



qurate  
RETAIL GROUP <sup>SM</sup>

# A MORE SUSTAINABLE WAY TO RETAIL

2021 CORPORATE  
RESPONSIBILITY REPORT



## About this Report

This is Qurate Retail Group's (QRG) second annual corporate responsibility (CR) report, updating stakeholders on our progress against the public commitments set forth in our last report. These commitments are informed by a materiality assessment of important topics, and guided by the United Nations Sustainable Development Goals (UN SDGs). This report also includes disclosures aligned to relevant sector standards published by the Sustainability Accounting Standards Board (SASB).



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A MORE SUSTAINABLE WAY TO RETAIL

# About Qurate Retail Group

Our seven leading retail brands are all dedicated to providing a more human way to shop. Together, our brands combine shopping and entertainment to curate products, experiences, conversations and communities for millions of highly discerning shoppers.



BALLARD DESIGNS | FRONTGATE | Garnet Hill | grandinroad.



## West Chester, PA

Headquarters



14

Television channels



## We are the largest player in video commerce

- Linear TV
- E-commerce sites
- Digital streaming
- Social platforms



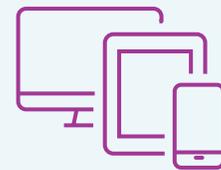
## Operations

United States, United Kingdom, Germany, Japan, Italy, Poland and China



200M

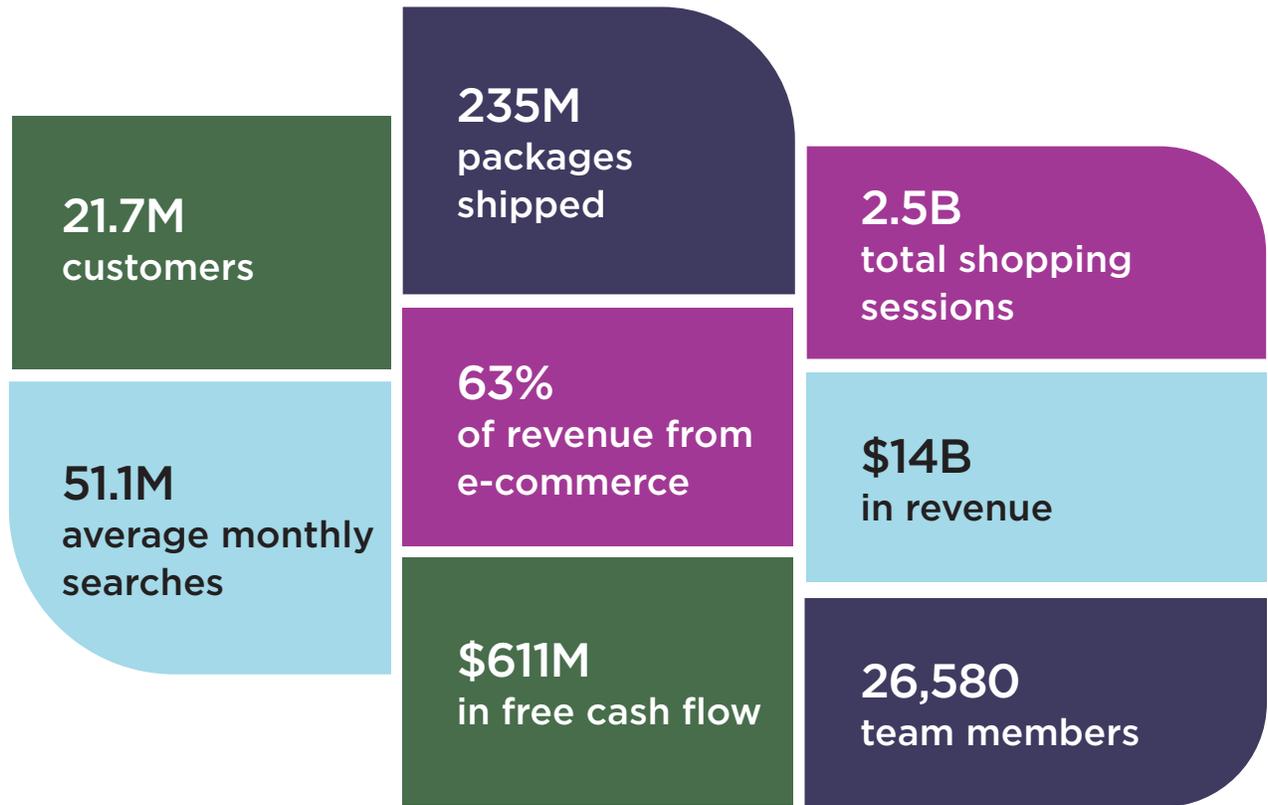
Homes reached worldwide



## We reach millions more through

- Multiple streaming services
- Social media pages
- Mobile apps
- Websites
- Print catalogs
- In-store destinations

## 2021 By the Numbers



### Awards and Recognitions

We're proud to share the success of our dedicated team members. Here are a few of the awards and recognitions earned by QRG brands in 2021.



NO. 38

National Retail Federation's 2021 Top 100 Retailers List

**Sustainability Yearbook**  
Member 2022



2022 SUSTAINABILITY YEARBOOK<sup>1</sup>

S&P Global



100%

Human Rights Campaign Foundation's  
2022 Corporate Equality Index<sup>1</sup>



2022 BLOOMBERG  
GENDER EQUALITY  
INDEX<sup>1</sup>



2021 ACE AWARDS  
Accessories Council  
Excellence

1. Data submitted in 2021.

# A Message from Our CEO



At its best, retail is more than just a way to fulfill our material needs. Retail is an opportunity to explore, dream and come together around shared ideas of what could be.

Qurate Retail exists to keep this humanity, this soul, in retail. Over the past four decades, we have become a video commerce (“vCommerce”) powerhouse — reaching hundreds of millions of homes and devices worldwide with joyful stories and interesting products; connecting millions of people to our brands and to each other; building countless virtual communities.

As a team, we recognize that our global vCommerce platform can do more than just delight our customers and inspire them to shop with us. We are uniquely positioned to inspire a more sustainable way to retail — intentionally inclusive, entrepreneurially driven, responsibly curated and waste smart. In 2020, we crafted a corporate responsibility strategy to help us do this by focusing our team’s efforts around three strategic pillars: Protecting Our Environment, Curating Product Responsibly, and Championing Empowerment and Belonging.

In 2021, our team put tremendous heart into executing this strategy: We announced new goals in key areas, achieved some existing targets early and made important progress on many others.

- » We elevated diverse voices, most notably by welcoming nearly 100 underrepresented entrepreneurs to our Small Business Spotlight, a flagship program that offers diverse small businesses national exposure on QVC®, HSN® and Zulily®. We launched our first Spanish-language program in the US and began featuring stories of resilience on our Italian broadcasts.
- » We achieved a perfect 100% on Human Rights Campaign Foundation’s 2022 Corporate Equality Index and joined the 2022 Bloomberg Gender-Equality Index (based on applications submitted in 2021) — two honors that reflect our deep commitment to our workforce. We added new

diversity training for leaders and team members and expanded our Team Member Resource Groups (TMRGs) to 39 worldwide. Our TMRGs hosted many events to promote authenticity and inclusion and contributed to dozens of customer and marketplace initiatives.

- » We collaborated across brands to increase the sustainability of our business by eliminating single-use plastic bottles from corporate office locations worldwide. We achieved another sustainable packaging goal ahead of target and made significant progress toward achieving our first Scope 1 and 2 greenhouse gas (GHG) emissions reduction goal.
- » We helped our consumers to make responsible choices by expanding our use of sustainable materials at Garnet Hill and in multimillion-dollar brands at QVC like AnyBody, zuda and Denim & Co.
- » We launched Zulily’s first Sustainability Shop, along with a new show on sustainable living at QVC Japan.
- » We gave back to our communities by generating \$41.6 million in annual contributions — our highest total ever — supporting more than 1,000 nonprofits worldwide.

As a new member of the Business Roundtable, I am pleased to sign the “Statement on the Purpose of a Corporation,” a commitment by more than 180 CEOs to lead their companies for the benefit of all stakeholders. Yes, we will serve our shareholders. But we will also deliver value to our customers, invest in our team members, deal fairly with our suppliers and support our communities. As Qurate Retail, we intend to be co-authors of a brighter future, together with all of our stakeholders. We hope you will join us on this journey.

Best,

A handwritten signature in black ink, appearing to read 'DR II', written over a horizontal line.

**David Rawlinson II**

President and CEO, Qurate Retail, Inc.

# A More Sustainable Way to Retail

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 to enrich life's everyday moments through the experiences we create, the connections we make and the products we curate, we achieved some of our initial goals, set new ones and made substantial progress on the rest.

Our CR program builds on our [materiality assessment](#), which identified our core material topics based on extensive research and engagement with stakeholders, including QRG team members, customers, community groups and suppliers. These material topics have been organized under each of our three pillars: Protecting Our Environment, Curating Product Responsibly and Championing Empowerment & Belonging.

CR is a critical part of our **purpose, priorities** and **principles**. Our **purpose** is our “why” and aligns QRG’s brands in working toward a common cause. Each brand has its own set of strategic **priorities** that define what actions we must take to fulfill QRG’s purpose, and how



we deliver against those priorities is defined by a core set of **principles** that compel us to drive progress, act with empathy, be brave, embrace the future and do what's right.

In line with these principles, our CR commitments keep us accountable for how our choices impact QRG’s stakeholders and the environment — now and in the future. They drive us to be a force for good, both within our business and in the world.

The content of this report aligns with our strategic pillars to demonstrate how our people, networks and brands support our vision. A key motivator behind our formal CR strategy and goals is a commitment to transparency. As we make progress, we will continue to enhance disclosures across these pillars.

## Protecting Our Environment

- + Energy-Efficient & Waste-Smart Operations
- + Sustainable Packaging
- + Shipping & Logistics



## Championing Empowerment & Belonging

- + Diversity, Equity & Inclusion
- + Thriving Entrepreneurs
- + Community Involvement

## Curating Product Responsibly

- + Responsible Sourcing & Manufacturing
- + Human Rights in the Supply Chain
- + Scaling Sustainable Materials

# Governance and Ethics



Our business is built on a foundation of trust that we have nurtured over the years with our customers, our vendors and our team members. To maintain that trust, we have built business ethics, product safety and quality, and outstanding customer service into our CR strategy. Guided by our Code of Business Conduct and supported by robust policies, standards and practices, we work to ensure that we are operating ethically, providing excellent customer service and following the highest of standards in product procurement and manufacturing.

Check out our [Code of Business Conduct](#), which applies to all our directors, officers and team members.

## Policies & Standards

- [Enterprise Risk Management](#)
- [Tax Strategy](#)
- [Statement of Privacy Practices](#)
- [Discrimination and Harassment Policy](#)
- [Anti-Bribery and Anti-Corruption Policy](#)

## Governance

QRG is part of Qurate Retail, Inc. (QRI) (NASDAQ: QRTEA, QRTEB, QRTEP), which includes the QRG portfolio of brands as well as other minority interests. In turn, QRI draws on the partnership spanning QRI, Liberty Media Corporation, Liberty Broadband Corporation and Liberty TripAdvisor Holdings, Inc. in approaching environmental, social and governance (ESG) matters. Together, the companies leverage best practices, share resources, develop priorities and pursue sustainable, long-term value creation.

Guided by this ESG strategy, QRI's majority-independent Board of Directors (the Board) oversees a strong corporate governance program to enhance the long-term value of the company for the benefit of its shareholders. Independent Board members chair and serve on the standing Audit, Compensation, and Nominating and Corporate Governance Committees, and the Board has separated the positions of Chairman of the Board and Chief Executive Officer (CEO).

## Our Governance Structure At-A-Glance

<p><b>Qurate Retail, Inc. (QRI)</b></p> 	<p><b>Includes:</b> QRG + other minority interests</p>	<p><a href="#">QRI Board of Directors</a> and its committees oversee corporate governance and key ESG issues</p>
<p><b>Qurate Retail Group (QRG)</b></p> 	<p><b>Includes:</b> QVC®, HSN®, Zulily®, Ballard Designs®, Frontgate®, Garnet Hill® and Grandin Road®</p>	<p>A CR Committee, made up of QRG's Executive Leadership Team, oversees CR and ESG issues</p>
<p><b>Collaborative ESG Approach</b></p>	<p><b>Includes:</b> QRI + Liberty Media + Liberty Broadband + Liberty TripAdvisor</p>	<p>A CR Committee comprised of cross-functional team members oversee ESG efforts and best-practice sharing</p>

■ Learn more about [ESG at Liberty](#) and the new [Liberty Climate Initiative](#).

