QVC UK
Gender Pay Gap Report

March 2019
Introduction from Rob Muller
QVC UK Market Lead

This year is the second year of gender pay gap reporting - the difference between the average earnings of men and women. Last year, QVC UK had a Gender Pay Gap of 13.8%.

This year our gender pay gap is 15.1% compared to the national average of 17.9%. Our gender bonus gap is 44.1% compared to 44.2% last year.

The gender distribution across all levels influences our numbers and we have a greater number of women working flexibly in our lower paid roles. We are confident that we pay men and women equitably and we pay equally across genders for like positions. We continue to offer a range of benefits and flexible ways of working, so we know we are an attractive employer to people at all levels.

While we understand our numbers we will continue the great work and conversations that we started in 2018 to disrupt and remove any perceived or real barriers to inclusivity, how we attract and nurture talent here at QVC.

The launch of our global D&I Council demonstrates our commitment as a global organisation to embedding the principles of inclusion in everything we do. This is also demonstrated by our continued commitment to championing women’s empowerment and entrepreneurship and we’re currently exploring a new UK charity partnership that is aligned to our organisational beliefs and existing global partnerships.

We understand reducing our gender pay gap significantly will take time and I am committed to this journey. This topic will continue to be a priority for us.

Rob
Key messages

- The gender pay gap is the difference between the average earnings of men and women, regardless of the nature of their work.

- We have an existing pay strategy which includes job evaluation which objectively determines the grade for every job; we conduct regular market reviews every two years (annually for spot rate) and we can identify entry, proficient and advanced levels. This is a robust mechanism for pay. As a result of this we are confident that we pay men and women comparable pay for work of comparable value.

- 2018’s national UK average pay gap was 17.9%. Our 2018 data shows that QVC UK has an average pay gap of 15.1% - which is lower than the national average.

- We still have a high proportion of women working in our lower paid roles which causes our overall gender pay gap figure.

- Reporting of bonus payments to men and women is also included in the legislation. Because bonuses are based on actual earnings, if you work fewer hours, you earn less, therefore your bonus will be smaller. As we have more women working part time, this contributes to our mean gender bonus gap of 44.1%.

- QVC UK is proud to offer a wide range of benefits and flexible ways of working which make us an attractive employer to women and men at all levels.

- Last year we established a working group to understand the flow of talent through our business and how this impacts on the gender balance at all levels. The group continues to highlight and address any barriers that may exist in the long-term.

*ONS statistics October 2018
QVC UK’s Gender Pay Gap Data

What is our overall gender pay gap?

<table>
<thead>
<tr>
<th>Mean Pay Gap</th>
<th>15.1%</th>
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| Median Pay Gap | 13.1%   |

What is mean and median?

The mean is the average when you add up all the numbers and then divide by the number of team members.

The median is the “middle” value in the list of numbers.

What is a gender pay gap? And why do we have one?

When comparing the average earnings of all male and all female team members (irrespective of job role) in a business – the difference between these figures gives the gender pay gap.

We pay men and women comparable pay for work of comparable value. But because our lower paid roles are filled with a higher proportion of women than men, this causes our overall gender pay gap figure.
Our 2018 gender pay gap split

We have to break the information down by percentage of men and women in four different pay sections, from the lowest to the highest. You can see the split for QVC UK below:

- **Lower (lowest earners):**
  - Female: 60.30%
  - Male: 39.70%

- **Lower middle:**
  - Female: 56.3%
  - Male: 43.7%

- **Upper middle:**
  - Female: 52.8%
  - Male: 47.2%

- **Upper (highest earners):**
  - Female: 65.1%
  - Male: 34.9%
Gender pay gap - 2018 bonus payments

What is our bonus gender pay gap?

| Mean Bonus Gap | 44.1% |
| Medan Bonus Gap | 28.4% |

What is mean and median?
The mean is the average when you add up all the numbers and then divide by the number of team members.
The median is the middle value in the list of numbers.

In 2018 we paid 75.6% of men and 73.8% of women a bonus.

Why do we have a bonus gender pay gap?

Because bonuses are based on actual earnings, if you work fewer hours, you earn less, therefore your bonus will be smaller. As we have more women working part time, this contributes to our gender bonus pay gap of 44.1%
Message from Rachael Egerton
QVC UK People Lead

As we head into the second year of reporting our gender pay gap, we are so much more informed having deepened our conversations with our team members. We have continued to ask questions and stay curious in order to understand any opportunities that may exist.

In the last year we’ve taken meaningful steps to explore the internal and external flow of talent at QVC UK. And who better to lead this work than our own team members represented across various roles, functions and locations.

These teams have focussed on quantitative and qualitative insights within focus groups which have resulted in valuable changes including; implementing gender neutral language across all job postings, widening our talent acquisition reach, and greater promotion and self-serve accessibility of learning and development opportunities. I look forward to continuing this partnership approach in 2019 and bringing more ideas to fruition.

As planned, we also explored the topic of unconscious bias with our most senior leadership team including how we can disrupt the impact of bias in our interactions, behaviours, and decision-making in the workplace. This is a learning opportunity we plan to make available more broadly.

We launched our first global diversity and Inclusion council this year, responsible for leading our global D&I progress providing insight and focus to D&I initiatives and championing D&I principles. Within the UK, we will pilot a Team Member Network group, providing a platform for experiences to be shared and existing skills to be harnessed.

We will continue to leverage the power of diversity and inclusion to underpin our core values and do things not only differently but better for each and every customer, team member, vendor and community partner we serve.
“I have really enjoyed being part of the gender pay gap project. Listening to our team members’ opinions through the focus groups has been insightful and informative, with many offering up ideas and suggestions of how we can improve.

As a working mother it has also made me think beyond my own situation and understand that this project is not just about what we can do for women and families, but everyone else too. It is good to know that QVC recognises that we all deserve to fulfil our career potential as well as achieve a good work-life balance, whatever our personal circumstances.”

Nadine De’ath, Head Of Video Content, Design and Styling, Chiswick

“The gender pay gap project and becoming part of the working group has been a great opportunity for me to get behind the data, and understand how this reflects the diversity within the QVC team.

“The highlight for me personally, was the insights given by the focus groups. This challenged me to rethink my own perception of the aspirations, and the challenges, faced by team members as they look to find the balance of job satisfaction, career progression and personal time.

“It has been a great experience working with new people across the UK sites, and I am very proud of the commitment within the business to diversity and inclusion.”

Alison Ramejkis, Shift Manager – Jewellery, Knowsley