and 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 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 continuously 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.



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 be their genuine selves

Alex Mahon
Chief Executive



Gender

Gender pay at Channel 4

In the last year, Channel 4 has improved the balance of its top two pay quartiles, which now stand 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.

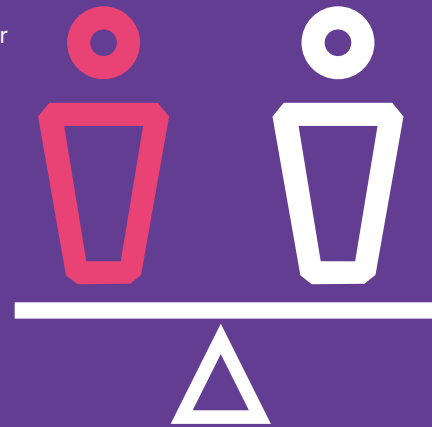
As a result, while Channel 4 has reduced its mean gender pay gap by -0.1 percentage points year on year, to 19.5%, our median gender pay gap has increased by 1.9 percentage points. This remains significantly higher than what we would like.

Overall, 58% of employees are women. Among our top 100 earners, the number of women has increased to 49 women in 2022, a significant increase from 34 women in 2017, when we introduced our action plan to improve the gender pay gap. Our 2023 target is for 50 women in the top 100.

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

- 1 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 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.

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



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

Equal pay

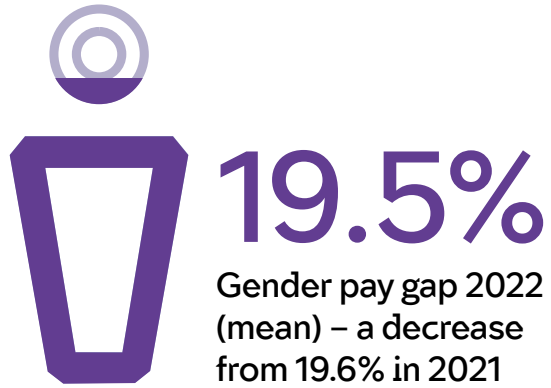
Gender pay is not the same as equal pay, which is a legal requirement to ensure that employees performing like work or work of equal value are treated the same.

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

49

women in the top 100 paid in 2022, a significant increase from 34 women in 2017, when we started measuring the gender pay gap

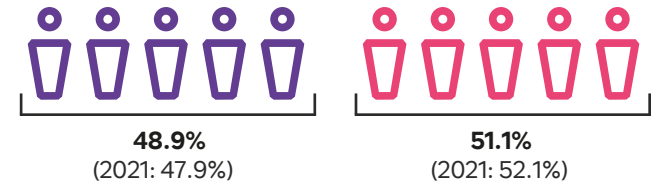
Gender pay at Channel 4 (continued)



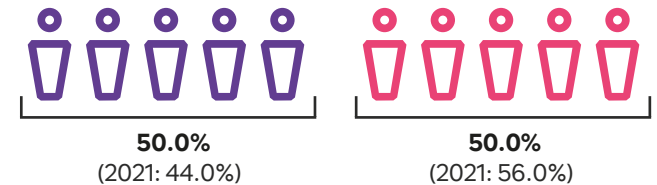
Proportion of female and male employees by quartile

● WOMEN
● MEN

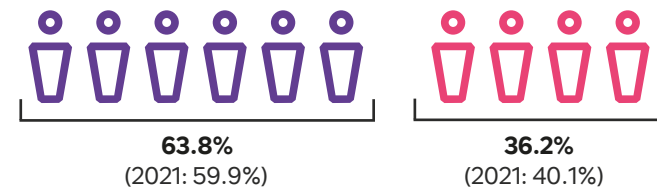
UPPER QUARTILE



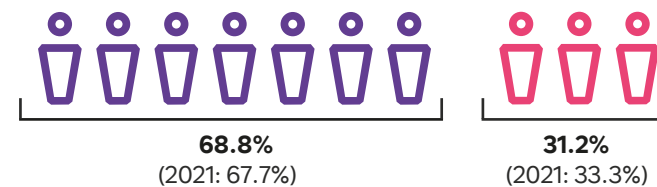
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



Gender bonus gap at Channel 4

Based on the average gross bonus paid, the mean gender bonus gap in 2022 was 36.9% and the median bonus gap was 17.3%.

