

A MORE
**Sustainable
Way to Retail**

2020
CORPORATE RESPONSIBILITY REPORT

About Qurate Retail Group

We combine the best of retail, media, and social to curate products, experiences, conversations, and communities for millions of highly discerning shoppers. Qurate Retail GroupSM comprises seven leading retail brands—QVC[®], HSN[®], Zulily[®], Ballard Designs[®], Frontgate[®], Garnet Hill[®], and Grandin Road[®]—engaging millions of customers worldwide via television networks, streaming services, mobile apps, ecommerce sites, social pages, print catalogs, and in-store destinations. Qurate Retail, Inc. (NASDAQ: QRTEA, QRTEB, QRTEP) includes the Qurate Retail Group portfolio of brands as well as other minority interests and green energy investments.



2020 in numbers*

\$14.2B in annual revenue

\$1,961M
in free cash flow

\$8.9B
ecommerce revenue or
63% of annual revenue

7
brands

26,400 team members
22M+ customers

218M
homes
reached
worldwide

239M packages shipped
in 2020 for QVC, Inc. (QVC US,
HSN, and QVC International)

2.7B
Total sessions
(annually) for QRG
for FY 2020

46.9B
Total searches
(monthly) for QRG
for FY 2020

About this report

This is Qurate Retail Group's inaugural Corporate Responsibility report and includes our responses to the Sustainability Accounting Standards Board (SASB) framework. We are reporting our performance based on the results of a comprehensive review of our material corporate responsibility (CR) risks and opportunities. Additionally, the ambition of our CR goals is guided by the United Nations' Sustainable Development Goals (UNSDGs). We are committed to continually enhancing our transparency on these vital issues and their impact on our business and stakeholders in years to come.

Some of our 2020 Awards & Recognitions

QRG brands in the US (QVC, HSN, Zulily and Cornerstone)



Human Rights Campaign
Foundation's 2021 Corporate
Equality Index: 100%



No. 44 on National Retail
Federation's Top 100
Retailers 2020 List



2020 Stevie Awards for Sales
and Customer Service - Gold:
Customer Service Department
of the Year for Retail



2020 Stevie Awards for Sales
and Customer Service - Gold:
Commerce Customer Service

* Excludes China JV.

A Message from our CEO



Welcome to Qurate Retail Group's first Corporate Responsibility report. As a company of differentiated brands that touch millions of lives every day through our platforms, we pride ourselves on delivering enriching experiences.

These moments connect dreamers with discoverers; designers and innovators with shoppers looking for engaging experiences. And we're proud to have been creating these experiences for decades – online, in stores and on TV – forging strong relationships as a result. Our customer loyalty rates are the envy of retail.

But with relationships comes responsibility.

For us, that responsibility means making sure that these moments of joy also help build a better world. Because strong, purposeful, and trustworthy relationships can help solve the toughest of problems. And we recognize that our relationships give us a unique ability to bring people and resources together around important challenges. That is why corporate responsibility is the foundation of [Our Path Forward](#) and [Our Principles](#).

Much happened in 2020. The pandemic, the economic crisis, and the renewed cry for racial justice, in particular, reminded us about our interconnectedness. Amidst this, we launched the next evolution of our corporate responsibility strategy, designed to inspire a more sustainable way to retail: intentionally inclusive, entrepreneurially driven, responsibly curated, and waste-smart. Our focus on responsible business practices has never been more important, as challenges such as inequality, climate change, and poverty require us to do more. We must build on the meaningful legacy we have created, whether that's the hundreds of millions of dollars we have generated for thousands of charities worldwide, or our reduction in energy use and our investments in renewable energy, or the thousands of entrepreneurs and artisans we support through airtime visibility, digital spotlights, and other special initiatives.

Yet, we must do more.

That's why our new CR strategy reflects the emphasis we are placing on longer term, more systemic action, with bold goals, fresh thinking, and collective action. Our platforms, our customers, our passionate team members, and our global scale are unique differentiators for us, and we are committed to using these to build a better, more sustainable world.

As you read through our inaugural CR report, you'll see how we're making progress already, all across our corporate responsibility priorities: like the new Diversity, Equity, and Inclusion commitments we launched. Or the \$45 million we contributed in global COVID-19 relief efforts, marking the biggest single commitment in the history of our company (see Page 5). Or the work underway globally and across our brands on embracing more sustainable materials across our product portfolio, eliminating wasteful packaging where possible, and working with partners such as How2Recycle on consumer engagement.

We've been on a good path. But we can do more. And with our CR commitments and this report, we are putting a stake in the ground: this is what we expect of ourselves as Qurate Retail Group. And it is what our stakeholders are demanding of us. That we step up and do what's right - using our strengths to do so together with our passionate team members, our diverse brands, our determined partners and our inspiring small businesses.

As we make progress against our CR goals, we have also committed to enhancing our transparency, through this report as well as on our corporate website. We recognize that corporate responsibility issues are business issues. And we will get there together.

Thanks for joining us on this journey.

Mike George
President and CEO
Qurate Retail, Inc.

A More Sustainable Way to Retail

Approach

We have a long-standing commitment to doing business the right way and creating positive change for all the communities we touch. Propelled by our Purpose—**Enrich Life's Everyday Moments Through the Experiences We Create, the Connections We Make, and the Products We Curate**, we launched an expanded corporate responsibility program in 2020. Our CR program builds on our 2017 materiality assessment, which identified our core material topics based on extensive research and stakeholder engagement. These material topics have been organized under each of our three pillars below. Designed to inspire a more sustainable way to retail, our enhanced strategy prioritizes building a path forward that is **intentionally inclusive, entrepreneurially driven, responsibly curated, and waste-smart.**

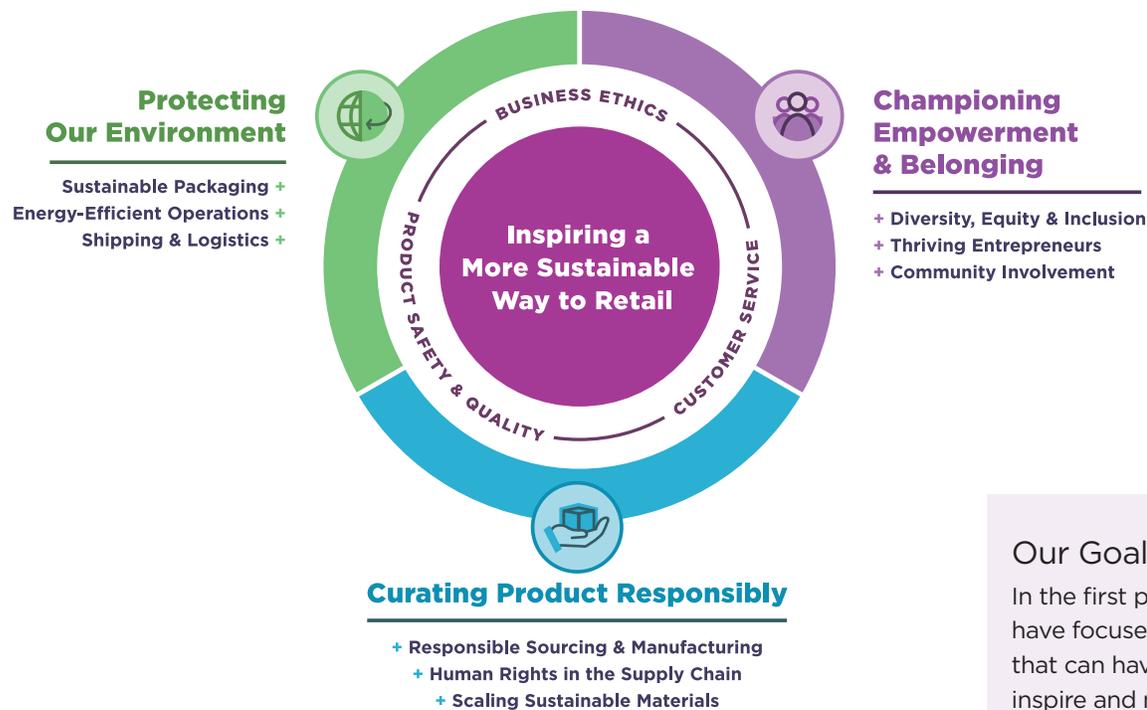
Three strategic priorities

We know that as a global enterprise with the scale and resources we have, we can truly bring people together on critical issues and help drive progress. As we have so many times in the past through our cause marketing partnerships or our community engagement. Accordingly, our CR strategy includes measurable, time-bound targets across our three pillars.



Our Path Forward

At Qurate Retail Group, corporate responsibility is a critical part of our Purpose, Priorities, and Principles. We strive to do the right thing. We are accountable for how our choices impact our stakeholders and the environment, now and in the future. We work to be a force for good, in our business, and in our world.



We've accordingly organized this report around these three strategic pillars to demonstrate how our people, our networks and our brands all support us in our pursuit of these goals. A key motivator behind our formal CR strategy and goals is our commitment to transparency. As we make progress, we will continue to ramp up our disclosure across these pillars.

Our Goals and Targets

In the first phase of goal setting, we have focused on setting commitments that can have the greatest impact, inspire and motivate our team members as well as mirror industry best practices. As we make progress toward these, we will evolve them and our goalposts in line with our vision to build a more sustainable way to retail. Take a look at our [Dashboard](#) for our goals by pillar and mapped to the UNSDGs.