The Board understands and appreciates the value and enrichment that member diversity provides in all its forms. In its director candidate identification and nomination process, the Board seeks a breadth of experience from a variety of industries and professional disciplines, along with a diversity of gender, ethnicity, age and other personal characteristics. Its 10 current members include two directors who identify as female, two directors who identify as Asian, one director who identifies as Black and one director who identifies as LGBTQ+.

The Board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant Board committees. The Audit Committee oversees the management of financial risks and risks relating to potential conflicts of interest. The Compensation Committee oversees the management of risks relating to compensation arrangements with QRI senior officers. The Nominating and Corporate Governance Committee oversees the nomination of individuals with the judgment, skills, integrity and independence necessary to oversee the key risks associated with QRI, as well as risks inherent in QRI's corporate structure. These committees then provide reports periodically to the full Board. In addition, the oversight and review of other strategic risks are conducted directly by the full Board.

The oversight responsibility of the Board and its committees is enabled by management reporting processes that are designed to provide visibility to the Board about the identification, assessment and management of critical risks. These areas of focus include strategic, operational, financial and reporting, succession and compensation, legal and compliance, cybersecurity and other risks, including those related to material environmental and social matters such as climate change, human capital management, diversity, equity, and inclusion, and community relations (together with governance concerns, ESG). QRI's management reporting processes include regular reports from QRI's Chairman of the Board and QRI's CEO, which are prepared with input from QRI's senior management team, Internal Audit group and Chief Portfolio Officer, who manages QRI's ESG efforts.

## **Diverse Leadership Perspectives**

**QRI President & CEO David Rawlinson  
1 of 6 Black Fortune 500 CEOs**

**20%**  
**QRI Board  
members  
identify as  
female**

**30%**  
**QRI Board members  
identify as Asian  
or Black**

With oversight from QRI's Board, QRG's Executive Leadership Team is responsible for driving business value across QRG and its brands. A subset of this team of diverse business leaders makes up our Corporate Responsibility Executive Steering Committee, which meets every other month to oversee QRG's CR issues. The goal of the committee is to effectively integrate CR strategies into the company's major business functions and operations to help accomplish our mission and business objectives. The committee includes our President and CEO and senior leaders of the executive team, demonstrating that our commitment to our CR initiatives is supported by leadership at the highest level of our organization. Members of the committee have a broad range of backgrounds and skill sets critical to championing responsible business practices across the enterprise.

In addition to the committee, QRG's Corporate Responsibility Leadership Team plans and executes initiatives to attain our CR commitments. This team is supported by advocates and champions across our brands who participate in several working groups aligned to our material topics. Members of the committee and QRG's executive team regularly meet with shareholders and other stakeholders to address the company's CR strategies and commitments. These meetings allow QRG's leaders to gain feedback on important environmental and social issues and help the company set goals and evaluate key CR initiatives.

# Corporate Responsibility Commitments and Progress

Our CR commitments hold us accountable and focus on measurable goals and targets, aligned to the UN SDGs.<sup>2</sup> In this first phase of goal setting, our focus is on setting commitments that have the greatest impact, while also inspiring and motivating our team members. As we make progress toward these goals, we will continue to evolve them and raise the bar in line with our vision to inspire a more sustainable way to retail.



## Protecting Our Environment

PRIORITY TOPIC & UN SDGs <sup>2</sup>	TERMINAL YEAR	INTERIM TARGETS	STATUS
Energy-Efficient Operations <b>7 13</b>	2022	By 2022, reduce Scope 1 and 2 GHG emissions by 14% (from a 2018 baseline).	<div style="width: 100%; height: 10px; background-color: #2e7d32;"></div>
		Waste-Smart Operations <b>12 13</b>	2025
Sustainable Packaging <b>12 13</b>	2030	<b>Improve carbon footprint through source reduction.</b>	
		By 2022, reduce the average emissions intensity per package shipped by 5% (from a 2018 baseline). <span style="float: right;">ACHIEVED</span>	
		By 2025, reduce the average emissions intensity per package shipped by 20% (from a 2018 baseline). <div style="width: 100%; height: 10px; background-color: #2e7d32;"></div>	
		<b>Improve customer education on the recyclability of QRG packaging.</b>	
		By 2025, include packaging sustainability information on all outbound overpack and all proprietary brands packaging in the US. <div style="width: 80%; height: 10px; background-color: #2e7d32;"></div>	
		<b>Increase the recyclability of QRG packaging.</b>	
		By 2025, all outbound overpack to be considered recyclable. <div style="width: 90%; height: 10px; background-color: #2e7d32;"></div>	
By 2030, all proprietary brand packaging to be considered recyclable. <div style="width: 10%; height: 10px; background-color: #2e7d32;"></div>			
<b>Use recycled content in QRG packaging.</b>			
By 2025, increase the recycled content of outbound overpack fiber packaging to 60% and plastic to 25%. <div style="width: 80%; height: 10px; background-color: #2e7d32;"></div>			
By 2030, increase the recycled content of proprietary brands packaging to 60% in fiber materials and 25% in plastics. <div style="width: 10%; height: 10px; background-color: #2e7d32;"></div>			

2. The UN SDGs encompass 17 goals that aim to align international efforts to leave a better planet for future generations.

## Curating Product Responsibly

PRIORITY TOPIC & UN SDGs <sup>2</sup>	TERMINAL YEAR	INTERIM TARGETS	STATUS
Responsible Sourcing and Manufacturing <b>8 12</b>	2023	To promote supply chain transparency, publish an annual list of names and addresses of Tier 1 factories that produce direct-sourced products sold by QVC and HSN, beginning no later than 2023. <sup>3</sup>	 ● IN PROGRESS ● ACHIEVED

## Championing Empowerment & Belonging

PRIORITY TOPIC & UN SDGs <sup>2</sup>	TERMINAL YEAR	INTERIM TARGETS	STATUS
Diversity, Equity, & Inclusion (DE&I) <b>5 10 16</b>	2025	<b>Increase diverse representation in our supervisory and leadership roles.</b>	
		By 2025, 25% of leaders to be members of underrepresented racial/ethnic groups.	
		By 2025, double percentage of Black and Hispanic/Latino leaders to 12% and 10%, respectively.	
		By 2023, achieve gender parity (50% women) at the director+ level worldwide.	
		<b>Develop inclusive leaders who are accountable for DE&amp;I results.</b>	
		By 2021, all leaders to set DE&I goals for their areas of responsibility.	<b>ACHIEVED</b>
		By 2022, all leaders to complete training on inclusive leadership, microaggressions/allyship and anti-racism/racial equity.	
		<b>Advance inclusion and equity for our teams, customers and communities.</b>	
		By 2022, all 25,000 team members to complete training on unconscious bias, microaggressions/allyship and anti-racism/racial equity.	
		By 2025, rank in the top quartile for DE&I on team member engagement survey.	<b>ACHIEVED</b>
		<b>Elevate underrepresented businesses and products to invite a broader consumer base.</b>	
		By 2025, spotlight 500 underrepresented small businesses.	
By 2021, develop and implement a vendor/supplier diversity program.	<b>ACHIEVED</b>		
<b>Hold ourselves accountable by being transparent on our efforts and progress.</b>			
By 2021, publish first Corporate Responsibility Annual Impact Report, including DE&I updates.	<b>ACHIEVED</b>		
Thriving Entrepreneurs and Community Involvement <b>3 5 8 17</b>	2025	Between 2020–2025, commit \$100 million in total contributions with \$50 million directed toward women’s empowerment and entrepreneurship.	
		Between 2020–2025, complete 100,000 team member volunteer hours.	

2. The UN SDGs encompass 17 goals that aim to align international efforts to leave a better planet for future generations.  
3. This list will include factories involved in the manufacturing and/or assembly of finished products in the apparel and home categories, sold at retail by QVC and HSN. Where existing contractual or other restrictions or considerations may preclude certain factory names and addresses from publication, we expect to work with any such business partners to secure necessary approvals.

# Protecting Our Environment



A sustainable way to retail, by definition, protects the environment.

The scale of our business can have ripple effects throughout our industry, so we're dedicated to leading by example. We work together across our brands and markets to do things right. As a business that reaches millions of viewers and shoppers around the world, we have a unique opportunity to help educate consumers about sustainable behaviors and making more purposeful choices. In our collective efforts to minimize environmental impact, we're focused on three key areas:

- » **Energy-Efficient & Waste-Smart Operations**
- » **Sustainable Packaging**
- » **Shipping & Logistics**

■ **Learn more in our [Environmental Commitment Statement](#)**



## 2021 Achievements

- Achieved waste-smart operations goal to eliminate all single-use plastic bottles from QRG corporate office locations worldwide by 2021, eliminating approximately 700,000 bottles per year<sup>4</sup>
- After achieving another sustainable packaging goal ahead of target, we set more ambitious goals focused on reducing our packaging emissions and increasing recycled content in our outbound overpack fiber and plastic packaging
- Made significant progress in achieving 2022 Scope 1 and 2 GHG emissions-reduction goal of 14% by coming in at 13.46%

4. Elimination metric based on 2019 sales figures.

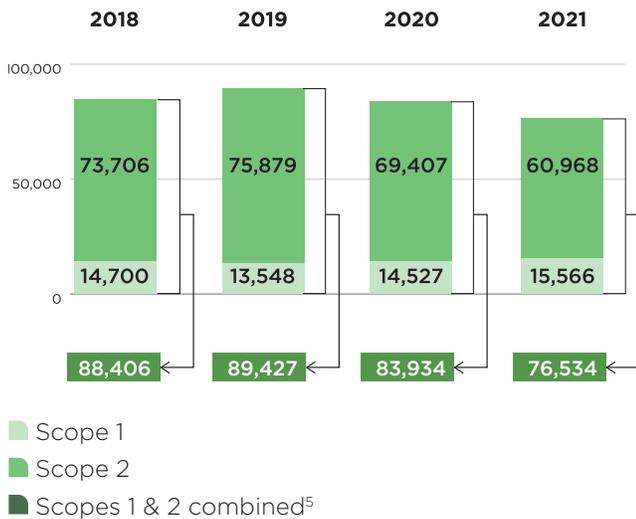
# Energy-Efficient & Waste-Smart Operations



We are committed to conserving energy and minimizing waste in our operations through efficiency-focused best practices and the use of renewable energy where possible.

Curbing GHG emissions is critical to address the pressing challenges of climate change, and as a global company we have both a responsibility and an opportunity to do our part by reducing the impact of our operations. To do so, we are mapping and monitoring our GHG emissions and reducing them through initiatives such as facility lighting retrofits and renewable energy solutions. In addition to conserving energy, we are focused on reducing both water use and waste across QRG’s brands and markets.

## QRG Scope 1 & 2 GHG Emissions 2018–2021 | metric tonnes CO<sub>2</sub>e



Learn more about our [third-party carbon footprint assurance and energy-efficient operations and targets](#)

## Energy-Efficient Operations

Our carbon footprint has been verified by a third party, and we actively monitor our Scope 1 and 2 emissions. In 2021, we came very close to completing our 2022 goal to reduce Scope 1 and 2 GHG emissions — which include our studios, fulfillment and data centers, corporate offices and stores — by 14% by coming in at 13.46%. As we work toward these goals, we continue to focus on operating efficiently by upgrading and optimizing our lighting and heating, ventilation and cooling systems. In 2021, we achieved a 20% year-over-year reduction in energy consumption at one of our UK data centers with the introduction of a free cooling system.

Moving forward, we seek to increase transparency around our carbon reduction efforts by publicly submitting data on QRG’s carbon output to the environmental disclosure system CDP.

## Retrofits and Renewable Energy Solutions

In the US, QRG has outlined specific [design and construction standards](#) aimed at ensuring energy-efficient operations in line with our CR goals. The guidelines help our design and construction teams integrate sustainability into their evolving processes and strategies, with an aim to apply these to projects at many different scales. In 2021, we continued implementing replacement programs that we launched in 2019, such as upgrading to LED lighting and introducing sustainable investments into our capital expenditure and long-range planning. Upgraded LED lighting controls limit the hours of operation to only those times when spaces are occupied, thereby further reducing carbon emissions.

5. Our Scope 1 and 2 goal includes QVC (all markets), HSN and Zulily (Frontgate, Ballard Designs, Grandin Road and Garnet Hill are excluded due to lack of available data), thereby accounting for 91% of QRG revenue.