It is important to note that a change in Channel 4's remuneration policy has had a considerable impact on these numbers – the year-on-year comparison is not like for like.

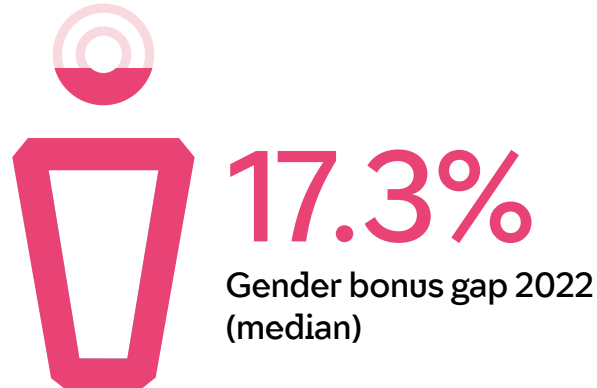
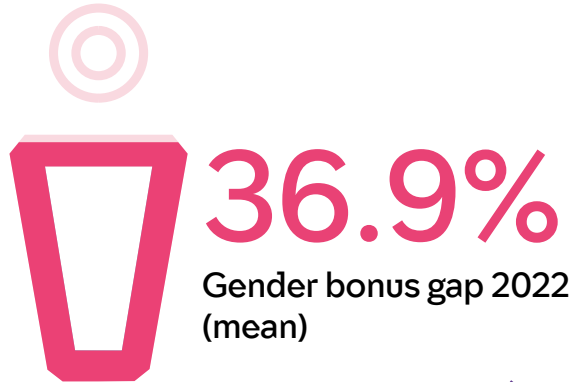
In 2022, Channel 4 moved the date of payment of its bonus schemes, and therefore nearly all bonus payments for the year fell outside of this year's reporting period (1 April 2021 to 31 March 2022) and have not been captured by the data. As a result, although calculated using the correct methodology, many of this year's bonus gap data are abnormal and do not reflect a full picture.

Men and women at Channel 4 are offered the same opportunities to receive bonuses, but there continues to be more men in senior

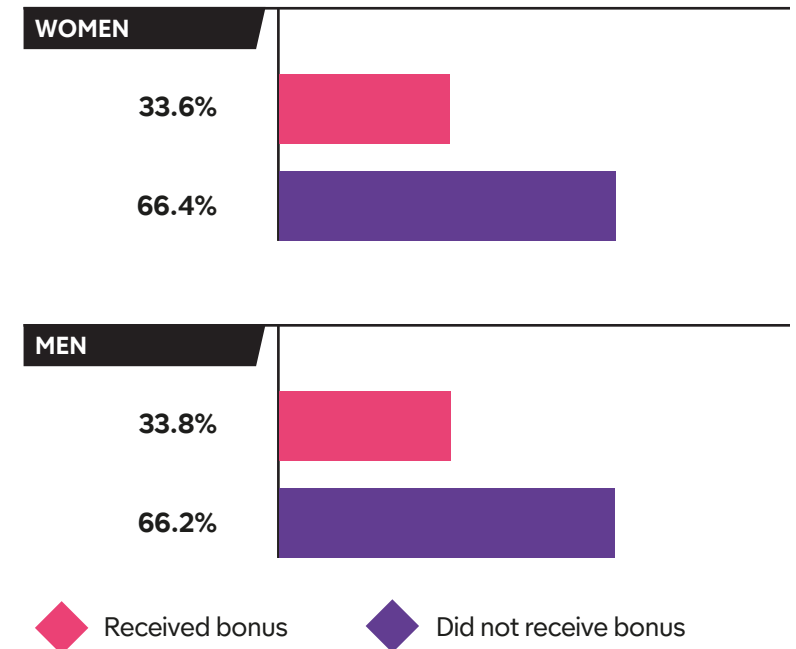
positions with higher bonus rates: bonuses can be up to 10% of total gross salary for staff; 20% for Heads of Department; and between 30% and 80% for the Executive team. (Our Advertising Sales department operates on a separate scheme, linked to advertising revenue.)