Check out our Code of Business Conduct, which applies to all our directors, officers, and team members.

[Learn more](#) →

Policies & Standards

[Enterprise Risk Management](#) →

[Tax Strategy](#) →

[Our Statement of Privacy Practices](#) →

[Discrimination and Harassment Policy](#) →

Our Foundations

Our business is inherently built on trust. Trust that we have nurtured over the years with our customers, our vendors and our team members.

That's why we consider areas such as Business Ethics, Product Safety & Quality, and Customer Service as foundational to operating as a trustworthy and ethical business. They are built into our CR strategy and we work hard to ensure we are operating ethically, following the highest of standards in manufacturing and procuring our products, and providing excellent customer service. [Learn more here](#) about our approach to these issues.

Governance

Qurate Retail Group's [Senior Leadership Team](#) is comprised of a diverse set of business leaders responsible for driving business value. Twenty-five percent of the leaders on this team are women and a sub-set of this group makes up our CR Executive Steering Committee, which meets on a quarterly basis to oversee CR issues.

The goal of the Committee is to effectively integrate corporate responsibility strategies into the company's major business functions and operations in accomplishment of our mission and business objectives. The Committee includes our President and CEO and senior leaders of the executive team who have a broad range of backgrounds and skill sets critical to championing responsible business practices across the enterprise, including media and communications, operations, human resources, legal, sourcing and supply chain, and finance.

In addition to the CR Executive Steering Committee, our CR Leadership Team plans and executes initiatives to attain our corporate responsibility commitments and is supported by advocates and champions across our brands who participate on a number of work groups aligned to our material topics.



Entrepreneurs and Artisans

Over **\$3.5 million** donated in airtime and digital support through the Small Business Spotlight initiative with the National Retail Federation Foundation to support and celebrate small businesses.

Provided inaugural corporate grant of **\$100,000** to nonprofit Nest's Personal Protective Equipment Purchase Initiative, helping artisan businesses survive by shifting production to high quality PPE.



Team Members

Contributed **\$2 million** to a new Emergency Assistance Fund set up for team members impacted by COVID-19.

\$25.9 million in COVID-19-related emergency pay and supplemental benefits to help offset work from home and health care costs associated with COVID-19.

Communities

Over **\$1.1 million** donated in QVC US and HSN airtime to run COVID-19 PSAs from nonprofit Ad Council.

QVC International donated airtime and digital support valued at **\$250,000**.

Over **\$2.6 million** raised for Meals on Wheels and No Kid Hungry to address rising hunger among seniors and children.

Worked with Cancer and Careers to ensure **\$500,000** from the annual Beauty with Benefits campaign supported cancer patients and communities struggling during COVID-19.

Over **\$6.6 million** in-kind product donations, masks and volunteer hours to families in need and pro-bono services through the Small Business Spotlight program.

Raised **\$262,053** with 1,596 supporters in 52 days through team member and customer donations, and a match to support the National Emergencies Trust in the U.K. along with donating 10,000 Care Kits valued at \$666,500 in product donations to 6 U.K. NHS hospitals.

Donated **\$24,000** to Chiba City & Sakura City in Japan to help children continue online education with tablet devices amid school shutdown and assisting local healthcare facilities with medical-grade masks.

Several other regions, including our operations in Germany, Poland and Italy raised funds for **PPE donations** and academic research into COVID-19.





Protecting the Environment

Our point of view – and way forward

At Qurate Retail Group, we believe that a sustainable way to retail must protect our environment. We know that our scale can have ripple effects throughout our industry and when we do things right, the planet and everyone on it benefits. So, we're prioritizing three areas:

- Sustainable Packaging
- Energy-Efficient Operations
- Shipping & Logistics

The changing climate is an urgent global challenge, and that's why consumer education is also key for us. Given our reach, along with the trust our partners and customers place in us, we can inspire more sustainable behaviors by making purposeful choices. First, we're prioritizing sustainable packaging and consolidated shipping given our volume. Second, we are working to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions, which includes our studios, fulfillment and data centers, corporate offices and stores. Third, we're being strategic with our product donations to divert useful product from the landfill or incineration, thereby leading to less waste and more targeted giving.

Finally, we are strategically analyzing the adverse impacts of climate change on Qurate Retail Group from a business resilience perspective as well as the expected impacts on natural resources, transportation, energy costs, and other areas. That's why we updated our [Environmental Commitment Statement](#) in 2020 to establish our intent and align our environmental efforts with our 2020 CR strategy.

In 2021, we are focusing on completing our Scope 3 (emissions from our value chain) mapping globally, finalizing a renewable energy goal that is both ambitious and based on market capacity, and continuing to evolve our waste reduction efforts. As a company that takes pride in doing what's right, we are determined to reduce our impact on the environment. Our teams are working hard globally to identify and implement programs across our value chain and focusing on areas such as evaluating packaging materials, increasing our recycled contents, maximizing packaging recyclability and collaborating cross-functionally on campaigns to promote recyclable materials and increase consumer awareness on environmental issues.



Optimizing and consolidating shipping →



Retrofits and renewable energy solutions →

Sustainable Packaging

We will identify sustainable alternatives to plastic and non-recyclable packaging as we build the sustainable future of retail.

In 2020, we shipped approximately 239 million packages, which makes identifying more sustainable alternatives to plastic and non-recyclable packaging a critical opportunity for us. Given the lack of a scalable alternative, we have committed to a phased approach toward full recyclability, including:

- Switching to post-consumer recycled content as much as possible,
- Reducing the average emissions intensity of our packages by reducing the overall amount of packaging used,
- Increasing the recyclability of our packaging,
- Implementing waste reduction initiatives at our warehouses, and
- Using our platforms to educate consumers on recycling practices such as partnering with the How2Recycle label program in the US

We also instituted a Sustainable Packaging Work Group in 2019 with representation from all our international teams. Here are the goals and progress made as of December 31, 2020:



Reducing packaging volume and weight

In the US, we have continued to focus on increasing the number of units per package as a way to reduce the number of packages we ship out. We have eliminated HSN program guides in packages and transitioned away from plastic tape to water activated tape. We also continue to take measures to ship orders in more right-sized packaging to minimize waste.

GOAL

PROGRESS

By 2022, reduce the average emissions intensity per package shipped by 5% compared to a 2018 baseline.



Actively reassessing new target.

By 2025, add the How2Recycle label on 100% of outbound over pack and all proprietary brands packaging in the US.



By 2025, ensure all outbound overpack packaging materials are recyclable.



By 2025, increase the recycled content of outbound overpack fiber packaging by 30% and plastic by 25% versus a 2018 baseline.



Actively reassessing new target after achieving target for plastic (poly) by the end of 2019.

Recycle 100% of paper, corrugate, wood and plastic film at all Fulfillment Centers by 2025.



Evaluate the feasibility of zero waste facilities in US Fulfillment Centers by 2022 (based on QVC UK standards).



CUSTOMER AWARENESS:

QVC and HSN’s “How to Recycle” initiative drove a more positive perception of QVC US and HSN for over 65% of customers.



How2Recycle rollout

As part of these efforts, in 2020 we rolled out the [How2Recycle label](#) on a majority of our US QVC, HSN, and Zulily outbound overpack fiber and plastic materials. After rolling it out, we conducted a survey to understand customers’ recycling habits and their knowledge of the How2Recycle label. We found that across 601 QVC US and HSN consumers, while a majority participate in curbside recycling, less than a third take polybags to the store or a recycling center to be recycled. We also learned that despite 75% of QVC US and HSN customers saying it is important for retailers to provide recyclable packaging, over 40% didn’t know or were unsure if our packaging was indeed recyclable. Accordingly, we are now working with our Brand Creative team to develop and implement a customer communication plan to increase this awareness while also rolling out the How2Recycle label on Garnet Hill boxes and polybags and other types of QVC US, HSN and Zulily polybags.

| Wood/Paper Fiber Packaging | FY 2020 |
|--|---------|
| Metric Tons | 22,083 |
| Recycled and/or Certified Material (% of total weight) | 46.0% |

| Plastic Packaging | FY 2018 | FY 2019 | FY 2020 |
|--|---------|---------|---------|
| Total weight (tons) of all plastic packaging | 3,183 | 2,557 | 2,294 |
| Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)* | 82% | 83% | 88% |
| Percentage of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging) | 5.7% | 7.2% | 11.8% |

These figures represent QVC US, HSN, Zulily and all QVC International markets and includes 100% of cost of goods sold. This includes the packaging we use to ship products out to our customers from our Fulfillment Centers, as well as any materials we use to process and reclaim customer returns.

**Represents QVC US, HSN, Zulily and QVC UK only*

Shifting to recyclable materials in the UK

Our QVC UK team tested several materials before finalizing a jewelry pouch made from recycled plastic and is actively testing a Diamonique jewelry box range, which is made from 100% recycled materials and will be 100% recyclable (including the inner cushion materials). The team in the UK also launched a corrugate mailer in 2020 that is 100% recyclable.