To date, we have replaced 23,638 conventional fittings with LED fittings in our facilities, resulting in an estimated annual GHG emissions reduction of 5,646 t CO<sub>2</sub>e — the equivalent of driving an average passenger vehicle 14.2 million miles.<sup>6</sup>

Heating, ventilation and cooling systems account for approximately 50% of our Scope 1 and 2 carbon emissions, and we similarly reduced this output through efficient primary plants that ensure heat recovery between air flows, along with effective control systems, zoning and time controls. In 2021, we installed our first free cooling system at our Knowsley data center in the UK, which enabled us to cool the facility using outside air when conditions made it possible. The project resulted in annual energy savings of 140,000 kWh and a GHG emissions reduction of 30 t CO<sub>2</sub>e. Based on its success, we plan to replicate the project across all markets where outside air temperatures permit.

Finally, we have solar panels in place at two 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 GHG emissions, following a life cycle approach.

### Water Conservation

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

■ [See page 39 for water use data](#)

## Waste-Smart Operations

Being waste-smart means minimizing waste and maximizing efficiency to conserve natural resources such as energy, water and materials. QRG has already started this journey, launching a comprehensive effort across our brands and markets to incrementally reduce and ultimately eliminate 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 and returned products to divert them from landfills or incineration. In 2021, we made progress on our waste reduction efforts by completing our goal to eliminate single-use plastic bottles across our corporate offices several months ahead of schedule. Following that success, our work group set new goals for additional plastic elimination and launched a photocopying reduction campaign. Additionally, we made inroads in finding new uses for obsolete products in our warehouses by donating over 5,000 product pallets to charitable organizations across the globe. These efforts helped us reach our highest annual product donation value of over \$23 million, having the added benefit of helping people and the planet by promoting reuse. We also expanded our third-party assurance to include global water consumption and certain categories of waste from our international facilities, and we set up new procedures that will enable us to include total global waste in 2022 and beyond.



6. Calculation from [EPA GHG equivalencies calculator](#).



### Success Story: From Waste to Resource: QVC Japan's Sustainability Loop

When our vendors deliver products to our Sakura Fulfillment Center in Japan, they use a thin plastic stretch film to prevent boxes from shifting during shipping and protect them against dust and dirt during storage. Previously, once the products were unpacked, the film was discarded as industrial waste and sent for incineration.

That changed in 2021, when we began recycling the film into plastic used to produce "label sleeves," which include shipping labels and other flyers sent to customers. The new system allows us to repurpose 10 tons of stretch film waste annually.



The logistics team responsible for the recycling innovation was inspired to tackle the project based on a new law to reduce plastic waste in Japan. In turn, we will use their success to inspire other teams around the world to pursue closed-loop solutions.



### Success Story: Eliminating Single-Use Plastic Bottles

At the launch of QRG'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. By executing a campaign with Fill it Forward, we achieved that goal ahead of schedule in mid-2021, eliminating QRG's purchase and use of approximately 700,000 water bottles per year. Along the way, we made two [charitable donations](#), which helped to fund a clean water well and pump system in Tigray, Ethiopia.

# Sustainable Packaging

We are identifying alternatives to plastic and nonrecyclable packaging as we build the sustainable future of retail.

A key priority is to shift toward more sustainable packaging and consolidated shipping. With representation from all international teams, QRG's Sustainable Packaging Work Group continues to achieve and make progress toward our company's packaging goals. In 2021, we shipped approximately 235 million packages, which makes identifying more sustainable alternatives to plastic and nonrecyclable 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 postconsumer 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
- » Using our platforms to educate consumers on recycling practices such as partnering with the How2Recycle label program in the US and including sustainability information on packaging

## Shifting to Recyclables

As we pursue our CR goals, we're shifting to more recyclable product and packaging materials while educating consumers about ways to recycle product packaging and reduce waste. Accordingly, we're also working to reduce our packaging volume and weight by taking the following key steps:

- » Increasing the number of product units per package to reduce the number of packages we ship
- » Eliminating HSN program guides in packages and transitioning away from plastic tape to water-activated tape
- » Shipping orders in more right-sized packaging to minimize waste



## Improving Consumer Education

As we work to make our packaging more sustainable, we engage consumers to educate them and divert recyclable packaging from landfills. In line with these efforts, in 2020 we conducted a survey to understand consumers' recycling habits. Based on information gathered from more than 600 QVC US and HSN consumers, we learned that, while most consumers participate in curbside recycling, less than a third take polybags to the store or a recycling center. 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 that our packaging was, indeed, recyclable.

Previously, much of our consumer education efforts focused on using scannable How2Recycle labels that are included on a majority of QVC US, HSN and Zulily outbound overpack fiber and plastic materials. In response to our consumers' insights — along with changing How2Recycle label guidelines on the recyclability of packaging materials in 2021 — we have broadened our focus beyond How2Recycle labels to include more comprehensive packaging disposal information. Moving forward, we plan to expand the consumer-facing sustainability information we provide, adding the recycled content in our packaging materials and their GHG emissions metrics compared to traditional packaging materials.

# Shipping & Logistics



The ways in which we warehouse, transport and distribute our products have a significant impact on the environment. In line with our Scope 1 and 2 GHG emissions-reduction goals, we are reviewing our entire fulfillment and distribution model to identify solutions that can be scaled across our sites and brands to reduce Scope 3 GHG emissions while aligning with customer expectations and demands.

In 2021, we improved our calculations across all Scope 3 GHG emissions categories — particularly our shipping and logistics carbon footprint calculation methodology. By working directly with our inbound and outbound providers, we believe these figures are now robust and set the foundations to build our plans to reduce shipping and logistics emissions. We also added new Scope 3 categories into our mapping to better understand other key areas of emissions, such as those related to Purchased Goods and Services, Capital Goods and Use of Sold Products categories.

Additionally, we took important steps to begin developing a data management system that will allow us to track GHG emissions across the product life cycle, enabling us to work more closely with vendors to tackle life cycle GHG emissions reductions. Because the majority of QRG’s GHG emissions are generated

in our supply chain, it is imperative that we implement a data management system that both addresses and improves our capacity in these key areas:

- » Data gathering
- » Methodologies/GHG calculations, including life cycle analysis
- » Supplier engagement and support
- » Reporting, tracking and target reduction assignment to different business functions
- » Support reporting on regulatory requirements and commonly used frameworks like TCFD and CDP

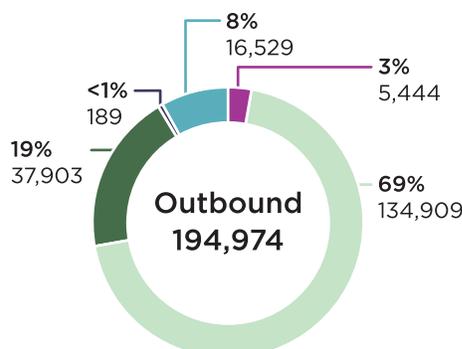
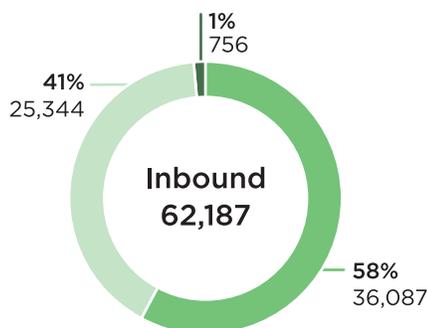
## Integrating Our HSN and QVC US Fulfillment Networks

As part of our current multiyear strategy, we continue to evaluate and optimize our US fulfillment operations to enhance delivery speed and lower operating costs. These efforts 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 to improve speed and efficiency of customer delivery across all brands

### 2021 Shipping Emissions (metric tonnes CO<sub>2</sub>e)<sup>7</sup>

- Road
- Ocean
- Air
- Rail
- Building<sup>8</sup>
- Other<sup>9</sup>



7. Not all totals will add up to 100% due to rounding.  
 8. Transportation providers facilities and offices.  
 9. Transportation providers business travel and other GHGs.

# Curating Product Responsibly



Photo Courtesy of Nest

A sustainable way to retail drives us to deliver products that our customers, vendors and team members can feel good about.

To us, that means products produced with respect for people's dignity and human rights, as well as consideration of the products' impact on the planet. We see a future where sustainable products are scaled across our brand portfolio — empowering consumers to make informed decisions about purchasing items they love. To get there, we're working across markets and brands with a focus on three areas:

- » **Responsible Sourcing & Manufacturing**
- » **Human Rights in the Supply Chain**
- » **Scaling Sustainable Materials**



## 2021 Achievements

- Expanded Social Sourcing Responsibility program to cover vendors that account for 80% of our volume of purchases in the US and approximately 60% in our European supply chain
- Increased number of products offered made from sustainable fibers, and earning seals like QVC Clean Beauty or HSN Conscious Choice Cleaning
- Reinforced our commitment to curating product responsibly by developing a public list of products which will not be sold by any of our businesses

# Responsible Sourcing & Manufacturing



Photo Courtesy of Nest

We commit to purposefully source finished goods that are manufactured with respect for widely recognized social welfare and environmental standards. Our global **Sourcing Social Responsibility** (SSR) program holds us accountable to this commitment and mitigates supply chain risks by:

- » Ensuring suppliers comply with our **Global Business Partner Code of Conduct**
- » Evaluating which supply regions and/or raw materials pose the highest risks to human rights, fair labor standards, worker safety and environmental stewardship
- » Enforcing our code of conduct and standards through proactive, regular audits of all factories for our direct-sourced products and most factories for vendor products
- » Educating team members and holding them accountable

In 2021 we expanded the SSR program significantly to cover vendors that account for 80% of our volume of purchases in the US and approximately 60% in our European supply chain. This included launching an SSR program for Garnet Hill, which covers 100% of its proprietary product vendor base. Additionally, we piloted a supply chain traceability program for key raw materials to ensure reliability of claims around ethical sourcing practices.

Vendor factories included in our SSR program are audited on an annual basis using a Workplace Conditions Assessment (WCA) standard, which evaluates occupational health and safety, workers' involvement and 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, and, in line with our continuous improvement approach, moderate and major issues found during the audit require

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

a Corrective Action Plan (CAP) for the factory to follow. For example, in cases where a factory has failed to carry out a fire drill in the past 12 months, we require copies of the fire drill report with pictures and attendance sheets. Similarly, if a factory fails to provide free personal protective equipment (PPE) to their workers (e.g., goggles, gloves, earplugs), we require pictures of workers wearing PPE. Then, we arrange an on-site re-audit to verify that the CAP has been implemented. In cases of critical concern, 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 from whom we source our product, we take a variable, risk-based approach to auditing companies within our supplier base. To evaluate which of these suppliers will be subject to a factory audit, we consider geographic location, the volume of purchases and whether the product is a proprietary or exclusive brand to QRG.

## Product Safety and Quality

Providing the best possible product is at the heart of our business, and QRG continuously maintains and updates our product standards. Our Critical Products Committee — made up of team members from across our brands and markets in merchandising, quality



assurance, legal, communications and CR — sets consistent standards for [items that we will not sell](#) across any of our businesses. The committee meets several times a year to discuss concerns around products or around ingredient materials and continually assesses consumer, market and regulatory trends, updating our standards as needed.

Additionally, our Global Quality Assurance and Supply Chain team deploys industry-accepted QA 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 education and performance management. By instructing our new vendors on our process and quality expectations up front, we enable a more efficient process for 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 goal is to ensure that quality is built into the product and validated before it enters our supply chain, and we are vigilant about evaluating and addressing potential product health and safety issues that come to our attention.

## Human Rights in the Supply Chain

We work to protect and advance the human rights of workers — a critical element of a sustainable future for retail. After all, business issues are ultimately human issues.

It is our responsibility to respect human rights, and we are committed to ensuring that participants in our supply chain are all treated with dignity and respect. Accordingly, we do not tolerate any form of forced labor, human trafficking or child labor. All QRG retail vendors are required to abide by clear, ethical standards regarding workers' rights and safety in their operations.

In 2021, the US Government enacted the Uyghur Forced Labor Prevention Act to ensure that goods made with forced labor in the Xinjiang Uyghur Autonomous Region of the People's Republic of China do not enter the US market. Consistent with this law, we continue to engage with our retail vendors to ensure compliance.

Learn more about our [Human Rights Policy](#), developed in partnership with our parent company, QRI.

# Scaling Sustainable Materials



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. In 2021, we continued efforts to increase customer awareness of — and access to — products made from more sustainable materials.