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, 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 significantly decreased its mean ethnically diverse pay gap in 2022, reducing the gap by around one-third, from 15.3% in 2021 to 9.8% in 2022.

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 quartile.

The median ethnically diverse pay gap was 11.0% in 2022, compared to 10.3% in 2021.

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 17 ethnically diverse staff in our top 100 earners in 2022, 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 27.2% 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 93.0% of our workforce self-reporting their ethnicity. The 7.0% of our workforce who have not disclosed their ethnicity have been excluded from our calculations.

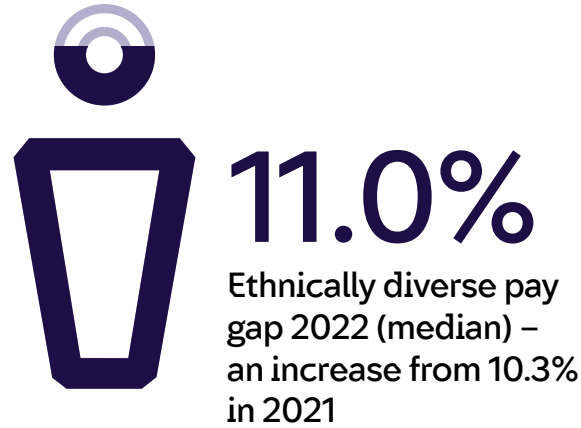
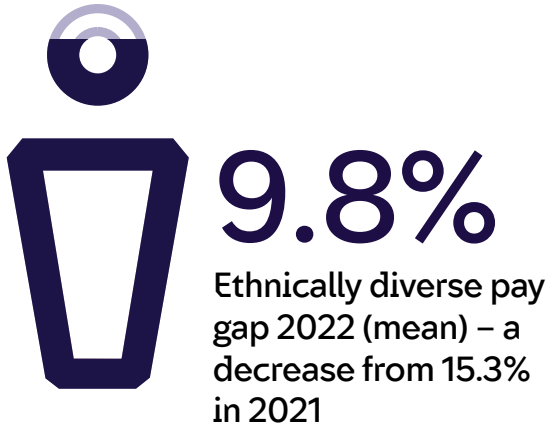
18%

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

20%

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

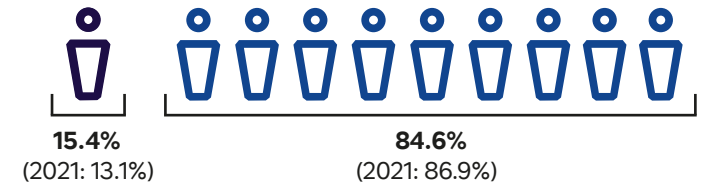
Ethnically diverse pay at Channel 4 (continued)



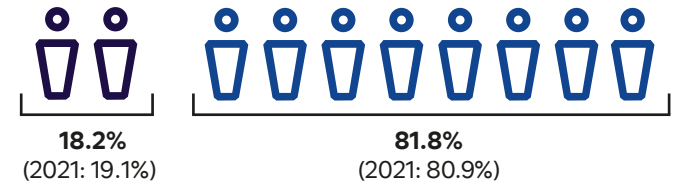
Proportion of ethnically diverse and non-ethnically diverse employees by quartile