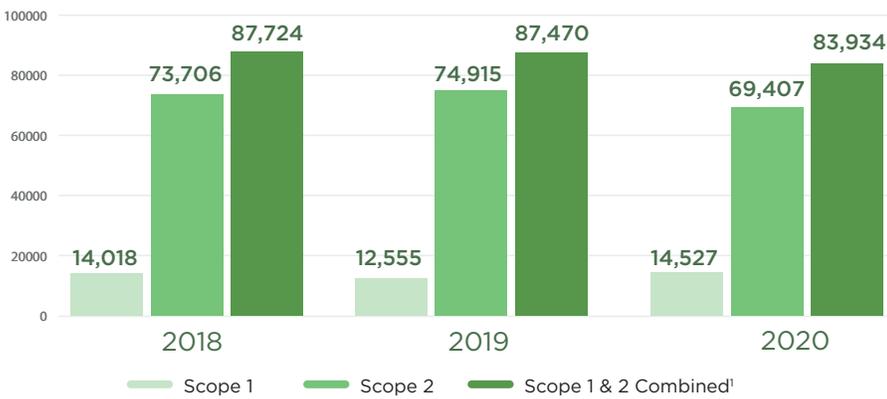
Finally, we began phasing out non-recyclable bubble mailers, replacing them instead with a kraft/paper bag made from fully recycled and recyclable materials. Together, our efforts to shift toward using recycled and sustainable materials showcase the diversity of ways we are approaching our commitment to define a better, more sustainable way to retail.

Energy-Efficient Operations

We will conserve energy use in our operations through best practices and the use of renewable energy where possible.

At Qurate Retail Group we understand that climate change is one of the most pressing challenges facing the planet and humanity today. As a global company, one that believes in doing things the right way, we have a responsibility to reduce the impact our operations have on the planet in the creation of greenhouse gas emissions. As shown below, we actively monitor our carbon footprint across scopes 1 & 2 emissions and have set emission reduction targets. Our carbon footprint has been verified by a third party and our assurance statement can be found [here](#). Learn more about our carbon footprint analysis and targets [here](#).

QRG Scope 1&2 Greenhouse Gas Emissions 2018-2020



¹ Our Scope 1 and 2 goal includes QVC (all markets), HSN and Zulily (Cornerstone Brands are excluded due to lack of available data), thereby accounting for 98% of Qurate Retail Group revenue.

Retrofits and renewable energy solutions

We are working hard to reduce energy use in our operations. In 2019 and 2020, we began implementing replacement programs, such as upgrading to LED lighting, and introducing sustainable practices into our capital expenditure and long-range planning. Additionally, all lighting controls limit the hours of operation to only those times when spaces are occupied, further reducing our carbon emissions. Heating ventilation and cooling systems account for approximately 50 percent of our carbon emissions. We further reduce this output with efficient primary plants that ensure heat recovery between air flows, effective control systems, zoning, and time controls. Finally, we have installed solar panels at several of our Fulfillment Centers in the US and in Japan.

By investing in energy management systems and committing to sustainable design standards for all new and refurbished building projects, we'll further reduce our GHG emissions, following a lifecycle approach. [See more here](#).

GOAL

By 2022, reduce scope 1 and 2 GHG emissions from operations worldwide by 14% from a 2018 baseline

PROGRESS



² Calculation from [EPA greenhouse gas equivalencies calculator](#). Inclusive of our Zulily Ohio facility.



19,927 conventional fittings replaced with LED fittings in our facilities, resulting in an estimated annual reduction of GHG emissions of 4,374 tons, the equivalent of driving an average passenger vehicle 10.9 million miles.²



Zulily achieved

1,479,017

Kwh reduction in energy use from replacing 6,267 light fittings.





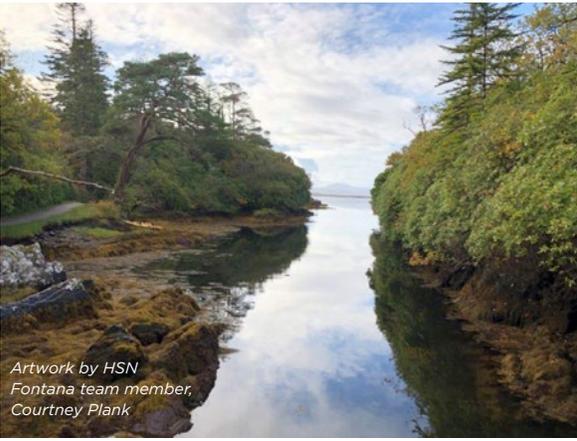
Fill it Forward
5,300+ scans
 Diverted **208 lbs.** of waste from landfill

Becoming waste-smart
 Being waste-smart means minimizing waste and maximizing efficiency as much as possible to conserve natural resources such as energy, water, and materials. Qurate Retail Group has already started this journey through our energy conservation and efficiency efforts. We have launched a comprehensive effort across our brands and markets to incrementally reduce and ultimately eliminate all waste wherever possible. Resource efficiency is frequently a function of local conditions, so we use grassroots and community education strategies to further our efforts such as hosting e-waste collection drives and donating unopened surplus/returned products.

Fill it Forward: Eliminating single use plastic bottles

At the launch of Qurate Retail Group’s CR strategy in 2020, we announced a goal to eliminate single-use plastic bottles across our corporate office locations worldwide by the end of 2021. To help us reach this goal we partnered with Fill it Forward, a certified B corporation that creates interactive technologies, global giving initiatives and reusable products to encourage team members to avoid single-use plastic water bottles. With the pandemic keeping most of our people home, we offered all team members a ‘virtual sticker’ to scan each time they fill a reusable water bottle – with each scan representing a single-use plastic water bottle that wasn’t used. Within seven days, our team members reached our “scan” goal of 1,000 scans. At the end of 2020, we had more than 5,300 scans recorded. We also made two donations to one of Fill It Forward’s charitable partners, charity: water, to help fund a clean water well and pump system for over 200 people in Tigray, Ethiopia.

Our Rocky Mount Fulfillment Center reduced **50,000 lbs** of waste in 2020 by donating 100% of its returns or surplus product to nonprofits globally.



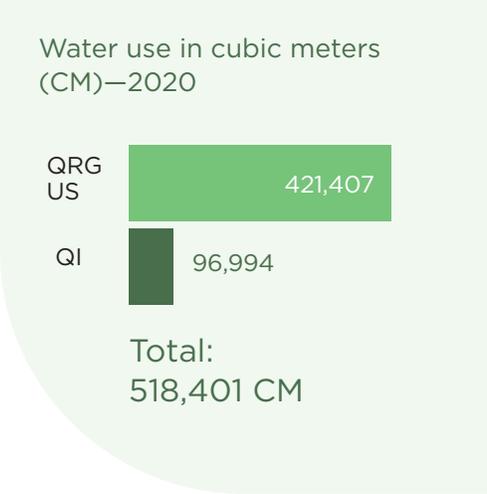
Artwork by HSN
 Fontana team member,
 Courtney Plank

Expression through art: Earth Day 2020

Our team came up with a unique way to celebrate Earth Day in 2020: we launched a team member page on our intranet with tips on how everyone can do their part in protecting the environment. Tips included information on climate change, how to achieve better energy efficiency with their devices and at home, how to calculate their carbon footprint and alternative solutions to using plastic, etc. We also rolled out a global call for art and photography submissions, which were then displayed on our brands’ intranet sites. Team members responded with gusto with many involving their families in the project.

Water conservation

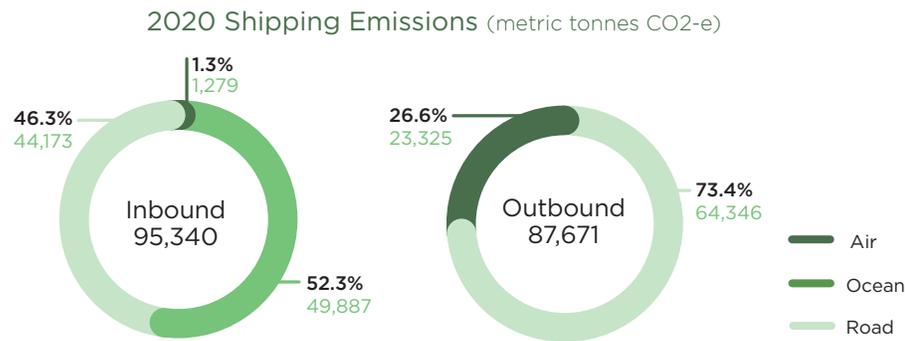
Although our water consumption involves no manufacturing or processing applications, water remains a natural resource to be protected, and one that we recognize. Measuring our consumption will allow us to take actions to avoid waste, and implement additional future measures to reduce our water use.



Shipping & Logistics

We will evaluate our distribution systems to identify ways to reduce Scope 3 emissions and prioritize the use of expanding consolidated shipping.

The ways in which we warehouse, transport, and distribute our products has a significant impact on the environment. In line with our Scope 1 and 2 emissions reduction goals, we are reviewing our entire fulfillment and distribution model to identify solutions that can be scaled across our sites and brands while aligning with customer expectations and demands. For instance, here is how our shipping emissions last year stacked up:



Integrating our HSN and QVC US Fulfillment Networks

We are making several changes in our US fulfillment operations to enhance delivery speed and lower operating costs, as part of a multi-year network optimization strategy to restructure and integrate our HSN and QVC US Fulfillment Networks. They include:

- Combining HSN and QVC centers into integrated fulfillment centers carrying full product assortments of both brands.
- Relocating some centers to reduce delivery time to customers and lower freight expenses.
- Upgrading fulfillment technologies, including deploying our proprietary Warehouse Management System (WMS) to improve speed and efficiency of customer delivery across all brands.