## Focusing on Fibers

Garnet Hill has a strong heritage of focusing on the integrity of the natural fibers it uses, and the responsible way in which those fibers are sourced. In 2021, Garnet Hill continued to expand the number of products made from:

- » Organic cotton fibers that are farmed without harmful pesticides, GMOs or chemical defoliants
- » Eco Merino wool that is renewable and naturally biodegradable, and produced without toxic chemicals
- » **TENCEL™** branded lyocell and modal fibers produced by environmentally responsible processes from sustainably sourced wood

To validate its commitment to sustainable fibers, Garnet Hill also certifies products using internationally recognized standards like the Global Recycling Standard and OEKO-TEX®. In 2021, for the Bedding Basics product assortment, it added the Responsible Down Standard certification which ensures that down and feathers do not come from supply chains where animals have been subjected to any unnecessary harm. Additionally, for its linen bedding collection, Garnet Hill added the European Flax certification which guarantees traceability for GMO-free linen fiber grown in Western Europe and cultivated without irrigation.

QVC also continues to innovate with sustainable fibers in its private label fashion apparel line. The zuda athleisure brand and AnyBody apparel brand both use fabrics made from recycled materials, which aim to enhance performance while reducing environmental impact. Zuda uses branded fibers like **REPREVE®**, made from postconsumer plastic bottles to create products that are breathable and comfortable, and **LENZING™ ECOVERO™** viscose, derived from certified renewable wood sources and made with eco-responsible production processes that meet high environmental standards.<sup>10</sup> AnyBody uses innovative materials such as SeaWool, a fabric made from upcycled oyster shells and recycled plastic bottles. In 2021, to support its Denim & Co. brand, QVC began a collaboration with **Better Cotton**, a sustainability-focused nonprofit working to help cotton communities survive and thrive while protecting the environment.

■ [Learn more about Garnet Hill's focus on natural fibers](#)

## Signaling with Seals

To help consumers make purposeful and informed product choices, QVC US uses **QVC Clean Beauty** and **QVC Conscious Choice Cleaning**, while HSN uses **HSN Clean Beauty** and **HSN Conscious Choice Cleaning** seals. All four seals designate products formulated and manufactured without ingredients of concern<sup>11</sup>, and the beauty seals additionally indicate products that are third-party certified as cruelty free.

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

11. To earn the QVC Clean Beauty and HSN Clean Beauty seals, products must be formulated without sulfates (SLS and SLES), parabens, methylisothiazolinone/ methylchlorisothiazolinone, formaldehydes, formaldehyde-releasing agents, phthalates, petrolatum, mineral oil, chemical sunscreens, coal tar, hydroquinone, triclosan, triclocarban and talc; must contain less than 1% of synthetic fragrances; and must be third-party certified as cruelty free. To earn the QVC Conscious Choice Cleaning and HSN Conscious Choice Cleaning seals, products must be formulated and manufactured without synthetic perfumes, synthetic dyes, alcohol, ammonia, bleach, chlorine, formaldehyde, parabens, SLS and SLES.

In 2021, QVC and HSN continued to add brands earning the QVC Clean Beauty and HSN Clean Beauty seals, bringing the total assortment to over 150, and accounting for nearly one-quarter of all beauty sales. Top brands include Josie Maran, Beekman, Tweak'd and Nassif. For the QVC Conscious Choice Cleaning and HSN Conscious Choice Cleaning seals, over 20 brands were featured in 2021, including BioCleaner, HoMedics, Earth Brite, LivePure and Regency Gold.

Innovative, environmentally conscious products earning these seals can come from vendors both big and small. In 2021, three in the cleaning category came from entrepreneurs: two from [The Big Find](#) program, and one that was first featured on the ABC TV show Shark Tank.

## Curating with Collections

Across our company, brands are making it easier for customers to find and shop for products considered sustainable, recyclable or reusable. Two great examples of this from 2021 are QVC Japan's new Sustainable Living show and Zulily's Sustainability Shop campaign.

### QVC Japan Creates New Show to Encourage Sustainable Living

Through a new recurring show, "Good Things for the Future: Sustainable Living," QVC Japan is exposing viewers to a wide range of environmentally conscious brands and products. Airing every Friday night at 7 p.m., the show highlights products tailored to sustainability-focused themes that change each month. Its slogan, "Let's start with what you can do for tomorrow: change our future," reminds viewers that by making more sustainable product choices today, they can help preserve a healthier planet for tomorrow.



## Honoring Earth Month with Zulily's Moms-Focused Sustainability Shop

Protecting the planet is a priority for many moms, yet the task of minimizing their family's environmental footprint can feel overwhelming. That's what Zulily found after surveying more than 1,000 US parents, with 94% reporting that being eco-friendly was important and 85% saying they would benefit from guidance on making sustainable changes.

In response, Zulily launched a month-long Sustainability Shop in April, featuring a curated collection of Earth-friendly products recognized as sustainable, recyclable or reusable. The shop empowered parents to make more sustainable choices for their families, with proceeds supporting [Conservation International](#) — a nonprofit engaged in nature conservation work for more than three decades. After making an initial \$50,000 donation to help the organization plant 25,000 trees, Zulily pledged an additional \$1 donation for all eligible US purchases. Customers helped them donate a total of \$67,160, enabling Conservation International to plant nearly 34,000 trees.

**"Our new Sustainability Shop and work with Conservation International aims to help moms everywhere do what they've always loved doing at Zulily — shop and save — but in a way that's better for the present environment so future generations can continue to enjoy the planet."**

— **Andrea Conrad,**

Director of Brand and Communications at Zulily

# Championing Empowerment & Belonging



A sustainable way to retail is one that values, reflects and leverages the diversity of our team members, vendor partners, viewers and consumers.

We recognize the power of QRG's reach, and we're committed to leveraging that power to uplift communities, support diverse entrepreneurs, invite broader communities of customers and enrich their lives through meaningfully curated products and experiences.

QRG embraces our responsibility to foster inclusion in the marketplace and our workplace — creating space for every individual to show up authentically and thrive. Our CR strategy builds on QRG's legacy of championing empowerment and belonging by prioritizing continued work in three focus areas:

- » **Diversity, Equity, & Inclusion (DE&I)**
- » **Thriving Entrepreneurs**
- » **Community Involvement**

## 2021 Achievements

- Featured 99 diverse entrepreneurs in our Small Business Spotlight program
- Directed \$41.6 million in annual community giving — the highest amount in QRG history
- Advanced DE&I through enterprisewide goals, learning programs, partnerships and TMRGs

# Diversity, Equity, & Inclusion



Our commitment to DE&I begins within QRG’s own workforce — from the ways we recruit new talent to our education and development programs to the TMRGs that bring employees together. It extends to the entrepreneurs and vendors we partner with, the products we promote to our viewers and the community-oriented programs we support. In 2021, we updated our DE&I strategy to include four pillars:

- » Our People
- » Our Culture
- » Our Consumers and Marketplace
- » Our Communities

Guided by the UN SDGs and corporate 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. These goals have been established to support and grow underrepresented groups on QRG’s leadership teams and across our vendors/suppliers, customers and

communities. We know that inclusion fuels engagement and innovation, leading to better business performance and stronger communities. By leveraging the power of diversity in all its forms, we will deliver on our promise to continuously exceed expectations.

## Our People

In a competitive retail environment, our ability to build long-term, trust-based relationships sets us apart. Those relationships stem from an inspired and dynamic workforce made up of thousands of individuals working together across our brands. To drive innovation and more fully represent the communities we serve, we’re focused on building teams that are highly engaged, inclusive and diverse — especially in terms of leadership. By attracting, recruiting and developing team members who bring diverse expertise and experiences, we enable our company to innovate for and resonate with a growing and broad consumer base as we fulfill QRG’s mission. Accordingly, we partner with organizations and networks dedicated to diverse talent, including:

- » Advancing Minorities’ Interest in Engineering (AMIE)
- » Association of Latino Professionals for America (ALPFA)
- » Black Engineer of the Year Awards (BEYA)
- » Black Retail Action Group (BRAG)
- » Inclusively
- » Management Leadership for Tomorrow (MLT)
- » Out & Equal
- » Recruit Military

Sustained progress requires transparency and accountability. Sharing the state of our workforce in this report is an important step in that journey.

## Workplace Recognitions

**2022 Bloomberg Gender-Equity Index<sup>12</sup>**

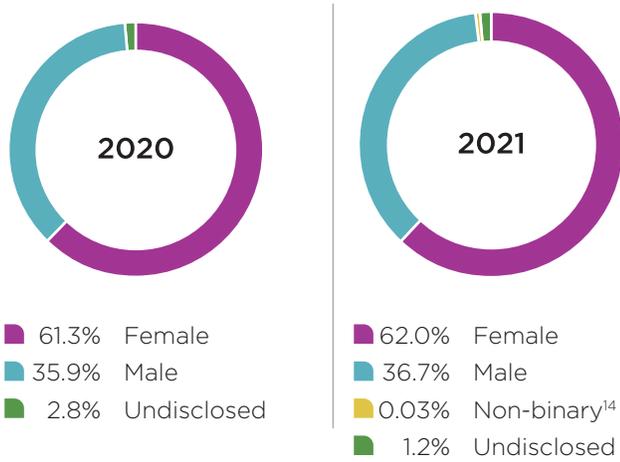
**Forbes’ list of America’s Best Employers for Diversity**

**Scored perfect 100% on Human Rights Campaign Foundation’s 2022 Corporate Equality Index<sup>12</sup>**

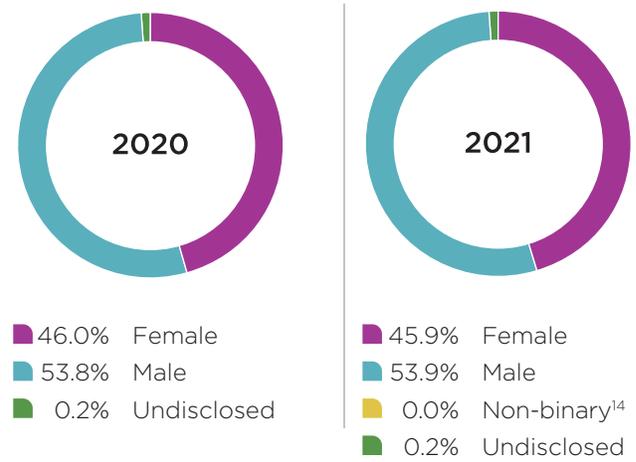
12. Data submitted in 2021.

## Workforce<sup>13</sup>

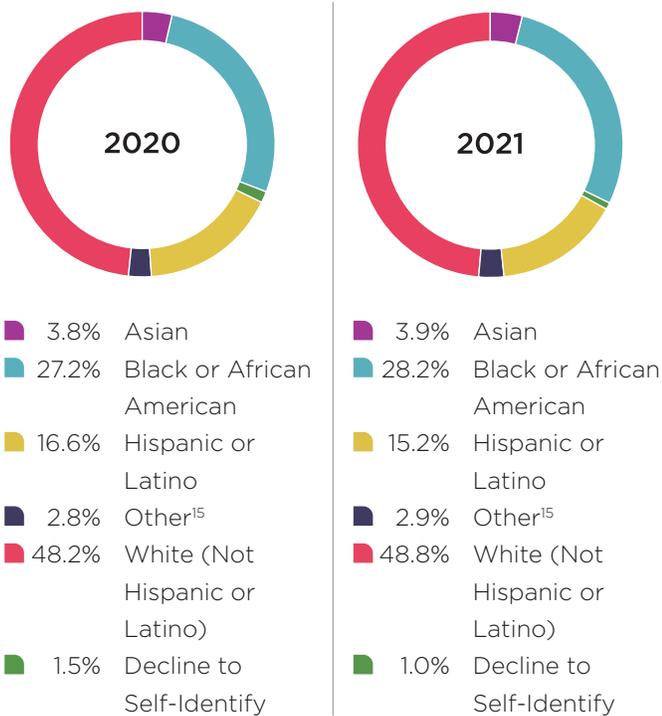
**Global Workforce by Gender**  
(minus Germany)



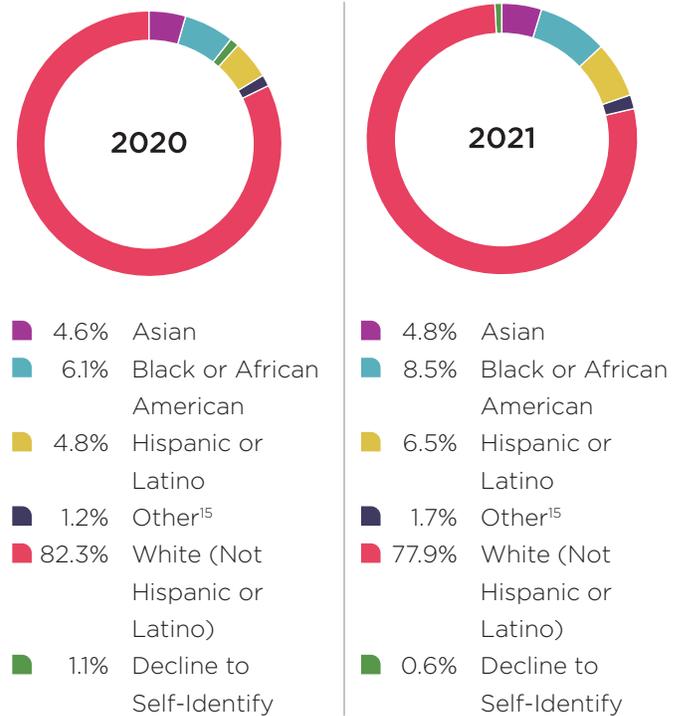
**Global Workforce, Director-Level and Above, by Gender** (minus Germany)



**US Workforce by Race & Ethnicity**



**US Workforce, Manager-Level and Above, by Race & Ethnicity**



13. Not all totals will add up to 100% due to rounding.

14. Reported for the first time in 2021.

15. Includes categories for Native American or Alaskan Native, Native Hawaiian or Pacific Islander, and two or more races.