● ETHNICALLY DIVERSE ● NON-ETHNICALLY DIVERSE

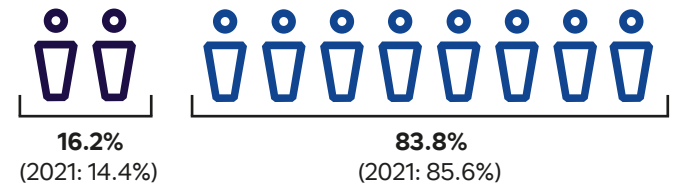
UPPER QUARTILE



UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



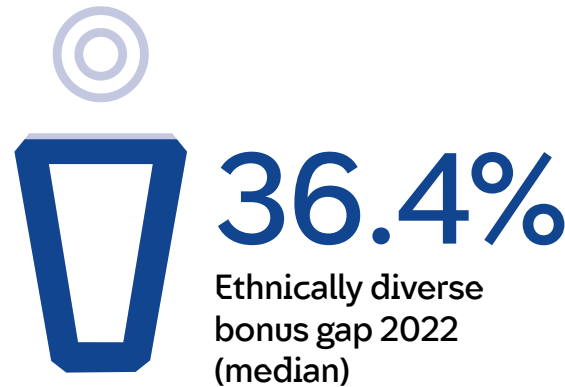
Ethnically diverse bonus gap at Channel 4

Based on the average gross bonus paid, the ethnically diverse bonus gap at Channel 4 is 47.6% (mean) and 36.4% (median) in 2022.

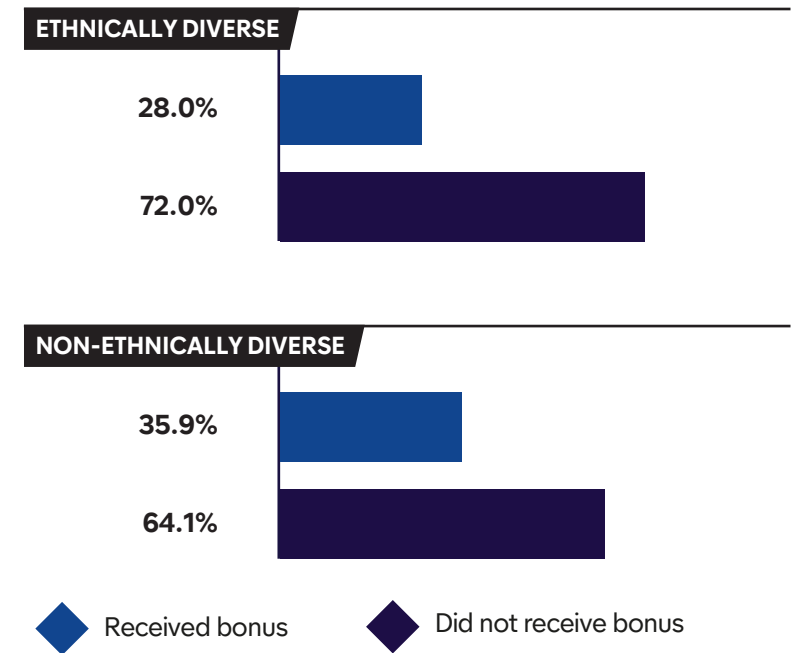
It is important to note that a change in Channel 4's remuneration policy has had a considerable impact on these numbers – the year-on-year comparison is not like for like.

In 2022, Channel 4 moved the date of payment of its bonus schemes, and therefore nearly all bonus payments for the year fell outside of this year's reporting period (1 April 2021 to 31 March 2022) and have not been captured by the data. As a result, although calculated using the correct methodology, many of this year's bonus gap data are abnormal and do not reflect a full picture.

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 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 staff has decreased from 17.4% in 2021 to 13.8% in 2022. The median pay gap has increased, from 5.4% in 2021 to 8.5% in 2022.