The first step in this evolution was the opening of our state-of-the-art fulfillment center in Bethlehem, PA, in 2019 that handles both QVC and HSN product and fulfills approximately 25 percent of network volume.

Noteworthy:

Climate action is everyone’s responsibility.

The current climate crisis requires us to do even more through bold goals, fresh thinking, renewed commitment, and collective action. With our platforms and our global and local relationships, we believe it is our responsibility to act on climate by investing in renewable energy as well as partnering with our industry on demanding government action and incentives to make clean energy solutions globally available and affordable. We have also collaborated with leading organizations including **US Department of Energy, Better Buildings Challenge, Sustainable Packaging Coalition, and Ecommerce Europe - Sustainability Working Committee.**



Optimizing and consolidating shipping

As part of our Scope 3 analysis, which is currently underway, we have estimated our 2020 shipping emissions. We recognize that inbound and outbound shipping are a significant portion of our total emissions footprint, and we are evaluating our entire distribution system to identify ways to reduce transportation emissions and prioritize expanding consolidated shipping. For now, QVC, HSN and Zulily are consolidating customer orders where possible to reduce packaging and the number of deliveries required. We are also working to execute a network optimization plan that will consolidate transportation and shipping across our seven brands to ensure less waste, less packaging use, and better cost discipline.





Curating Product Responsibly

Our point of view – and way forward

We believe that a sustainable way to retail requires that we ensure the products we sell are sourced responsibly and that human rights and the environment are respected during the manufacturing process. We see a future where products made from sustainable ingredients and materials can be scaled across our portfolio, delivering even more joy to our customers while also doing what’s right for the people making them and the environment.

Accordingly, we have set rigorous standards around business ethics, product sourcing, and quality—for ourselves and our partners—and have elevated our training and oversight to further enhance compliance. Our [Global Sourcing Social Responsibility](#) program is built around proactive, regular audits of all factories for our proprietary products and most factories for vendor products, covering issues such as forced labor, child labor,

low wages, environmental protection, freedom of association, and worker safety. On the consumer education side, we have been helping customers find clean products with our QVC US and HSN [Clean Beauty](#) and QVC US and HSN [Conscious Choice Cleaning](#) initiatives while our [Zuda](#) and [AnyBody](#) proprietary brands at QVC US have select product made from both post-consumer plastic and other sustainable and biodegradable fibers that help reduce waste.

Looking forward, we are working to further expand and enhance our responsible sourcing program as well as scale the use of sustainable materials through industry partnerships and vendor selection. We are also working across our global regions to establish new goals for both global sourcing and sustainable materials in 2021.



Expanding Global Sourcing Social Responsibility →

Garnet Hill Continues Leading with Organic →



QVC’s Zuda: Beautiful and Purposeful →



Photo courtesy of Nest

CURATING PRODUCT RESPONSIBLY

Responsible Sourcing & Manufacturing

We commit to purposefully source finished goods that are manufactured with respect for widely recognized social welfare and environmental standards.

We audit our vendor factories using a Workplace Conditions Assessment (WCA), which evaluates Occupational Health & Safety, Workers Involvement & Protection, Rights of Freedom of Association, Discrimination, Fair Remuneration, Decent Working Hours, Special Protection of Young Workers, Child Labor, Bonded Labor, and Protection of the Environment. The WCA Audit is conducted on-site. In line with our continuous improvement approach, moderate and major issues found during the audit require a Corrective Action Plan (CAP) for the factory to follow. In the cases of major or critical issues, we are prepared to no longer do business with the factory if issues are not remediated in a timely manner.

Because of the large number of individual suppliers we source our product from, we take a variable, risk-based approach to auditing companies within our supplier base. A number of factors are used to evaluate which of these suppliers will be subject to a factory audit. These factors include: geographic location, the volume of purchases from our non-proprietary suppliers, and whether the product is a proprietary or exclusive brand to Qurate Retail Group.

We have publicly committed to developing a supplier diversity program and are in the process of finalizing it.

[Take a look.](#) →

Expanding Global Sourcing Social Responsibility

In 2020, we expanded our Global Sourcing Social Responsibility (SSR) program significantly to cover 80% of our vendors in the US and approximately 50% in our European supply chain (based on volume of purchases). Our work is guided by Qurate Retail Group's [Global Business Partner Code of Conduct](#), which identifies the standards Qurate Retail Group expects business partners to maintain. Garnet Hill launched its SSR program in 2021 covering 100% of its proprietary vendor base. We also aim to continually improve the disclosure of our sourcing program and results, through annual CR reporting as well as on our corporate website.



Photo courtesy of Nest

Qurate Retail Group's Sourcing Social Responsibility Audits*

| | |
|--|--------------------|
| Number of factories subject to the SSR program | 981 |
| Number of audits completed in 2020 | 883 |
| Number of strategic factories in the SSR program | 329 |
| Number of audits completed at strategic factories in 2020 | 317 |
| Number of corrective action plans (CAPs) implemented in 2020 | 466 |
| Severe/major CAP (107 factories) | 100% CAP completed |
| Continuous Improvement CAP (359 factories) | 100% CAP completed |

* See full SSR overview, definitions, and additional 2020 metrics [here](#).



Photo courtesy of Nest

Human Rights in the Supply Chain

We believe that protecting and advancing the human rights of workers is a critical element of a sustainable future for retail.

We know that business issues are after all human issues. It is our responsibility to respect human rights and we are committed to ensuring that our team members, contractors, and customers are all treated with dignity and respect. We do not tolerate any form of forced labor, human trafficking, or child labor. All Qurate Retail brands are required to abide by clear, ethical standards regarding workers' rights and safety in their operations through Qurate Retail Group [Global Business Partner Code of Conduct](#). We often work with them to ensure that they are advancing human rights in their supply chains as well. To learn more about this commitment, please see our [Human Rights Policy](#) developed in partnership with our parent company, Qurate Retail, Inc.

Scaling Sustainable Materials

We use our scale, deep relationships and platforms to increase customer demand for and the use of sustainable materials.

We offer products made of sustainable materials primarily through our proprietary apparel lines at QVC and HSN. Our Garnet Hill brand especially has had a long history offering organic and sustainable materials in its products. We plan to expand our sustainable materials to a larger percentage of our portfolio over time in keeping with our strategic goals. For example, our Zuda and AnyBody proprietary brands at QVC US have select product made from both post-consumer plastic and other sustainable and biodegradable fibers that help reduce waste. We have been providing QVC US and HSN [Clean Beauty](#) and QVC US and HSN [Conscious Choice Cleaning](#) seals to help customers select products made without ingredients of concern, identified through industry benchmarks and customer feedback. While our QVC US and HSN Clean Beauty seal also indicates products that contain less than one percent of synthetic fragrances and are certified cruelty-free by a third-party source, our QVC US and HSN Conscious Choice Cleaning seals designate cleaning products that are formulated and manufactured without synthetic perfumes, synthetic dyes, alcohol, ammonia, bleach, chlorine, formaldehyde, parabens, and sulfates (SLS and SLES).

We are members of the global nonprofit Textile Exchange that leads industry-wide efforts to identify and share sustainable sourcing standards for the textile supply chain.

Garnet Hill Continues Leading with Organic

Garnet Hill has had organic cotton in its assortment over the last several years. Our commitment starts with the integrity of the natural fibers we use and the responsible way in which we source them. In 2020, we continued this focus on organic cotton and worked to increase the number of products that contain it. Garnet Hill also offers products made from eco-merino wool, Tencel® from renewable harvested trees, backpacks made from recycled water bottles, and more. We use several certifications including a selection of Oeko-Tex certified home products and the global recycling standard. In 2021, we are exploring the launch of the Responsible Down Standard as well.

Moving forward, we will continue expanding our product offerings in line with our commitment to scaling sustainable products, including identifying conscious entrepreneurs through [The Big Find](#) and [QVC Next](#) programs in our international markets.



QVC Germany launched the **NEXT>IN SUSTAINABILITY**

startup competition in late 2020 to help identify new brands with a sustainable focus.

Learn more on Page 23. →





Navigating the COVID-19 pandemic

In 2020, much of our time was spent working with suppliers to navigate the pandemic and the resulting interruptions to work. As orders were canceled globally in the early months of the pandemic, we continued to partner with our suppliers where possible.

Critical Products Committee

Our Critical Products Committee is a formal group made up of team members from across our brands and markets in Merchandising, Quality Assurance, Legal, Communications, and Corporate Responsibility. Together they have set consistent standards on materials and items that we will not sell at any of our businesses, such as products made with fine animal fibers like angora, mohair, or Chinese racoon fur. The committee comes together several times a year to discuss new concerns and ingredients and continually assesses consumer, market, and regulatory trends, updating our standards as needed.