## Our Culture

While we all come to our DE&I journey from different places, we're embarking on it as a team. Our aim is to make progress together, so we cultivate spaces that are safe, open and inclusive while providing resources for continuous learning and growth. Key to this work are QRG's TMRGs, which empower team members to celebrate diversity, share their stories and insights, and learn alongside one another. Organizationally, we are specifically committed to expanding education around racial equity and anti-racism — hosting listening sessions to share, learn, support and deepen our understanding of the Black experience in the workplace and in America.

In line with our emphasis on continuous growth, we invest in team members' ongoing career development and overall well-being through a variety of programs. We guide these efforts through an annual engagement survey, which provides insights that help us deliver benefits, learning resources and other programs that serve our team members' evolving needs.

### Supporting Our Team Members and Inspiring Action

We urge all team members to take advantage of the opportunities offered by our TMRGs. Each TMRG is open to all team members, including those who identify as members of a particular community and those who are interested or want to learn more and/or be allies. Currently there are 39 TMRGs, including approximately 1,600 active team members who are working together to make a difference for our team, our customers and our communities.

In 2021, our TMRGs presented dozens of employee learning and engagement opportunities, including executive Q&A sessions, external speakers, virtual museum tours and more. Through TMRGs and other platforms, we held 17 team member listening sessions with approximately 900 participants. Within the US and across international markets, we launched 24 new TMRGs to create more opportunities for team members to build community, provide feedback on business initiatives, focus on career development and actively engage our broader organization on cultural awareness and advocacy efforts.



## Commitment 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 conducting regular annual pay equity analyses through the year and addressing any gaps that may arise, if necessary.

Some highlights of our process and commitments for the coming year include:

- » We recently completed our third year of regular pay equity analysis in the US, using a linear regression model that accounts for a variety of factors such as race, gender, performance, tenure, location, job level, supervisory organization, span of control, etc., allowing us to look at pay data for our team members on a level playing field to identify any actual pay gaps that may exist
- » Where any perceived or actual pay gaps have been identified, we've taken timely action to understand, explain and/or address
- » We are working to expand our pay equity process globally to other markets beyond the US
- » We will also expand our US process to look at the intersectional factors of race and gender combined, allowing us to dig deeper and ensure pay equity and fairness across our organization at even more granular levels
- » For 2022, we are committed to increasing our transparency around pay equity by communicating our pay equity strategy more broadly to our team members across the organization, with the ultimate goal of releasing our pay equity "cents on the dollar" results

Our growing list of TMRGs includes:

AFFINITY FOCUS	TMRG NAME	BRAND/REGION
Age	Age	China Sourcing Team
	Our Stage	QVC Germany
Asian American and Pacific Islander	REACH (Representation & Equity by Advocating the AAPI Community, with Hope for Humanity)	QVC US, Zulily & HSN
Black	BELIEVE (Black Employees Leading in Inclusion, Education, Vision & Engagement)	QVC US & HSN
Faith and Religion	InterFaith	QVC US, Zulily & HSN
Gender/Women	C.H.A.N.G.E. (Creating Headway And Normalising Gender Equality)	QVC UK
	Gender	China Sourcing Team
	Gender	QVC Japan
	Gender Empowerment	QVC Germany
	ItAlly	QVC Italy
	Women's Initiative Network (WIN)	QVC US, Zulily & HSN
	Zulily Women In Technology (ZuWIT)	Zulily
General	Empowered Team	Global Business Services in Poland
	General	QVC UK, QVC Italy & QVC Japan
Hispanic/Latinx	Latinx	QVC US & HSN
LGBTQ+	Rumore	QVC Italy
	LGBTQ+	QVC Japan
	Pride in Me	QVC UK
	QRG Proud	QVC US & HSN
	Queer & Allies	QVC Germany
	Queerate	Zulily
Mental Health	Every M;nd Counts	QVC UK
	Mental Health	QVC Japan
	Mental Health	China Sourcing Team
Parents and Caregivers	BaLaNCE (Balancing Life's Never-ending Challenges Effortlessly)	QVC US, Zulily & HSN
People of Color	B.R.A.V.E. (Backgrounds Represented & Valued Everywhere)	QVC UK
	Color Outside the Lines	Zulily
	Colorful Q	QVC Germany
	Multiculturalità	QVC Italy
	Ethnicity+Age	QVC Japan
People with Disabilities	Ability	QVC Italy
	Accessibility Allies	QVC UK
	Disability+Age	QVC Japan
	SQUID, INC. (Supporting Qurate Individuals with Disabilities, INCLUDING those who support & love individuals with disabilities)	QVC US, Zulily & HSN
	Together With & Without Disabilities	QVC Germany
Social Origin	UMatter! (Your origin counts!)	QVC Germany
Veterans	Vets@QRG	QVC US, Zulily & HSN

Beyond supporting and expanding TMRGs, we continue to develop a range of DE&I educational programs. In 2020, we developed training for our talent acquisition teams focused on strategies to better attract and recruit diverse talent, as well as a Conscious and Inclusive Language training for program hosts and behind-the-scenes teams. We expanded this programming in 2021, by launching the following:

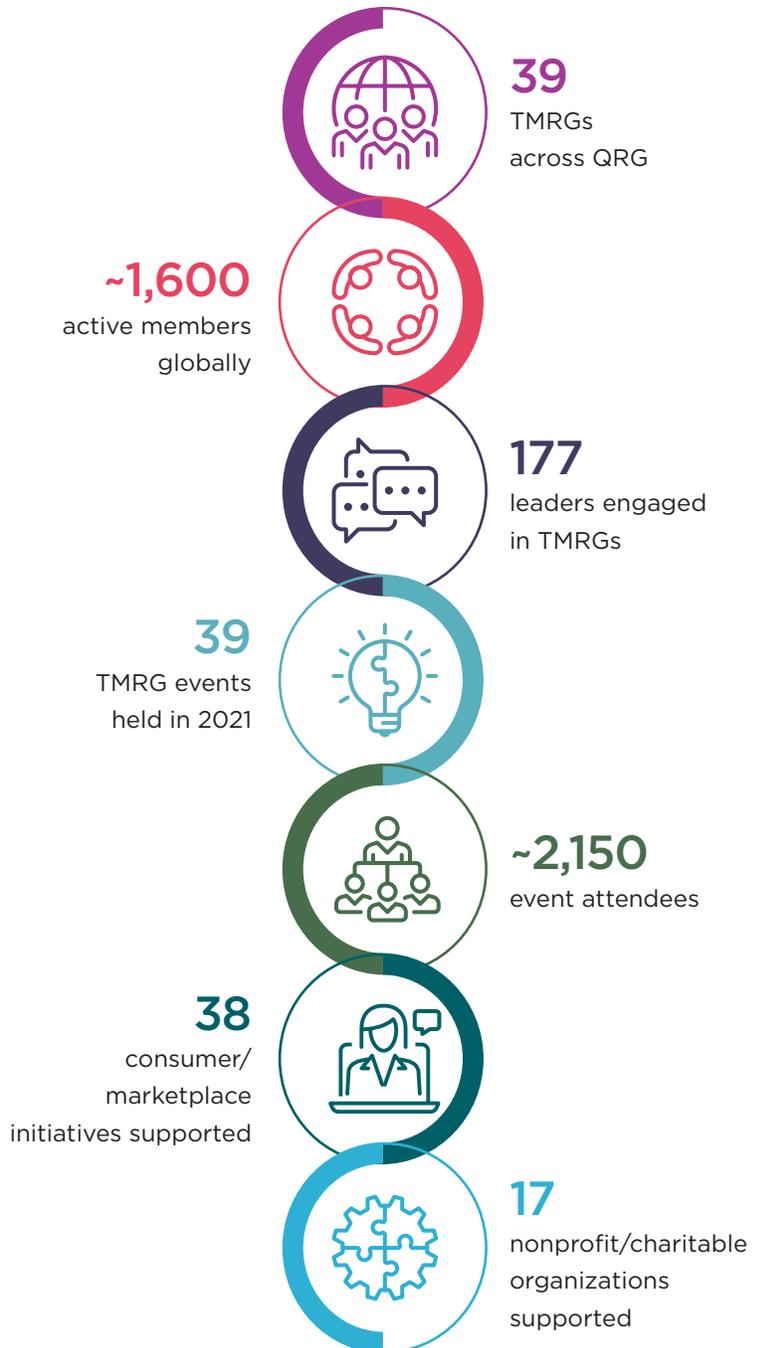
- » Racial Equity Leader Learning Series — for leaders at Zulily
- » Inclusive Leadership training — completed by all managers globally
- » Unconscious Bias training — completed by all corporate team members globally

### Celebrating Key Moments

For the first time in 2021, we created a global DE&I calendar and consistently recognized significant cultural observances and heritage months throughout the year. Both internally and externally, we began to establish our DE&I voice and positioning to articulate our commitments and engage our communities in different ways. Through inspiring speakers, team member stories and other resources, we marked key moments throughout the year including:

- » Asian-American Pacific Islander Heritage Month
- » Black History Month
- » International Women’s Day/  
Women’s History Month
- » Jewish American Heritage Month
- » National Coming Out Day/Pride Month
- » National Disability Employment Awareness Month
- » National Hispanic Heritage Month
- » National Military Appreciation Month
- » Veterans Day
- » World Mental Health Day

## TMRG Impact At-A-Glance



## Our Consumers and Marketplace

Inclusive retail is in our DNA. For the past three decades, we've led our industry in apparel size inclusivity and have centered body positivity in the products and programming we create. Building on this legacy, in 2021 we continued to infuse DE&I practices into our consumer and marketplace strategies. This included launching new brands, curated collections and experiences that reflect, and resonate with, a broader diverse base of customers. A few of the Black-owned brands launched in 2021 at QVC and HSN included: Kreyol Essence, Chef Jernard, Big Shakes, Buttah, Shavonne Dorsey and Pardon My Fro. Our beauty and home decor buying teams at HSN and QVC continued to build out product offerings featuring a wide variety of skin tones; and we achieved \$2 million in sales in our first Pride-focused capsule collection at QVC and HSN. Additional inclusive products and programming initiatives are noted below.

**17**  
diverse brands  
launched between  
HSN and QVC

**\$2M** in sales  
earned through our  
first Pride-focused  
capsule collection  
and programming



### Size Inclusivity and Body Positivity

For the past three decades, we've worked to advance equity and inclusion for our customers, partners and communities by offering apparel that is truly size inclusive. We were one of the first in our sector to design, develop and source apparel for women of all size ranges — including XXS-5X, as well as tall and petite — and to offer all garments at the same price regardless of their size. QVC and HSN both have size inclusivity requirements, and our in-house technical design team lends their expertise to help external brands expand their lines to meet those requirements. We also offer size-inclusive categories beyond apparel and footwear, including outerwear, intimates, jewelry and other accessories.

In 2021, we continued our emphasis on size inclusivity, giving several of our brands a marketable edge. For example, QVC collaborated with and launched the Candace Cameron Bure collection, with all garments in all styles available in sizes XXS-5X. Between January 2021-2022, items in sizes ranging from 14 to 36 represented more than a fifth of all QVC and HSN apparel sales with over 40% of each brand's customers purchasing items in those sizes. At Zulily, plus-size clothing is an important category for early-stage moms (ages 25-44), and the brand works with more than 450 size-inclusive vendors to deliver high-quality products to its customers.