As with the other minority groups we report on, the over-representation of disabled employees in the lower pay quartiles is the primary driver behind these gaps.

However, in 2022, Channel 4 saw the distribution of disabled employees become more equitable across all pay quartiles, including a significant increase in disabled representation in the lower-middle quartile, from 9.1% to 13.8%.

With disabled employees making up a relatively small population of Channel 4's overall staff composition (10%), 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 gender pay gap. The data is based on 85% of our workforce self-reporting whether they have a disability or do not have a disability. The 15% of our workforce who have not disclosed this information have been excluded from our calculations.

10%
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:

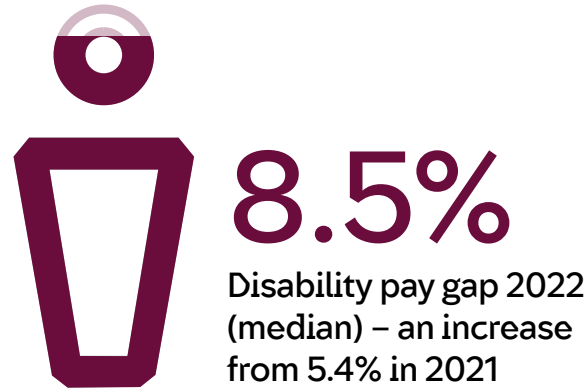
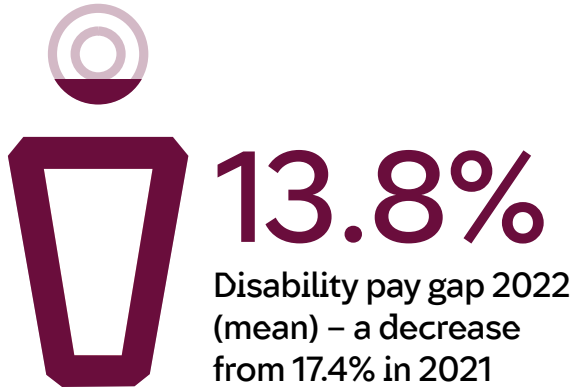
1 Disability leadership reporting and workforce targets
We report our disability data to the Channel 4 Board on a quarterly basis and have introduced a new real-time diversity reporting tool at leadership level which looks at representation, attrition, and pay gaps broken down by departments, which allows 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 'Engage and enable' disability strategy, focused on driving structural shifts across the industry to increase disabled representation on and off-screen.

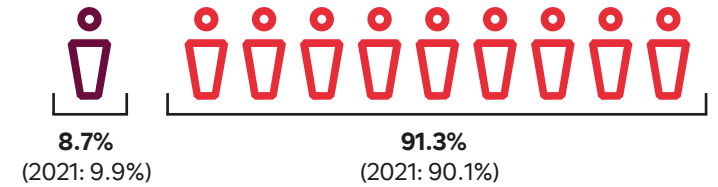
Disability pay at Channel 4 (continued)



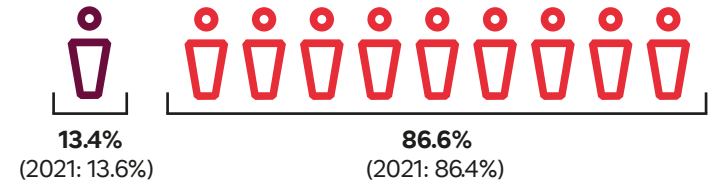
Proportion of disabled staff and staff with no disability