Noteworthy: Product Safety & Quality

Providing the best possible product is at the heart of what we do. Our Global Quality Assurance (QA) and Supply Chain team deploys industry accepted quality assurance standards and practices across markets, while building a comprehensive supply chain strategy that leverages our scale and technology to support critical merchandising and customer experience strategies.

Our vendor-focused quality management strategy is anchored in vendor onboarding, education, and performance management. Ensuring all new vendors clearly understand process and quality expectations leads to a more efficient process and the delivery of high-quality products. This quality management approach leverages operational and customer-experience data to identify improvement opportunities and drives quality accountability upstream.

Our ultimate goal is to ensure quality is built into the product and validated before it enters our supply chain. Additionally, all our suppliers and vendors must comply with our Global Business Partner Code of Conduct. We had zero product recalls in 2019 and 2020 for any of our QRG proprietary brands and we are vigilant in evaluating and remedying any potential product health and safety issues that come to our attention.

QVC'S Zuda: Beautiful and Purposeful

QRG's Design, Development and Global Sourcing Team continues to introduce sustainable fabrics in their proprietary apparel brands. These fabrics are made from recycled materials and aim to enhance apparel performance as well as reduce environmental impact. For example, QVC's athleisure brand [Zuda](#), designed to be practical, pretty and with a purpose, uses branded fibers like [REPREVE®](#), a recycled fiber made from post-consumer plastic bottles which is breathable and comfortable. They also incorporate [LENZING™ ECOVERO™](#) viscose, a branded fiber derived from certified renewable wood sources and made with eco-responsible production processes that meet high environmental standards.

LENZING™ and ECOVERO™ are trademarks of Lenzing AG.
REPREVE® is a trademark of Unifi, Inc.





Championing Empowerment & Belonging

Our point of view – and way forward

As a retailer, we interact daily with millions of customers worldwide. Over 26,000 team members from different backgrounds around the world work together across Qurate Retail Group and our brands to deliver on our purpose – Enrich life’s everyday moments through the experiences we create, the connections we make, and the products we curate. With an engaged global team, the power of our platforms, and our heritage of elevating entrepreneurs through storytelling, we are uniquely positioned to champion empowerment and belonging. With renewed intention and heightened focus, we embrace our responsibility to ensure that every team member can bring their full and authentic selves to work every day, with equal opportunities to grow and develop; that every vendor, customer, viewer, and member of our community feels welcomed and valued at our company; and that our teams, vendor partners and customer experiences fully represent the communities we serve.

We know that there is much more to do to build an organization that empowers people internally and externally to thrive by celebrating differences and championing belonging. This pillar of our corporate responsibility strategy builds on this legacy and prioritizes the work still ahead with three focus areas:

- **Diversity, Equity, and Inclusion:** We cultivate an intentionally inclusive work culture where differences drive innovation.
- **Thriving Entrepreneurs:** We nurture entrepreneurs of all backgrounds so that startups can become sustainable sources of income, inspiration and community strength.
- **Community Involvement:** We are committed to giving back to the communities we serve, through corporate philanthropy, product donations, team member giving, and volunteerism.



Our five-year Diversity, Equity, and Inclusion Goals



Supporting Our Team Members & Inspiring Action



40 Black-Owned Businesses Featured During Small Business Spotlight





CHAMPIONING EMPOWERMENT & BELONGING

Diversity, Equity, & Inclusion

Our commitment to diversity, equity, and inclusion is deeply rooted in our Principles, which call on us to *Drive Progress, Act With Empathy, Be Brave, Embrace the Future, and Do What's Right.*

Our Community and DE&I goals

As part of formalizing our CR strategy, we expanded our Community Involvement and [Diversity, Equity, and Inclusion \(DE&I\) efforts with new goals](#), guided by the UN Sustainable Development Goals (UNSDGs) and industry best practice. Our DE&I goals reflect our commitment to build an inclusive community that ensures equity and a sense of belonging for every team member, business partner, and customer experience we offer. By leveraging the power of diversity in all its forms, we will deliver on our promise to continuously exceed expectations.

These goals have been established to support and grow underrepresented groups on Qurate Retail Group's leadership teams and across its vendors/suppliers, customers, and communities. We know that inclusion fuels engagement and innovation, leading to better business performance and stronger communities. With these goals guiding our efforts, we remain committed to building a culture of inclusion and belonging where our team members can thrive.

Supporting Our Team Members & Inspiring Action

An environment in which we can be our authentic and best selves, is one where we can do our best work. In 2020, we developed several new programs to build awareness and grow capabilities, including:

- Inclusive Leadership for all people managers globally.
- Training for talent acquisition teams on strategies to better attract and recruit top talent from diverse backgrounds.
- Conscious and inclusive language training for program hosts and other behind-the-scenes teams to encourage empathy, raise awareness of best practices and create a sense of belonging for our broad customer base.

Amidst events of racial injustice and the ongoing pandemic, we supported our team members and elevated our culture through:

- Hosting listening sessions throughout the organization as safe and open forums to share, learn, support, and deepen understanding of the Black experience in the workplace, and in America.
- Launching five new team member resource groups (TMRGs): Black, LGBTQ+, Veterans, People with Disabilities, and Hispanic/Latinx affinity groups. These TMRGs represent a major milestone in providing our team members with opportunities to build community, provide feedback on business initiatives, focus on career development and actively engage our broader organization on cultural awareness and advocacy efforts.
- Celebrating several key moments including Black History Month, International Women's Day, Pride Month, National Hispanic Heritage Month, National Coming Out Day, Veterans Day, and National Disability Employment Awareness Month, with inspiring speakers, team member stories, and resources for further education and awareness.



Our Workforce in 2020

We believe a strategic focus on DE&I enables us to unlock our collective potential and advance Our Path Forward. Inviting, attracting, recruiting and growing team members that bring diverse expertise, experiences and backgrounds is key to our efforts. A more diverse workforce gives us access to more perspectives, giving us the ability to innovate for, and resonate with, our growing and broad customer base. We also know that sustained progress requires transparency and accountability, and sharing our current state in this inaugural report is another milestone in that journey.

Enabling systemic change

Along with our internal efforts on enhancing belonging and equity, we undertook several actions with organizations to enable broader, more systemic change beyond the Qurate Retail Group corridors. This included offering a 100% match to US team members donating to causes that support racial and social justice as well as a \$1 million donation to the **Equal Justice Initiative**, in support of its commitment to end mass incarceration and excessive punishment in the US, challenge racial and economic injustice, and protect basic human rights for the most vulnerable people in American society. We also joined hands with the following organizations on cultivating inclusion and supporting our communities: **CEO Action for D&I; The Civic Alliance; and the HRC Corporate Equality Index.**



61.3% Female
35.9% Male
2.8% Undisclosed



46.0% Female
53.8% Male
0.2% Undisclosed



3.76% Asian
27.23% Black or African American
1.53% Decline to Self-Identify
16.57% Hispanic or Latino
0.51% Native American or Alaska Native
0.17% Native Hawaiian or Other Pacific Islander
2.07% Two or More Races
48.16% White (Not Hispanic or Latino)



4.60% Asian
6.05% Black or African American
1.09% Decline to Self-Identify
4.81% Hispanic or Latino
0.15% Native American or Alaska Native
0.15% Native Hawaiian or Other Pacific Islander
0.88% Two or More Races
82.28% White (Not Hispanic or Latino)

Committed to Pay Equity

With a fair pay mindset as a guiding principle, we are committed to taking the right measures and actions to reward team members fairly and equitably for the work they are performing. This includes regular annual pay equity analysis to ensure that our compensation practices remain fair and equitable through the year and to address any gaps that may arise, if necessary.



Inclusively You: By the Numbers

Almost **3,000** participants

19 entrepreneurs, influencers and brand founders

7 sessions and roundtable discussions

3 hours of content

A dedicated Slack channel for networking

3,800
Views

24
Countries



Size inclusivity & body positivity

One of the ways we advance equity and inclusion with customers, partners and communities is through our emphasis on size inclusivity. We have been committed to size-inclusive fashion across our apparel lines for over 30 years as one of the first in the sector to be truly inclusive for women of all size ranges from XXS-5X. All on-air styles on QVC and HSN are offered in sizes XS-3X, with many available up through size 5X as well. When we design collections, we design with inclusive sizing as a priority. Our fit technology team also lends their expertise to help other brands expand their lines to include all women and therefore, meet QVC and HSN's requirements to be size inclusive. Beginning in the first quarter of 2020, QVC and HSN added sizes 4X and 5X to all brands appearing on-air as part of this commitment, including for underserved categories such as outerwear and activewear.

In November 2020, QVC launched J Jason Wu, a size-inclusive line with leading global and award-winning fashion designer Jason Wu. Jason is known for creating clothes that celebrate confident and empowered women and all body types and sizes — and now the line features his signature pieces in all sizes from 5X-XXS (32-0).

In September 2020, we took this commitment a step further with our first-ever size inclusive and body positivity summit. Hosted by QVC and HSN, "Inclusively You" gave attendees the opportunity to engage with some of the most influential women in body positivity through fireside chats, a beauty panel, and guidance on finding your perfect fit—all virtually. The event featured numerous influencers including Hunter McGrady, founder of the [All Worthy Hunter McGrady fashion line](#), which we helped create with her and launched on QVC in 2020.