### Our Communities

Along with our internal efforts to enhance belonging and equity, we're committed to enabling broader systemic change beyond our own organization.

QRG remains steadfast in our rejection of racism, discrimination and violence in all their forms, and in 2021, we stood with our Asian American and Pacific Islander team members, customers, business partners and neighbors around the world by making a \$200,000 contribution to support the groups Asian Americans Advancing Justice and Stop AAPI Hate. We also provided a 100% match for US team member donations of up to \$1,000 made to either organization through our Partners in Giving program.

Today, we're focused on collaborating with organizations to cultivate inclusion and support for underrepresented communities. We've joined hands with the following organizations, whose missions align with our DE&I goals:

- » Catalyst
- » CEO Action for D&I
- » Disability Confident Committed Employer (UK)
- » Hidden Disabilities Sunflower Scheme (UK)
- » Pennsylvania Conference for Women
- » The Valuable 500
- » Washington Employers for Racial Equity (Zulily)



# Thriving Entrepreneurs

Entrepreneurship is at the heart of our business and a vital part of our commitment to our communities. With our heritage of storytelling, along with our resources and reach, our company is uniquely suited to support those who have traditionally been denied access to the capital, training and networks needed to grow their business. We focus on supporting women, minorities and other underrepresented entrepreneurs through programs aimed at creating a more diverse, equitable and inclusive marketplace. We nurture entrepreneurs of all backgrounds so that startups can become sustainable sources of income, inspiration and community strength.

In 2021, we continued partnerships and programs such as the Small Business Spotlight, The Big Find, QVC Next and the QRG Fellowship — evolving them based on insights from the previous year to support a broader cohort of entrepreneurs in new ways. For example, QVC Italy kicked off a fundraising program to support the Piano C association in providing training for female freelancers and entrepreneurs and, as a



co-host of the South by Southwest Online Female Executive Dinner, QVC Germany brought together 31 female entrepreneurs and innovators to share insights related to sustainability. We also launched a new multicultural e-commerce initiative to meet the needs and product preferences of a more diverse customer base, and as part of our DE&I commitments we launched a [Supplier Diversity program](#), starting with our indirect supplier base.



## 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. Building on that tradition, in 2021 we again partnered with the National Retail Federation Foundation on the [Small Business Spotlight](#) (SBS) program — helping QRG customers discover small businesses owned by diverse entrepreneurs from throughout the country. Across QVC, HSN and Zulily, the program leverages the full force of our platforms to amplify participating businesses on-air, online and across our social media channels and streaming services.



After launching with an initial cohort of 60 businesses in 2020, we expanded the program to include 99 additional businesses in 2021. Utilizing QRG's Global DE&I and On-Air Programming calendars, we produced a series of spotlights tied to key moments and heritage months, such as Black History Month (February), Women's History Month (March), National Military Appreciation Month (May), Pride Month (June), National Hispanic Heritage Month (September) and National Disability Employment Awareness Month (October). We provided full on-air and video promotion for 31 businesses, along with digital exposure for 68 businesses through our websites and social media channels.

One of our participants was Kevin Gatlin, founder of Playtime Adventures, which creates bed sheets that give kids an opportunity to explore, play, learn and sleep. Playtime Adventures was featured in [segments on QVC and HSN](#) that aired in February — one of several businesses highlighted throughout Black History Month. The day his segment aired, Kevin reported that customer calls more than tripled. He went on to see sales surge to 300% over the previous month with a 1,900% increase in website traffic. After struggling to stay afloat amid the COVID-19 pandemic, Kevin said that participating in SBS enabled his business to survive.

In a 2021 post-program survey,<sup>16</sup> SBS participants reported similar spikes following an on-air appearance, including:

- » > 2X sales
- » 78% increase in website traffic
- » 41% increase in customers
- » 26% increase in email subscribers

“The Small Business Spotlight program was truly a lifesaver for my company... The on-air exposure on QVC and HSN allowed us to introduce our special bedsheets to millions of people and capture sales at the same time. In addition, the exposure led to other business opportunities and connections that are elevating our company to a whole new level.”

— Kevin Gatlin,

Founder of Playtime Adventures

16. Thirty-six percent of our 99 SBS participants completed the post-program survey.

## QRG Mentorship Programs

Beyond bringing attention to diverse entrepreneurs and small businesses through our platforms, QRG leverages the knowledge of our team members to provide added support through a series of mentorship programs. These include the **SBS Mentorship Program**, which pairs team members with diverse entrepreneurs working to grow their businesses, and the **QRG Fellowship Program**, which supports our ongoing partnership with Nest, a female-founded nonprofit that our company has worked with since 2016.

Nest supports social entrepreneurs in leading small businesses that employ local women doing craft-based work like beading, embroidery and weaving. QRG Fellowship connects team members with Nest artisans for a 10-day, immersive experience to help them grow their business. In 2021, 33 team member fellows provided pro bono services to 11 female-led artisan guilds, directly impacting 290 artisans. Fellows

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. Upon the completion of the Fellowship, QRG provided a grant to each participating artisan business as an added layer of support to implement the new strategies.

Meanwhile, the SBS Mentorship Program paired participants with 42 team members who worked with them over the course of three months. SBS mentors provided in-kind services to help participants enhance their website functionality, develop their marketing and brand tactics, source product and more. Collectively, team members volunteered more than 5,255 hours between the two programs, providing pro bono services valued at \$861,655.

## Diverse entrepreneurs in the 2021 SBS cohort:

**39**  
Black-owned  
businesses

**29**  
disability-  
owned  
businesses

**15**  
Hispanic-  
owned  
businesses

### Top 5 2021 SBS product categories

1. Fashion
2. Kitchen/Culinary/Spice
3. Home Décor
4. Beverages
5. Beauty/Skincare



**12**  
LGBTQ+-  
owned  
businesses

**33**  
veteran-  
owned  
businesses

**61**  
women-  
owned  
businesses



### 2021 Big Ticket Highlights

**81%**  
of winners self-identified as members of underrepresented groups — a 14% increase over the previous year

**64%**  
of winners were women-owned businesses

**21%**  
of winners were Black-owned businesses

### The Big Find

As leaders in building brands through livestream, multiplatform video storytelling, QVC US and HSN host The Big Find to discover the retail industry’s budding entrepreneurs. The 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, with the goal of earning a “Big Ticket” to continue in the product discovery process. Successful candidates work with our team to launch their products on-air and online across our various platforms. They also benefit from the expertise of our vendor community, who routinely offer mentoring sessions for the winners on live, authentic product storytelling.

During our third annual search in 2021, we identified 121 Big Ticket brands — 98 of which self-identified as women, veteran, disability, LBGTQ+ or minority-owned businesses. In total, we have helped launch more than 100 brands since introducing The Big Find three years ago.

### Supporting Female Artisans in Cambodia through SBS and Nest

While on a backpacking trip through Southeast Asia, Kim Davis came across a 6-year-old girl in Cambodia who was carrying her baby sister and was desperate for money. One year later, the experience motivated Davis to found [Collective Humanity](#), which sources products from Cambodian women artisans and supports economic empowerment programs for young girls and artisan co-ops. After participating in the QRG Fellowship program in 2020, Collective Humanity was one of



Photo Courtesy of Nest

10 women-owned businesses featured by QVC, HSN and Zulily through the 2021 SBS program. In celebration of Women’s History Month, all of the businesses featured during the month were also part of Nest.

# Community Involvement

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

From raising funds for fighting cancer to providing toys for underserved families, our teams are dedicated to making a positive impact and supporting causes that are close to our hearts. 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.

Our work to build community resilience spans multiple areas and issues, including health and well-being, hunger and social justice. Our annual Global Contribution Summary details our community efforts and celebrates our partners and achievements.

■ Take a look at our [recap video](#) for 2021



## Product Donation Programs

Throughout 2021, QRG collaborated with vendors and nonprofit organizations such as World Vision, Good360, Harvest Time International and others to donate more than \$23 million in product worldwide. In addition to donating company-owned product, we provide our vendors with opportunities to donate returned product that would otherwise be destroyed. By increasing these sustainability efforts, we are better able to help those in need through product donations made year-round.

## 2021 Product Donation Highlights

**\$23.2M**

total donated by QRG and vendors through product donation program

**\$140,466**

value of HSN Piney Flats donations to Haven of Rest, an organization dedicated to moving people from human suffering to sustainable human flourishing

**\$42,000**

in donations of QVC food-related products to local food banks

**3,718 pallets**

of critical personal care items, furnishings, clothing and other items donated by QVC, HSN and vendors through World Vision, providing \$14M+ in support across 17 countries

## Using Our Platforms for Fundraising

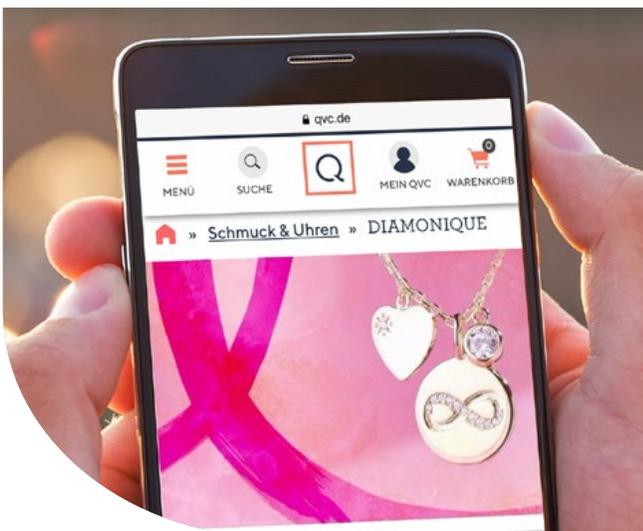
In 2021, our cause marketing efforts across the globe helped to bring hope and help to those in need.

Highlights include:

- » **Beauty with Benefits** is an annual event sponsored by QVC US, HSN and Cosmetic Executive Women to help cancer survivors navigate employment. Beauty with Benefits has generated more than \$14.4 million over nine years, with \$2.2 million raised in 2021 alone. By purchasing beauty products that have been donated by our vendors, customers help cancer patients get access to workplace resources and support from Cancer & Careers.
- » **Breast Cancer Awareness** is a cause that QVC supported internationally in 2021. 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 \$60 million since 1994 to fund “first step” research at leading breast cancer research centers around the US. The 2021 broadcast generated \$795,000. SHOPPING4GOOD is a program of QVC Italy to raise funds for breast cancer research for the Umberto Veronesi Foundation’s Pink is Good project, and since 2015, the program has generated €387,000 in total donations, with €87,000 donated in 2021. Through its Empowering & Supporting Women campaign, QVC Germany contributed 50% of sales from its Diamonique necklace, raising a total of €18,000 for the nonprofit Pink Ribbon Germany.

QVC Japan celebrated Breast Cancer Awareness Month through its programming and platforms, raising 5,502,773 JPY for the nonprofit Japan Society of Breast Health. Garnet Hill also honored the month, combining 5% of cashmere wrap sales with \$1,786 in consumer donations to remit a total of \$16,786 to the National Breast Cancer Foundation.

- » **Habitat for Humanity** is a cause dear to millions of moms. Zulily has partnered with the organization to help families achieve the stability and independence that comes with an affordable place to call home. In October, Zulily donated 1% of all in-app Home category sales to Habitat, raising awareness of World Homeless Day. The campaign raised \$127,000 in donations, driven in part by 28% of customers making repeat purchases during the month.
- » **Housewares Charity Foundation** is a nonprofit that collaborates with manufacturers, retailers and allied industry partners to raise charitable funds through an annual dinner during The Inspired Home Show. In 2021, QRG joined the Foundation to support Feeding America through QVC & The Housewares Charity Foundation presentation, Living for Giving. A multiplatform event, Living for Giving gave QVC customers the opportunity to donate and shop a selection of donated housewares products, with 70% of their purchase price benefitting Feeding America. In 2021, Living for Giving generated more than \$700,000 to support Feeding America, which helped to provide more than 7 million meals to families in need.