● WITH A DISABILITY
● NO DISABILITY

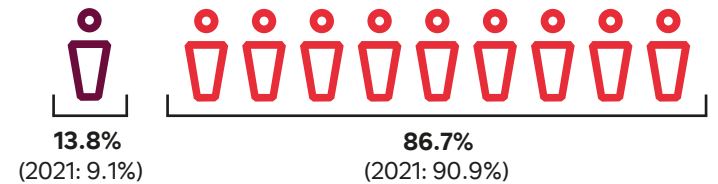
UPPER QUARTILE



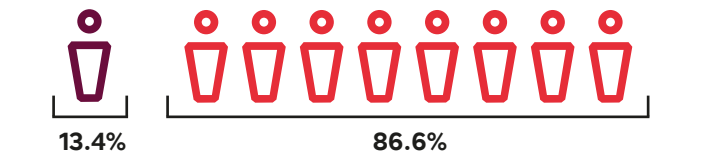
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



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

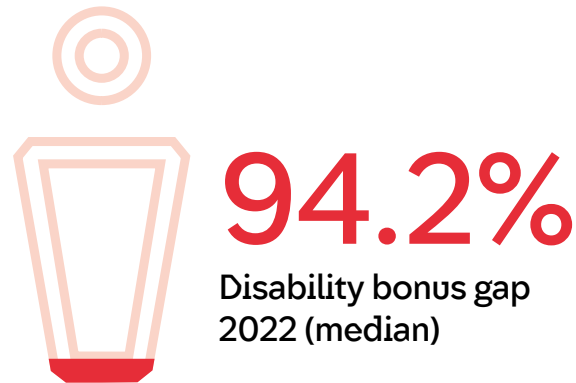
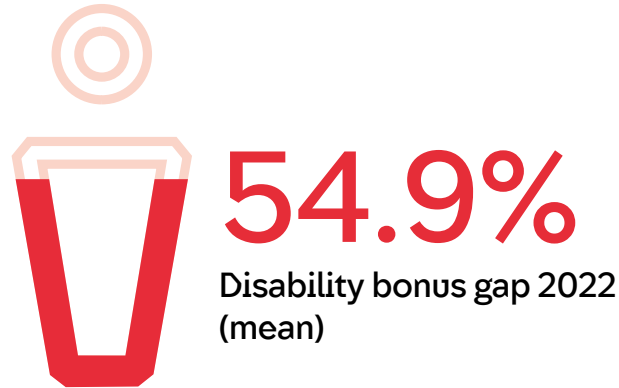
Disability bonus gap at Channel 4

Based on the average gross bonus paid, the disability bonus gap at Channel 4 is 54.9% by mean and 94.2% by median.

It is important to note that a change in Channel 4's remuneration policy has had a considerable impact on these numbers – the year-on-year comparison is not like for like.

In 2022, Channel 4 moved the date of payment of its bonus schemes, and therefore nearly all bonus payments for the year fell outside of this year's reporting period (1 April 2021 to 31 March 2022) and have not been captured by the data. As a result, although calculated using the correct methodology, many of this year's bonus gap data are abnormal and do not reflect a full picture.

However, the bonus gap is also 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 80% for the Executive team) as well as in departments where bonuses are a more prominent part of the remuneration package.



Proportion of Channel 4 employees that received a bonus



LGBTQ+

LGBTQ+ pay at Channel 4

Channel 4 has an LGBTQ+ pay gap of 15.6% by mean and 17.8% by median in 2022. This is an increase from 14.9% by mean and 8.4% by median in 2021.