Size inclusivity begins with design

QVC and HSN feature more than 125 fashion brands, on-air, and online. Each must pass rigorous technical design testing, which includes ensuring size inclusivity. And our customers appreciate this:

44.4% of apparel customers (28% of overall apparel sales) ordered items in sizes 14-36 at QVC US from June 2019-July 2020.

23% of apparel customers (18% of overall apparel sales) ordered items in sizes 14-36 at HSN from June 2019-July 2020.



Thriving Entrepreneurs

We nurture entrepreneurs of all backgrounds so that startups can become sustainable sources of income, inspiration and community strength.

Entrepreneurship is at the heart of our business and a vital part of our commitment to our communities. At Qurate Retail Group, we are building a more sustainable way to retail by supporting women and other under-represented entrepreneurs. Because our company is uniquely suited to support entrepreneurs from all backgrounds who have traditionally been denied access to the capital, training, and networks needed to grow their business, we work hard to support them through partnerships and programs such as the **Small Business Spotlight**, **The Big Find**, **QVC Next** and the **Qurate Retail Group Fellowship program**. As part of our DE&I commitments, we will also develop and implement a vendor/supplier diversity program in 2021.

Small Business Spotlight: Supporting Diverse Entrepreneurs

We have a long tradition of helping small businesses expand their customer base through our on-air and e-commerce platforms. In partnership with the National Retail Federation Foundation, we launched the [Small Business Spotlight](#), featuring 20 small businesses from across the country on QVC and HSN in May and June 2020. We used the full force of our platforms to amplify these businesses across all of QVC and HSN's primary channels, as well as dedicated digital, mobile and social media space on QVC, HSN and Zulily.

For instance, our team produced brief videos which were featured during our main QVC and HSN broadcasts, as well as organized live hits, where the owners used Skype to dial into our programming. Every Saturday throughout the campaign, the QVC3 channel aired a show dedicated to the small businesses and their stories, which were also shared on a special Small Business Spotlight page on QVC.com and HSN.com, as well as via mobile and social. Zulily also helped out by promoting the campaign on its website, email, and social pages.



“

Our storytelling capabilities and platforms, across QVC, HSN, and Zulily, are unmatched —and with the Small Business Spotlight we are using our resources and the power of relationships to help these businesses recover and thrive again.”

—Mike George, CEO and President, Qurate Retail Group



In addition, 36 team members mentored [16 small business owners](#) on how to navigate the pandemic, providing pro bono services (valued at nearly \$450,000) to increase website functionality, marketing and brand development, and product sourcing (among other areas). In a follow up survey, more than 80 percent of businesses saw increases in online sales and new customers. From August to October 2020, we featured another new cohort of [40 Black-owned small businesses across our platforms](#).



Photo courtesy of Nest

The Qurate Retail Group Fellowship

One of our primary partners in this work is Nest, a female-founded nonprofit organization that supports social entrepreneurs in leading small businesses that employ local women in doing craft-based work like beading, embroidery, and weaving. In our four-year partnership, QVC and HSN along with customers and vendors, have collectively donated more than \$1.5 million in critical funding to Nest, helping grow its reach from 60,000 artisans in 2016 to more than 245,000 today.

Another way we support Nest is through the Qurate Retail Group Fellowship program, which connects interested team members with artisans for a 10-day immersive experience to help them grow their business. In 2020, the program multiplied in participation, attracting 39 team members who collectively spent 3,000 hours with 16 artisan guilds (valued at \$405,000 in pro bono services*). These team members advised each small business on a host of issues, delivering a wide range of business solutions such as copy and photography guides, marketing plans, category margin analysis and alternative sourcing solutions.

* Based upon the CECP [Valuation Guide Giving in Numbers](#) survey.



International Women's Day

Every year on our platforms, we dedicate International Women's Day to celebrate the many women entrepreneurs we have helped launch as well as the thousands more building businesses all over the world. In 2020, QVC US and HSN featured a collection of content focused on women as well as our long-term collaboration with Nest. The two also contributed \$50,000 to Nest along with inviting customers to join them in donating to the organization through the QVC and HSN websites.

Our brands also held multiple internal events for our team members internationally throughout the day, including hosting women keynote speakers, workshops, round-table discussions, and programs focusing on women's empowerment and success.



**INTERNATIONAL
WOMEN'S DAY**

The Big Find

Another successful program run by QVC US and HSN targeted at identifying budding entrepreneurs is called The Big Find. This annual program brings innovative products in beauty, fashion, accessories, jewelry, home, electronics, and culinary to millions of customers through an international search. Select entrepreneurs and inventors are invited to pitch their product to a panel of QVC and HSN judges and if selected, are identified as 'Big Ticket' recipients to continue their product discovery process with us. Successful candidates work with our team to launch their product on-air and online across our various platforms along with the expertise of our vendor community, who routinely offer mentoring sessions for the winners on live, authentic product storytelling.

In 2020, we finalized **102** brands through The Big Find, including **48** women-owned businesses and **16** Black-owned businesses. As of the first quarter of 2021, we have helped launch **23** brands with many more expected to launch throughout the year.

Promoting women entrepreneurs

Support for female founders has been an important component of QVC NEXT since the beginning. More than 50% of all start-ups participating in QVC NEXT in Italy and Germany in 2020 were founded by women or have at least one female founding member.



QVC > NEXT >

More than 2,400 entries from more than 60 countries were received for The Big Find in 2020, with the search expanded to include four new categories – home décor, home innovations, electronics, and culinary. Two-thirds of the winning brands self-identified as either women-owned or minority-owned.



QVC NEXT

QVC Italy launched QVC NEXT in 2016 to help entrepreneurs grow through its unique platforms and team members' know-how. With further development by QVC Germany in 2017, the initiative has become an important channel to expand product discovery by leveraging our business model. In 2020, QVC Germany evolved the program to launch **NEXT>IN SUSTAINABILITY**, a startup competition to identify and honor entrepreneurs whose products help us practice more sustainable habits, in the categories of fashion, food, beauty, and innovation. Welcomed by the Federal Ministry for Economic Cooperation and Development, startups competed for access to the QVC network as well as the opportunity to receive coaching and mentoring from our team members. The four winners for the fashion, beauty, food and innovation categories were [Natascha von Hirschhausen](#), [Nâmeco Cosmetics](#), [Plastic2Beans](#) and [Pottburri](#) (pictured left) each will have their products listed on QVC Germany's platforms in 2021. QVC Italy participated in GammaForum 2020 by co-producing the final digital event in QVC studios – reaching more than 50K viewers. La Perla Cioccolati, the brand that won the 2020 QVC Next Award, will launch on QVC Italy's platform in 2021.



CHAMPIONING EMPOWERMENT & BELONGING

Community Involvement

We are committed to giving back to the communities we serve through corporate philanthropy, product donations, team member giving, and volunteerism.

Over the years, we have generated hundreds of millions of dollars for thousands of charities worldwide through direct grants, in-kind donations, fundraising, volunteering, and cause marketing initiatives such as HSN's St. Jude's Thanks and Giving campaign, Beauty with Benefits at QVC and HSN, and Shopping4Good at QVC Italy.

GOAL

\$100 million in total contribution between 2020-2025, with \$50 million directed to women's empowerment and entrepreneurship

PROGRESS



Complete 100,000 team member volunteer hours between 2020-2025



Community resilience

Our work to build community resilience spans multiple areas and issues, including health and wellbeing, hunger, and childhood literacy. Given our longstanding legacy supporting this work, we release an annual [Global Contribution Summary](#) detailing our community efforts and celebrating our partners and achievements. Take a look at our [2020 video](#).



Championing over 1,000 nonprofits with \$39.6 million in support



10,000
volunteer hours

\$1.2M

raised by HSN and our Cornerstone Brands' 2020 "Thanks and Giving" campaign for St. Jude Children's Research Hospital

Over **3.3 million** meals provided to families in need in partnership with Feeding America.



\$2.6 million

generated by all seven Qurate Retail Group brands for food insecure children and seniors through a fundraising campaign with Meals on Wheels America and No Kid Hungry.

70,038
books

\$659,000
in sales proceeds

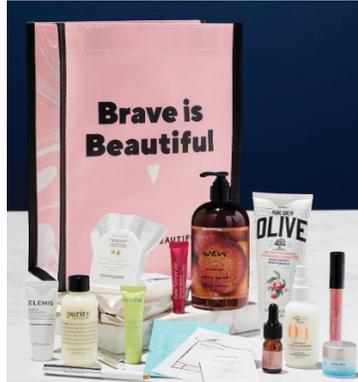


provided to children in need through Zulily's partnership with nonprofit First Book and Penguin Random House.

See a full roll-up of our **2020 corporate contributions** on page 25.