**Kate Stephens**  
CEO Smart Works

- » **Making a Difference Together** was launched by QVC UK in June 2021, enabling QVC UK team members and customers to give back to local communities through a range of charitable causes. Working with relevant TMRGs, the team supported the UK-based charities Switchboard LGBTQ+ Helpline, Knowsley Food Bank and Smart Works — a nonprofit helping unemployed women with career coaching services. Alongside a corporate donation of £30,000 — split equally among the charities — QVC UK utilized its vast resources to offer additional support, including filming promotional videos, broadcasting advertisements, dedicating airtime, hosting charities on its podcast and Instagram accounts and holding food and clothing drives on-site.
- » **QVC + No Kid Hungry + Meals on Wheels** was a multiplatform campaign launched in October 2021 with a goal to help provide 1.7 million meals to children and seniors. No Kid Hungry is a campaign run by the nonprofit Share Our Strength, which works to solve problems related to hunger and poverty in the US and around the world. Meals on Wheels America supports more than 5,000 community-based programs across the country that are dedicated to addressing senior isolation and hunger. Through the campaign, QVC was able to exceed its goal and raise more than \$440,000. More than \$220,000 was delivered to each charitable organization, helping to provide over 1.79 million meals to children and seniors.
- » **St. Jude's annual Thanks and Giving Campaign** to end childhood cancer is a key cause for HSN and all our Cornerstone Brands (Ballard Designs, Grandin Road, Garnet Hill and Frontgate). In 2021, our cause marketing efforts raised more than \$951,300 for St. Jude.
- » **Zulily's Santa's Workshop** has become one of the largest digital shoppable catalogs of toys for all ages. In November 2021, Zulily donated \$1 for all customer purchases of two different Santa's Workshop items to Toys for Tots, with 31% of customers who contributed to the cause making multiple purchases through Zulily during the month. The campaign ultimately raised a total of \$52,300.
- » **Zulily's First Book Campaign**, in collaboration with Penguin Random House, provided over 29,000 books to children in need across the US. Special sales events held during the campaign featured a curated selection of children's books labeled "Buy 1, Give 1," which triggered a donation for each customer purchase, totaling \$338,791 in sales.

## 2021 Corporate Contributions by the Numbers

**\$41.6M total giving<sup>17</sup>**

**\$10.4M**

in cause marketing initiatives

**128**

small businesses  
supported

**\$1.47M**

in team member giving  
and volunteering

**9,803**

team member  
volunteer hours

**\$23.2M**

in total product and  
in-kind donations

**> 5,000 pallets**

of charitable product  
donations around the globe

**\$6.4M**

in corporate sponsorships  
and grants

**\$8.7M**

to support women's  
entrepreneurship  
and empowerment

**> 1,083**

total nonprofits supported

**1.79M**

meals provided to children and families in need in partnerships  
with Meals on Wheels and No Kid Hungry

**> 29,000 books  
+ \$338K in sales proceeds**

for children in need through Zulily's partnership  
with First Book and Penguin Random House

**> \$951K**

raised by HSN and our Cornerstone Brands'  
2021 "Thanks and Giving" campaign for  
St. Jude Children's Research Hospital



17. The "2021 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 & Broadcast" total represents charitable funds generated through the sale of donated products by QRG, through donations made by QRG and vendors based upon QRG's sale of certain products, and includes the estimated value of the broadcast and digital exposure provided to small businesses that participated in QRG's Small Business Spotlight program. The "Product and In-Kind Donations" total represents product and other donations made by QRG in the amount of \$3,289,949, product and cash donations made by vendors (and facilitated by QRG) in the amount of \$19,918,455 and QRG team member volunteering in the amount of \$1,476,777 (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. The total contribution summary amount is a contribution total only and does not signify the tax deductibility of said contributions.

# Team Member Experience & Well-Being



## Team Member Engagement and Enablement

Our Talent Experience programs support team members in each step of their career journey. Through ongoing performance management, development and engagement, we empower team members to reach their full potential while driving our business priorities and guiding QRG’s path forward. Our Talent Experience philosophy is grounded in three domains:

- » Managing Performance
- » Developing and Deploying
- » Engaging and Recognizing

Aligning with our Talent Experience philosophy, our global platform LearningLab serves as a point of access for team members’ education and development across our company. After launching LearningLab in 2020, we further developed the platform in 2021. This included updating the home page with a new look and feel and adding more curated content, creating a more streamlined experience through a ticketing system for all LearningLab requests and uploading learning materials from several of QRG’s business groups. We also used LearningLab to launch our Ethics & Compliance training — administered to all new and existing team members — and to conduct monthly webinars for leaders around topics linking back to Our Principles.

## 2021 LearningLab Highlights

**59%**  
team members utilized LearningLab

### Top Types of Content Accessed

- » Self-Reflection Tool
- » Becoming Your Own Best Boss
- » Contributing as a Virtual Team Member
- » Being an Effective Team Member

## 2021 Engagement Metrics<sup>18</sup>

**64%**  
team member enablement

**66%**  
team member engagement

**81%**  
Our Voice participation

## Our Principles

- » Drive Progress
- » Act with Empathy
- » Be Brave
- » Embrace the Future
- » Do What’s Right

Similarly, we refreshed our annual engagement survey, Our Voice, in 2021 by collaborating with a new survey vendor. We were proud to achieve our highest Our Voice participation ever, setting new baseline metrics for both engagement (how engaged our teams are, what drives them to go above and beyond and how engagement impacts business outcomes) and enablement (the level of support and empowerment team members have to make smart decisions and create exceptional customer experience).

18. 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, confidential engagement survey, exclusive of Germany.



### Team Member Well-Being

Through their continued dedication and diligent work, our team members bring QRG's mission to life. To support them, we offer benefits and programs that take a holistic view of well-being — addressing the physical, mental, social and financial needs of our team members and their families. This includes a suite of benefits related to health and wellness, work-life balance, financial planning, competitive compensation and enhanced leave.

Since the beginning of the pandemic, we have also taken a variety of measures to support team members' overall well-being as they navigate the challenges of COVID-19. In 2021, we offered enhanced wellness resources and workplace flexibility options, including:

- » Free telemedicine for all team members (extending to both mental and behavioral health)
- » Remote work modalities, flexible hours and added flexibility to our attendance policies
- » Additional paid time off for COVID-19-related absences
- » Emergency pay, along with a variety of services through our Employee Assistance Program and our new resiliency partner, meQuilibrium

The health and safety of our team members are top priorities for us, and despite the pandemic, in 2021 we worked hard to ensure that our team members could work safely by making the following updates:

- » Increasing overall building compliance on regulatory training and regulatory inspections

- » Launching an incident management software solution for use at all US corporate and fulfillment locations, enabling cross-functional teams to easily record incident details, notify key members of incident updates in real time and facilitate thorough investigations and root cause analyses to promote operational risk mitigation
- » Proactively updating COVID-19 protocols based on external guidance as well as internal and external trends
- » Supporting team members by providing easy access to COVID-19 services such as on-site testing at several fulfillment centers

In 2021, we also enhanced our Global Team Member Relief Fund (TMRF). QRG contributed \$2.5 million to the fund in 2021 and introduced a company-matched team member donation program. Throughout the year, TMRF granted \$984,465 to 1,125 team members globally with an average award of \$875. While the fund was initially created in response to the pandemic, we expanded eligibility to include non-COVID-19-related financial hardships, resulting from other catastrophic, personal or workplace disasters. Now, when unexpected challenges or disasters arise, team members can apply through the fund for financial assistance related to childcare or incurred childcare costs, food, utilities and housing-related assistance, including, but not limited to, missed mortgage and rent payments.

<b>ENVIRONMENT</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Energy Consumption</b>				
Total energy consumed (GJ)		971,755	986,026	959,620
Percentage grid electricity		74%	72%	70%
Purchased electricity (MWh)		200,926	197,910	185,527
Natural gas (MWh)		69,006	75,986	80,297
District heating (MWh) <sup>20</sup>				388
Diesel fuel (MWh) <sup>20</sup>				349
MWh Total		269,932	273,896	266,561
<b>Water Consumption (cubic meters)</b>				
US Operations			421,407 <sup>21</sup>	205,928
International Operations			96,994	94,150
Total			518,401	300,078
<b>Greenhouse Gas Emissions (metric tonnes CO<sub>2</sub>e)</b>				
Scope 1	14,700	13,548	14,527	15,566
Scope 2	73,706	75,879	69,407	60,968
Scope 1+2 Total	88,406	89,427	83,934	76,534
Scope 3 (Inbound/outbound shipping only) <sup>22</sup>				
Air			1,279	756
Ocean			49,887	36,087
Road			44,173	25,344
Inbound Shipping Total			95,339	62,187
Air			23,325	37,903 <sup>21</sup>
Building <sup>20, 23</sup>				16,529
Ocean <sup>20</sup>				0
Other <sup>20, 24</sup>				5,444
Rail <sup>20</sup>				189
Road			64,346	134,909 <sup>21</sup>
Outbound Shipping Total <sup>25</sup>			87,671	194,974
Scope 3 Shipping Total			183,010	257,161
Scope 1+2+ Scope 3 Shipping Total			266,944	333,695
<b>Waste (international operations only) (metric tonnes)</b>				
Waste generated				8,835
Waste recovered/recycled/re-used (sold)				5,314
Waste disposed				3,521
<b>Packaging Use (metric tonnes)</b>				
Wood/paper fiber packaging used			22,083	19,552
Percentage recycled and/or certified material			46%	48%
Plastic packaging used	3,183	2,557	2,294	2,138
Percentage recyclable	82%	83%	88%	88%
Percentage recycled content	5.7%	7.2%	11.8%	17.3%

19. Data is presented for four years where possible.

20. Reported for the first time in 2021.

21. 2020 US Operations calculation methodology was different; 2021 data was third-party assured.

22. Scope 3 emissions data is provided only for sources where data is both available and considered reliable; this total does not represent the full extent of the company's Scope 3 emissions.

23. Transportation providers facilities and offices.

24. Transportation providers business travel and other GHGs.

25. Outbound shipping does not include US product returns.

<b>SUPPLY CHAIN</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Number of factories subject to the SSR program			981	1,159
Number of audits completed			883	1,052
Number of strategic factories in the SSR program			329	437
Number of audits completed at strategic factories			317	422
Number of corrective action plans (CAPs) implemented			466	649
Severe/major CAPs issued			107	132
Severe/major CAPs closed			107/100%	102/77%
Continuous improvement CAPs issued			359	517
Continuous improvement CAPs closed			359/100%	450/87%
Product recalls			0	1

<b>COMMUNITY CONTRIBUTIONS</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Total giving (millions of dollars)	\$ 15.3	\$ 18.0	\$ 39.6	\$ 41.6
Product and in-kind donations	\$ 6.4	\$ 7.5	\$ 18.7	\$ 23.2
Donations from cause marketing initiatives	\$ 5.2	\$ 7.4	\$ 15.5	\$ 10.4
Donations for corporate sponsorships and grants	\$ 1.8	\$ 1.8	\$ 3.7	\$ 6.4
Team member giving	\$ 1.4	\$ 1.1	\$ 1.5	\$ 1.4
Team member volunteer hours	27,142	18,568	10,100	9,803

19. Data is presented for four years where possible.

<b>WORKPLACE &amp; WORKFORCE<sup>26</sup></b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Occupational Health and Safety</b>				
Lost time injury rate			1.43	1.89
Total recordable incident rate			2.51 <sup>27</sup>	2.71
<b>Team Member Engagement</b>				
Engagement score	67%	65%	72%	66%
<b>Global Workforce by Gender<sup>28</sup></b>				
Female			61.3%	62.0%
Male			35.9%	36.7%
Non-binary <sup>20</sup>				0.03%
Undisclosed			2.8%	1.2%
<b>Global Workforce, Director-Level and Above, by Gender<sup>28</sup></b>				
Female			46.0%	45.9%
Male			53.8%	53.9%
Non-binary <sup>20</sup>				0.0%
Undisclosed			0.2%	0.2%
<b>US Workforce by Race &amp; Ethnicity</b>				
Asian			3.8%	3.9%
Black or African American			27.2%	28.2%
Hispanic or Latino			16.6%	15.2%
Other <sup>29</sup>			2.8%	2.9%
White (not Hispanic or Latino)			48.2%	48.8%
Decline to Self-identify			1.5%	1.0%
<b>US Workforce, Manager-Level and Above, by Race &amp; Ethnicity</b>				
Asian			4.6%	4.8%
Black or African American			6.1%	8.5%
Hispanic or Latino			4.8%	6.5%
Other <sup>29</sup>			1.2%	1.7%
White (not Hispanic or Latino)			82.3%	77.9%
Decline to Self-identify			1.1%	0.6%

19. Data is presented for four years where possible.

20. Reported for the first time in 2021.

26. Not all totals will add up to 100% due to rounding.

27. The total recordable incident rate for 2020 has been recalculated as 2.51 per 200,000 hours by encompassing days away, job restrictions and transfers, as well as other recordable cases.