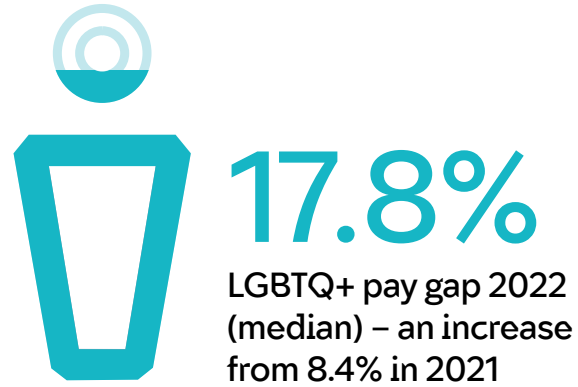
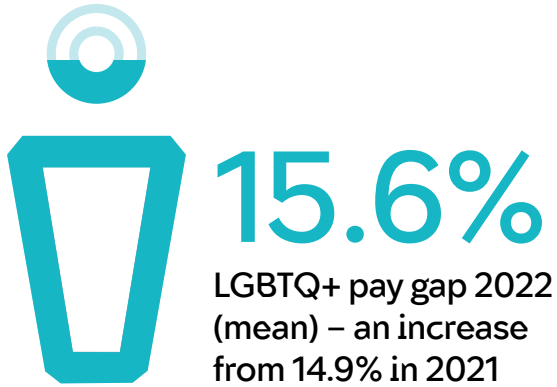
Relative to 2021, there has been a significant increase of LGBTQ+ employees in the lower and lower-middle quartiles, which is the primary driver behind these pay gaps.

As LGBTQ+ staff make up a relatively small population of Channel 4's overall staff composition (10%), changes in headcount can have a significant impact on the pay gap.

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 86% of our workforce self-reporting their sexual preference. The 14% of our workforce who have not disclosed their sexual preference have been excluded from our calculations.

10%
of our employees report themselves as LGBTQ+

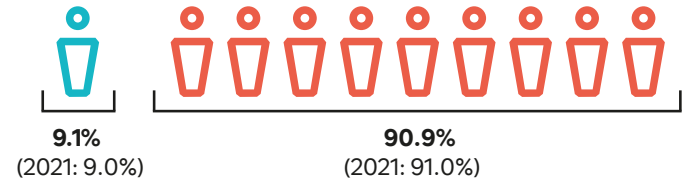
LGBTQ+ pay at Channel 4 (continued)



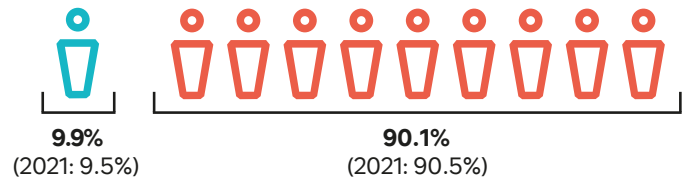
Proportion of LGBTQ+ and non-LGBTQ+ employees by quartile

● LGBTQ+
● NON-LGBTQ+

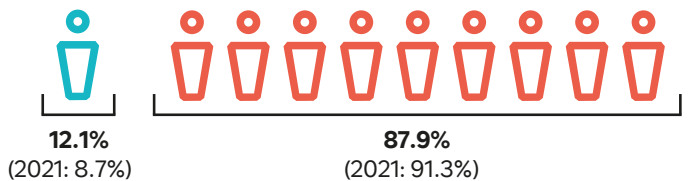
UPPER QUARTILE



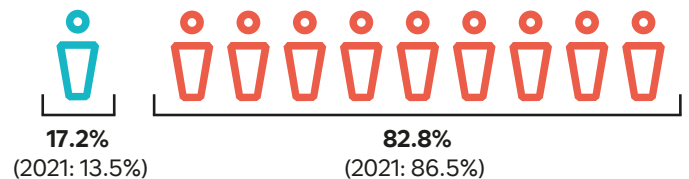
UPPER MIDDLE QUARTILE



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 65.8% by mean and 58% by median.

It is important to note that a change in Channel 4's remuneration policy has had a considerable impact on these numbers – the year-on-year comparison is not like for like.

In 2022, Channel 4 moved the date of payment of its bonus schemes, and therefore nearly all bonus payments for the year fell outside of this year's reporting period (1 April 2021 to 31 March 2022) and have not been captured by the data. As a result, although calculated using the correct methodology, many of this year's bonus gap data are abnormal and do not reflect a full picture.

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 staff; 20% for Heads of Department; and between 30% and 80% for the Executive team) as well as in departments where bonuses are a more prominent part of the remuneration package.