Our 2020 Corporate Contributions Summary



\$39.6M Total Giving*

\$19.1M
COVID & Social Justice Response

\$25.2M
Product & Other In-Kind Donations



Photo courtesy of Nest



\$16M
Women's Entrepreneurship & Empowerment

\$15.6M
Cause Marketing Initiatives

1,035
Charities Supported

76
Small Businesses Supported

\$1.6M
Team Member Giving & Volunteering

10,100
Team Member Volunteer Hours



* The "2020 Total Giving" includes donations made directly by QVC and its global affiliates, Zulily, HSN, Ballard Designs, Frontgate, Garnet Hill, and Grandin Road (collectively, "Qurate Retail Group" or "QRG") and team members of these entities, as well as those facilitated by Qurate Retail Group. The "Cause Marketing" total represents charitable funds generated through the sale of donated products by QRG and vendors based upon QRG's sale of certain products. The "Product and In-Kind Donations" total represents product and other donations made by QRG in the amount of \$8,741,238, and product and cash donations made by vendors (and facilitated by QRG) in the amount of \$15,521,894, and QRG team member volunteering in the amount of \$951,121 (a portion of team member volunteering value calculation utilizes the CECP Pro Bono Valuation Guide). The remainder of volunteer time value calculation utilizes the Independent Sector Volunteer Rate.



Using our platforms for fundraising

In 2020, our cause marketing efforts across the globe helped to bring hope and help to those in need. Some significant highlights included:

- **SHOPPING4GOOD** is a program of QVC Italy to raise funds for breast cancer research. The program has generated €300,000 in donations since 2015, with €48,000 in 2020.
- **QVC Presents FFANY Shoes on Sale** is the largest fundraising event in the shoe industry, through which QVC US has facilitated the donation of over \$59.3 million since 1994 to fund “first step” research at leading cancer research centers around the US. 2020’s broadcast generated \$1.3 million.
- **Beauty with Benefits** is an annual event sponsored by QVC US, HSN, and the Cosmetic Executive Women to help cancer survivors navigate employment. Beauty with Benefits has generated over \$12.2 million over eight years, with \$2.7 million raised in 2020 alone. By purchasing beauty products, customers help cancer patients get access to workplace resources and support from Cancer & Careers.
- HSN and all our Cornerstone Brands (Ballard Designs, Grandin Road, Garnet Hill and Frontgate) participate in the annual **St. Jude Thanks and Giving campaign** to end childhood cancer and this past year their cause marketing efforts raised over \$1.2 million.

\$15.6 M

Cause Marketing Initiatives



Team Member Experience & Well-Being

Noteworthy: Talent Experience

Talent Experience is the ongoing team member journey to define and reach optimal individual potential that drives the achievement of our business priorities and guides us on Our Path Forward. Our Talent Experience philosophy is grounded in three domains:

Managing Performance is the continuous process of establishing, monitoring, and measuring performance expectations for team members. This fundamental partnership between leaders and team members drives a deeper understanding of how they contribute to the achievement of successful business results, while realizing personal success in their careers.

Key programs include:

- Annual goal setting & year-round goal management
- Performance management & compensation planning

Developing and Deploying fosters and inspires a learning culture where team members can own their development and grow in their careers. Specific focus areas include talent mobility through identifying critical talent, assessing talent readiness, and building a scalable talent pipeline for critical roles.

Key programs include:

- On-demand development through LearningLab and custom programming
- Talent reviews & succession planning
- Leadership coaching
- Formal mentoring for high potentials & team member resource groups

Engaging and Recognizing initiatives provide team members with a deeper understanding of Our Path Forward, elevate the overall team member experience and increase team member commitment to our company.

Key programs include:

- New team member experience (pre-boarding, orientation and onboarding)
- Company recognition award
- Continuous listening strategy (Engagement, Pulse and Lifecycle Surveys)

Team Member Engagement

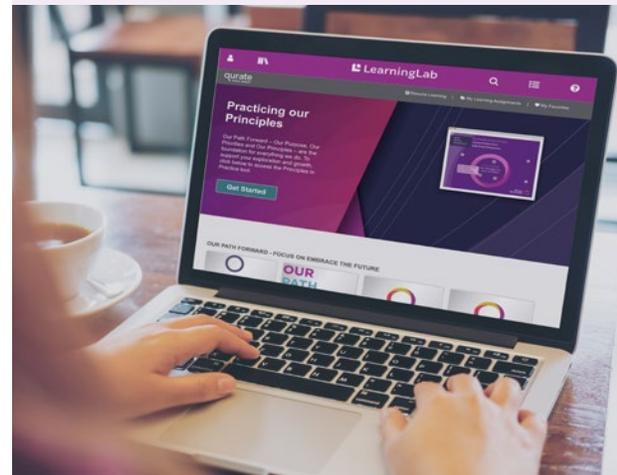


Engagement score for FY 2017 is for QVC only, inclusive of all markets globally. Results for FY 2018-2020 are for all Qurate Retail Group brands and markets, exclusive of QVC Germany. Data coverage is based on survey response rate. All regular team members (defined as those who do not have an anticipated departure date) are given the opportunity to participate in the voluntary, anonymous engagement survey. The data coverage for FY 2020 was 70% of Qurate Retail Group team members.

Inspiring a Learning Culture: LearningLab

In 2020, we introduced a new global learning and development platform called LearningLab. This tool brings together innovative technology and an extensive content library to empower team members to own their development through exploration and experimentation. It allows team members to create personalized learning journeys and provides a point of access for education and development opportunities across our company with features such as:

- A wide range of popular development topics in a variety of formats like eLearning courses, webinars, podcasts, and eBooks.
- Custom content focused on Our Principles, DE&I, internal talent programs, and more.
- Dashboards and timelines to track assigned learning activities and bookmark content.
- Leader tools to support and encourage team member development.





Team Member Well-Being

Team members at Qurate Retail Group are our greatest asset. As such we offer benefits and programs that take a holistic view on well-being – addressing the physical, mental, social and financial needs of our team members and their families. This includes a suite of benefits focusing on health and wellness, work/life balance, financial planning, competitive compensation, and enhanced leave benefits. It was even more important in 2020 to help our team members navigate the challenges of the COVID-19 pandemic.

At the onset of the pandemic, we deployed varied measures to ensure team member safety and support their overall well-being – including remote working, flexible hours, added flexibility to our attendance policies, additional paid time off for COVID-related absences and a variety of services through our Employee Assistance Program. As COVID-19 continued to present challenges, we developed pandemic leave, vaccine time-off and free telemedicine to ensure team members maintain their health and tend to family needs. All team members in the US now have access to family care services such as childcare enrollment priority and discounts, and nanny/education/caregiver placement services.

Additionally, to address the financial pressures for team members and their families facing a COVID-19 diagnosis, we launched the **QRG Team Member Relief Fund** (TMRF) with a \$2M contribution. All active QRG team members (full time and part time), director-level and below, were invited to apply to receive grants from the fund to support basic and critical needs such as childcare and medical expenses. The Fund is managed by E4E Relief, a third-party administrator and 501(c)(3) public charity. In 2020, \$943,139 was granted through the TMRF to 855 team members globally with the average awarded amount of \$1,103. While the Fund was created in response to the pandemic, we will continue using it in the future for non-COVID related financial hardships, as a result of other disasters, both catastrophic and personal.

The health and safety of our team members are top priorities for us and despite the pandemic, we worked hard in 2020 to ensure our team members could work safely.



Occupational Health and Safety 2020

Per 200,000 hours worked

Lost-time Injury Rate: **1.4**

Occupational Illness Frequency Rate: **1.0**

Sustainability Accounting Standards Board (SASB) Index

| METRIC | 2020 | 2019 | SASB CODE | ADDITIONAL INFORMATION |
|--|------------------|---------|--------------|---|
| Hardware Infrastructure Energy & Water Management | | | | |
| Total energy consumed (GJ) | 986,026 | 971,755 | CG-EC-130a.1 | We purchase grid electricity, and we do not specifically purchase renewable energy. However, our electricity consumption is reflective of grid mix and may include some renewables. Additionally, our Ontario facility is consuming solar electricity that is generated on site and we have begun tracking that information in 2021. At our locations in Rocky Mount, NC and Sakura, Japan we generate solar energy that is sold back to the grid. |
| Percentage grid electricity | 72% | 74% | | |
| Percentage renewable | 0 | 0 | | |
| Total water withdrawn (thousands of cubic meters (m ³)) | 518.4 | 246 | CG-EC-130a.2 | This is our second year calculating water consumption. We captured the majority of our big user facilities across all brands and markets and expect the remainder of our facilities to have immaterial water use. |
| Total water consumed (thousands of cubic meters (m ³)) | 509.7 | 246 | | |
| Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress | 4.27% | | | |
| Percentage of water consumed in regions with High or Extremely High Baseline Water Stress | 4.27% | | | |
| Employee Recruitment, Inclusion & Performance | | | | |
| Employee engagement as a percentage | 72 | 65 | CG-EC-330a.1 | <p>At QVC, we conducted an annual employee engagement survey with CEB prior to becoming Qurate Retail Group in 2018. Our new approach across QRG is conducted via a partnership with Glint. We surveyed for the first time as QRG in August 2018 and conducted our third survey in September 2020. Additionally, in 2020 we conducted several COVID-19 related pulse surveys to understand the team member experience in a remote and hybrid environment, and the return to work for many on-site team members.</p> <p>With Glint, our Engagement score is calculated as a weighted average of two items (How happy are you working here? and I would recommend my company as a great place to work). The average score for each question is the average of all the responses on the rating scale scaled to 100.</p> |
| Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees | See tables below | | CG-EC-330a.3 | <p>Our commitment to diversity, equity, and inclusion is deeply rooted in our company's Principles, which call on us to Drive Progress, Act With Empathy, Be Brave, Embrace the Future, and Do What's Right. We recognize this is a journey, and we know we have plenty of work ahead of us. We intend to do what it takes to make a meaningful difference in this space, in order to empower our teams, our partners, and the communities in which we live and work.</p> <p>For more information on our Diversity, Equity, & Inclusion work, including our five-year targets, please visit our website.</p> <p>Gender information includes all Qurate brands and markets, with the exception of QVC Germany where this data is not available.</p> <p>Racial/ethnicity information includes our US team members at QVC US, HSN, Zulily and the Cornerstone Brands only.</p> |