65.8%

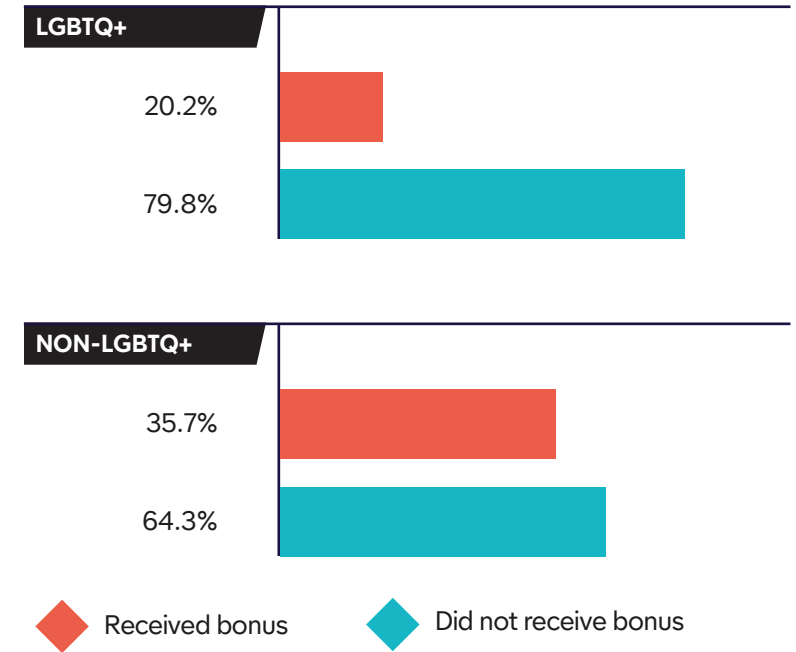
LGBTQ+ bonus gap 2022 (mean)



58%

LGBTQ+ bonus gap 2022 (median)

Proportion of Channel 4 employees that received a bonus



Channel Four Television Corporation

Basis of Preparation
for Pay Report 2022



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 2022. The reporting covers the 12-month period to 31 March 2022.

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) and the Government 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 2022.

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 2022.

1. Employees

The pay gap reporting covers all relevant employees of Channel 4 on the snapshot date of 31 March 2022. 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 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 2022, 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 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 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

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 2022, '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 2022:

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 2022

Scope

We have been engaged by Channel 4 to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Channel 4's gender, ethnicity, LGBTQ+ and disability pay gaps for the period from 1st April 2021 to 31st March 2022.

Specifically, the measures in scope (the "Subject Matter") for our assurance was:

- The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees;
- The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees;
- The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees;
- The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees;

- The proportions of male and female relevant employees who were paid bonus pay; and
- The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.
- As well as the equivalent voluntary disclosures for Ethnicity, Disability and LGBTQ+ Pay Gaps.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Pay Report 2022, and accordingly, we do not express a conclusion on this information.

Criteria applied by Channel 4

In preparing the Subject Matter, Channel 4 applied the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (Criteria) and as outlined in their Basis of Reporting included within the Pay Report.

Channel 4's responsibilities

Channel 4's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Channel 4 on 13 June 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related

Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the gender, ethnicity, LGBTQ+ and disability pay gaps and related information, and applying analytical and other appropriate procedures.

Scope (continued)

We also performed such other procedures as we considered necessary in the circumstances.

Our procedures included:

1. Interviewing a selection of internal stakeholders from Management, Reward and Operations to understand the business and reporting processes for the gender, ethnicity, LGBTQ+ and disability pay gaps within Channel 4, together with the methodology, and approach used to calculate the pay gaps
2. Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
3. Undertaking analytical review procedures to support the reasonableness of the data
4. Testing, on a sample basis, underlying source information to check the accuracy of the data.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the gender, ethnicity, LGBTQ+ and disability pay gaps for the period from 1st April 2021 to 31st March 2022 in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Channel 4 management and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP

5 October 2022
London