2020 WORKFORCE BREAKDOWN: GENDER GLOBALLY

| | |
|---|-------|
| Share of women in total workforce | 61.3% |
| Share of women in management positions (Director and above) | 46.0% |

2020 WORKFORCE BREAKDOWN: RACE/ETHNICITY IN THE US

| | |
|---|--------|
| Asian | 3.76% |
| Black or African American | 27.23% |
| Hispanic or Latino | 16.57% |
| White | 48.16% |
| Other (includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and Two or More Races) | 2.75% |
| Declined to Self-Identify | 1.53% |

2020 WORKFORCE BREAKDOWN: RACE/ETHNICITY OF MANAGEMENT POSITIONS AT ALL LEVELS IN THE US

| | |
|---|--------|
| Asian | 4.60% |
| Black or African American | 6.05% |
| Hispanic or Latino | 4.81% |
| White | 82.28% |
| Other (includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and Two or More Races) | 1.18% |
| Declined to Self-Identify | 1.08% |

| METRIC | SASB CODE | ADDITIONAL INFORMATION |
|----------------------|--------------|--|
| Data Security | CG-EC-230a.1 | <p>QRG's Cybersecurity team is comprised of the following groups: Vulnerability Management, Incident Response, Data Protection and Privacy, Policy & Training, Risk & Governance and Engineering. A Threat and Vulnerability management tool helps the team prioritize remediation based on risk across QVC US, HSN and CBI and internal and external penetration testing and vulnerability scanning is also conducted. Static code analysis is carried out for applications developed internally and dynamic code analysis is carried out for our external websites. Authenticated scans are run for external dynamic applications across the QVC US, HSN and CBI internal network. QRG evaluates third-party risk by addressing regulations such as the General Data Protection Regulation in the EU and the California Consumer Privacy Act in the US. Multi Factor Authentication is used to provide a second layer of security to user sign-ins and transactions, especially as many team members have shifted to working remotely. QRG's Risk & Governance team evaluates threats against our key assets and quantifies risks against various scenarios. This enables us to understand the frequency and magnitude of potential losses, both past and present. Our Engineering team leverages security tools to help prevent, detect and analyze threats attempting to exfiltrate our environment.</p> <p>Our Vulnerability and Patch Management policy ensures adequate and timely patching of our critical assets and authenticated scanning and static/dynamic code analyses provide us with insight on vulnerabilities within our environment. In the event a team member notices something suspicious, a clear escalation process is in place for them to follow. All QRG team members and contractors receive annual security training on what to look out for and what to do in the case of anything suspicious. When concerns are reported, QRG's Cyber Threat Operations Center reviews and documents any reports in line with our Security Incident Reporting Process. Table-top exercises are also performed annually with training to simulate real/life IT scenarios and appropriate response tactics.</p> <p>Over the past three years, QRG is noticing an upward trend of incidents stemming from third-parties, human error, and phishing, though none have risen to the level of critical risk. QRG uses tools to address risks posed by these incidents, and QRG has implemented monitoring enhancements with more robust alerting to enable the Incident Response team to catch threats earlier in the Cyber Kill chain and to attempt to respond prior to any impact to the business.</p> <p>Annually, QRG performs an assessment of its security maturity against the National Institute of Standards and Technology's Cybersecurity Framework across the five domains of identify, protect, detect, respond and recover. The result of our most recent assessment for 2020 said we are operating above an Informed tier in all areas and Repeatable in areas the organization has prioritized.</p> |

| METRIC | SASB CODE | ADDITIONAL INFORMATION |
|---------------------|--------------|--|
| Data Privacy | TC-IM-220a.1 | <p>As Qurate Retail Group is an entity made up of businesses that perform different operations in different markets, descriptions of each entities' practices are contained in each of their privacy policies. All brands use demographic, behavioral, location data, and other personal information, as described in each brand's policy.</p> <p>The table below summarizes various user privacy practices utilized across Qurate Retail Group brands and markets.</p> <p>The lifecycle of information is described in each brand's policy. Information is retained in relation to its purpose and is accordingly disposed of following the disclosed purposes within each brand's privacy statements and according to internal retention policies. In addition, retention limitations relevant to the services provided are flowed down to vendors within contracts.</p> <p>QRG generally conducts risk-appropriate privacy and security due diligence when engaging vendors that may process QRG personal data, to verify that such vendors comply with applicable legal requirements and meet QRG's internal standards. QRG takes measures to include in certain vendor contracts QRG's expectations related to the processing of personal data by vendors and to provide QRG with remedies - including contract termination for failures by vendors to meet their contractual obligations. During this risk-appropriate privacy and security due diligence, we conduct Privacy Impact Assessments that address: (a) what information is to be collected, (b) why the information is being collected, (c) the intended use of the information, (d) with whom the information will be shared, and (e) how the information will be secured.</p> <p>The General Terms of Use for all US entities for the US Children's Online Privacy Protection Act (COPPA) require customers be 18 years of age or older to use our platforms. QRG entities do not knowingly collect personal information from children under the age of 13.</p> <p>All US QRG entities advertise directly to consumers and through third party platforms. Zulily is the only US QRG entity that hosts third party advertisements for products that are not sold on or through its platform. Disclosures regarding advertising are contained within each brand's policy.</p> <p>With respect to behavioral advertising, all brand policies contain descriptions of activities, security, and procedures.</p> <p>Brand-specific policies:</p> <ul style="list-style-type: none"> • Qurate Retail Group • QVC US • QVC UK • QVC DE • QVC IT • QVC Japan • HSN • Zulily¹ • Ballard Designs • Frontgate • Garnet Hill • Grandin Road <p>¹Individuals viewing Zulily's notice of privacy practices are presented with the notice that is specific to their location.</p> |

| USER PRIVACY PRACTICE | QVC US | QVC UK | QVC DE | QVC IT | QVC JP | HSN | Zulily ¹ | Ballard Designs | Frontgate | Garnet Hill | Grandin Road |
|--|-----------|-----------|-----------|-----------|-----------|-----|---------------------|--------------------|----------------|----------------|-----------------|
| Opt-out options available | | | | | | | | | | | |
| Right of deletion | X | X | X | X | | X | X ² | X ³ | X ³ | X ³ | X ³ |
| Requests for “Do Not Sell my Information” are fulfilled for US Customers | X | n/a | n/a | n/a | n/a | X | X ³ | X ³ | X ³ | X ³ | X ³ |
| Email Marketing Opt-out | X | X | X | X | X | X | X | X | X | X | X |
| Opt-in consent for portions of email marketing and cookie placement | | | X | X | | | X | | | | |

¹ Individuals viewing Zulily's notice of privacy practices are presented with the notice that is specific to their location.

² Limited to jurisdictions where deletion is legally required or advisable to extend to residents of that jurisdiction.

³ Limited to CA residents

| METRIC | 2020 | 2019 | SASB CODE | ADDITIONAL INFORMATION |
|---|------------------------------|---------------|--------------|--|
| Product Packaging & Distribution | | | | |
| Total greenhouse gas (GHG) footprint of product shipments (CO2-e) | 87,671 | Not disclosed | CG-EC-410a.1 | |
| Discussion of strategies to reduce the environmental impact of product delivery | | | CG-EC-410a.2 | As part of our Scope 3 analysis, which is currently underway, we have estimated our 2020 shipping emissions. We recognize that inbound and outbound shipping are a significant portion of our total emissions footprint, and we are evaluating our entire distribution system to identify ways to reduce transportation emissions and prioritize expanding consolidated shipping. For now, QVC, HSN and Zulily are consolidating customer orders where possible to reduce packaging and the number of deliveries required. We are also working to execute a network optimization plan that will consolidate transportation and shipping across our seven brands to ensure less waste, less packaging use, and better cost discipline. For additional information on Shipping & Logistics, please see page 11. |
| Activity Metrics | | | | |
| Entity-defined measure of user activity | \$8,895 B 2.7 B 46.9 B | \$8,048 B | CG-EC-000.A | QRG Online Revenues QRG Total sessions (annually) QRG Total searches (monthly) |
| Data processing capacity (MHz), percentage outsourced | 34,794,489 | | CG-EC-000.B | This figure represents data processing capacity for our mainframe as well as 85% of our non-mainframe machines. |
| (1) Amount of data storage, (2) percentage outsourced | 16,671 CPUs | | TC-IM-000.C | Only a small portion of our systems are outsourced. |
| Number of shipments | 239 million | 233 million | CG-EC-000.C | In 2020, we shipped 239 million units across QVC US, HSN, and QVC International. |

qurate

RETAIL GROUPSM

qurateretailgroup.com



BALLARD DESIGNS | FRONTGATE | Garnet Hill | [grandinroad.](#)