28. Does not include Germany.

29. Includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and two or more races.

## Energy Management in Retail & Distribution; Hardware Infrastructure Energy & Water Management

CODE	METRIC	DISCLOSURE			COMMENTS
		2019	2020	2021	
CG-MR-130a.1 and CG-EC-130a.1	Total energy consumed (GJ)	971,755	986,026	959,620	
	Percentage grid electricity	74%	72%	70%	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 began tracking that information in 2021. At our locations in Rocky Mount, North Carolina and Sakura, Japan, we generate solar energy that is sold back to the grid.
	Percentage renewable	NR*	NR*	0.2%	
CG-EC-130a.2	Total water withdrawn ('000 m <sup>3</sup> )		518.4	300.1	In 2021 we changed our calculation methodology for water use to capitalize on more credible sources of data; the data for water consumption was third-party-assured by Bureau Veritas.
	Total water consumed ('000 m <sup>3</sup> )		509.7	282.3	
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		4.27%	0.24%	
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		4.27%	0.24%	
CG-EC-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	<p>For almost a year, the organization has been transitioning our existing data center in Founder's Park and relocating it to a new, managed facility. While the vendor was not purposefully chosen as our Colo provider due to their stance on green, renewal energy – the deciding factor was two fold; their physical proximity to our broadcasting studio (Studio Park) which made our Software Defined Network plan possible, and their cloud fabric that allows us direct connections to the main cloud providers. The vendor has obtained certifications and standards, including ISO 14001 and ISO 50001, each of which requires a level of energy management to improve performance of energy, efficiency, use and consumption of systems. The vendor is also committed to sustainability with its own dedicated program and green innovation to deploy energy-saving technologies, including adaptive control systems, ASHRAE thermal guidelines, energy-efficient lighting systems and cold/hot aisle containments.</p> <p>In addition to the vendor of our new Colo, the new technology that we're transitioning to – HCI, which allows the compute/storage/network connections to be housed in one device (that uses less power) – AND removing mainframes and old storage devices that are large and power/cooling intensive – AND continued use of virtualization – allows us to run more Compute on smaller and smaller (thus more energy efficient) devices. The technology modernization initiatives of the organization have resulted, and will continue to result, in energy savings.</p>			

\* NR stands for Not Reported.

## Environmental Impacts in the Supply Chain

CODE	METRIC	DISCLOSURE		COMMENTS
		2020	2021	
CG-AA-430a.1	Percentage of Tier 1 supplier facilities in compliance with wastewater discharge permits and/or contractual agreement	NR*	90%	
	Percentage of supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	NR*	NR*	While Tier 2 suppliers have not been audited, they do have a responsibility to comply with our <a href="#">Global Business Partner Code of Conduct</a> which “expects Business Partners to have appropriate policies and procedures in place to ensure environmental impact is minimized.”

## Management of Chemicals in Products

CODE	METRIC	DISCLOSURE
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	<p><b>QVC and HSN Brands</b>                      Management of restricted substances leverages a combination of published compliance requirements, supplier education, supplier assessment and product testing requirements to ensure compliance with regulations.</p> <p>All compliance requirements are published on our vendor portal and made available to all suppliers. During onboarding of new suppliers, our process provides them with guidance on where to find the requirements and answer questions related to our expectations of compliance and how to evidence compliance to us.</p> <p>The supplier assessment process is conducted at the start of the relationship with the supplier and uses a questionnaire and supporting documentation to help us understand the compliance management processes being employed by the supplier. Upon completion of the process, suppliers are given a risk-level categorization that determines what level of documentation is required for items they wish to supply to us.</p> <p>Low or Moderate Risk suppliers are those who have established compliance management programs that ensure compliance with restricted substances regulations. These suppliers will manage and hold all product and compliance testing documentation and provide them to us upon request.</p> <p>High Risk suppliers are those who either supply us with product for our own proprietary brands or have not demonstrated strong compliance management programs. These suppliers are required to have all products tested to our published requirements at designated third-party testing laboratories and submit all testing documentation to us for approval.</p> <p><b>Zulily Brand</b>                      The supplier assessment process is conducted at the start of the relationship with the supplier and uses a questionnaire and supporting documentation (if required) to help us understand the compliance management processes being employed by the supplier. Upon completion of the process, suppliers are approved or denied selling products on our site.</p> <p><b>Ballard Designs, Frontgate, Garnet Hill, Grandin Road Brands</b>                      Product compliance requirements and testing protocols that include restricted substances based on legislation (e.g., lead content) are in place for all product categories. Nominated third-party testing laboratories perform all standard product testing where needed.</p> <p>Application of testing requirements is tied to product risk (e.g., food contact, flammability) as well as with key product categories such as candles or furniture.</p>
		CG-AA-250a.2

\* NR stands for Not Reported.

## Product Packaging & Distribution

CODE	METRIC	DISCLOSURE		COMMENTS
		2020	2021	
CG-EC-410a.1	Total greenhouse gas (GHG) footprint of product shipments (metric tons CO <sub>2</sub> e)	87,671	194,974	In 2021 we changed our calculation methodology for outbound shipping emissions to capitalize on more credible sources of data.
CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery	<p>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.</p> <p>For additional information on shipping and logistics, please visit: <a href="https://www.qurateretailgroup.com/lp/shipping-logistics/">https://www.qurateretailgroup.com/lp/shipping-logistics/</a></p>		

## Product Sourcing, Packaging & Marketing

CODE	METRIC	DISCLOSURE
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	<p>In addition to the disclosure provided in CG-AA-250a.1, we have a dedicated Dangerous Goods team with experience in the classification, safe handling, storage and shipping of Dangerous Goods.</p> <p>Our process captures and stores Safety Data Sheet (SDS) information from our suppliers. These SDS are used to classify products with the appropriate UN code, and ensure goods are properly packaged and marked for transportation to the customer.</p>
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	<p>We have committed to a phased approach toward full recyclability, including:</p> <ul style="list-style-type: none"> <li>» Switching to post-consumer recycled content as much as possible</li> <li>» Reducing the average emissions intensity of our packages by reducing the overall amount of packaging used</li> <li>» Increasing the recyclability of our packaging</li> <li>» Implementing waste reduction initiatives at our warehouses</li> <li>» Using our platforms to educate consumers on recycling practices such as partnering with the How2Recycle label program in the US</li> </ul> <p>We instituted a Sustainable Packaging Work Group in 2019 with representation from all our international teams. The global team collaborates monthly, shares knowledge, and leverages sustainability improvements made to packaging globally, when feasible.</p> <p>Learn more about our targets <a href="#">here</a>.</p>

## Labor Conditions in the Supply Chain

CODE	METRIC	DISCLOSURE		COMMENTS
		2020	2021	
CG-AA-430b.1	Percentage of Tier 1 supplier facilities that have been audited to a labor code of conduct	90%	91%	Visit <a href="#">this site</a> for information about our responsible sourcing and manufacturing program.  While Tier 2 suppliers have not been audited, they do have a responsibility to comply with our <a href="#">Global Business Partner Code of Conduct</a> .
	Percentage of supplier facilities beyond Tier 1 that have been audited to a labor code of conduct	0%	0%	
	Percentage of total audits conducted by a third-party auditor	100%	100%	
CG-AA-430b.2	Priority non-conformance rate for suppliers' labor code of conduct audits	12%	13%	1,052 Tier 1 Final Manufacturers were audited in 2021, and 649 Corrective Action Plans (CAPs) were issued. Of these CAPs, 517 (79%) were for continuous improvement/minor issues, while 132 (21%) were for serious priority issues. Therefore, the overall nonconformance rate was 62%, while the priority nonconformance rate was 13%.  At year end, 75% of these CAPs were closed/resolved.
	Associated corrective action rate for suppliers' labor code of conduct audits	100%	75%	
CG-AA-430b.3	Description of the greatest labor risks in the supply chain	Based on audits performed, the greatest labor risks are: » Overtime worked above the maximum allowed by local regulations » Working seven contiguous days without a day of rest		
	Description of the greatest environmental, health, and safety risks in the supply chain	Based on audits performed, the greatest EHS risks in the supply chain are: » Workers not wearing personal protective equipment (PPE) » Employers not providing PPE to workers » Chemicals stored in secondary containers		

## Raw Materials Sourcing

CODE	METRIC	DISCLOSURE
CG-AA-440a.1	Description of environmental and social risks associated with sourcing priority raw materials	Based on audits performed, the greatest EHS risks in the sourcing priority raw materials are: » Raw material suppliers not performing waste discharge monitoring testing » Raw material suppliers' discharge waste not in compliance with waste discharge standard per local regulations

## Employee Recruitment, Inclusion & Performance; Workforce Diversity & Inclusion

CODE	METRIC	DISCLOSURE				COMMENTS
		2018	2019	2020	2021	
CG-EC-330a.1	Employee engagement as a percentage	67%	65%	72%	66%	Twice a year employee engagement surveys are conducted via a partnership with Qualtrics. The engagement score is calculated as an average of five questions (measuring concepts like Pride, Commitment, Advocacy and Discretionary Effort). The average score for each question is the average of all the responses on the rating scale scaled to 100.
CG-EC-330a.3 and CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for management, technical staff, and for all other employees	See tables below				<p>For detailed information on our Diversity, Equity, &amp; Inclusion policies and programs for fostering equitable employee representation across the global operations, please visit: <a href="https://www.qurateetailgroup.com/lp/diversity-equity-inclusion/">https://www.qurateetailgroup.com/lp/diversity-equity-inclusion/</a></p> <p>Gender information includes all QRG brands and markets, except for QVC Germany where this data is not available. Racial/ethnicity information includes our US team members at QVC US, HSN, Zulily and the Cornerstone Brands only.</p>

### WORKFORCE<sup>30</sup> BREAKDOWN

2020 2021

#### GLOBAL WORKFORCE BY GENDER<sup>31</sup>

Female	61.3%	62.0%
Male	35.9%	36.7%
Non-Binary <sup>32</sup>	N/A	0.03%
Undisclosed	2.8%	1.2%

#### GLOBAL WORKFORCE, DIRECTOR-LEVEL AND ABOVE, BY GENDER<sup>31</sup>

Female	46.0%	45.9%
Male	53.8%	53.9%
Non-Binary <sup>32</sup>	N/A	0.0%
Undisclosed	0.2%	0.2%

#### US WORKFORCE BY RACE & ETHNICITY

Asian	3.8%	3.9%
Black or African American	27.2%	28.2%
Hispanic or Latino	16.6%	15.2%
Other <sup>33</sup>	2.8%	2.9%
White (Not Hispanic or Latino)	48.2%	48.8%
Decline to Self-identify	1.5%	1.0%

#### US WORKFORCE, MANAGER-LEVEL AND ABOVE, BY RACE & ETHNICITY

Asian	4.6%	4.8%
Black or African American	6.1%	8.5%
Hispanic or Latino	4.8%	6.5%
Other <sup>33</sup>	1.2%	1.7%
White (not Hispanic or Latino)	82.3%	77.9%
Decline to Self-identify	1.1%	0.6%

30. Not all totals will add up to 100% due to rounding.

31. Does not include Germany.

32. Reported for the first time in 2021.

33. Includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and two or more races.

## Data Privacy & Advertising Standards

CODE	METRIC	DISCLOSURE
CG-EC-220a.2	Description of policies and practices relating to behavioral advertising and user privacy	<p>As QRG is an entity made up of businesses that perform different operations in different markets, descriptions of each entity's 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 QRG brands and markets.</p> <p>The life cycle 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"> <li>» <a href="#">QRG</a></li> <li>» <a href="#">QVC US</a></li> <li>» <a href="#">QVC UK</a></li> <li>» <a href="#">QVC Germany</a></li> <li>» <a href="#">QVC Italy</a></li> <li>» <a href="#">QVC Japan</a></li> <li>» <a href="#">HSN</a></li> <li>» <a href="#">Zulily<sup>34</sup></a></li> <li>» <a href="#">Ballard Designs</a></li> <li>» <a href="#">Frontgate</a></li> <li>» <a href="#">Garnet Hill</a></li> <li>» <a href="#">Grandin Road</a></li> </ul>

USER PRIVACY PRACTICES		QVC US	QVC UK	QVC Germany	QVC Italy	QVC Japan	HSN	Zulily <sup>34</sup>	Ballard Designs	Frontgate	Garnet Hill	Grandin Road
Opt-out options available	Right of deletion	✓	✓	✓	✓		✓	✓ <sup>35</sup>	✓ <sup>36</sup>	✓ <sup>36</sup>	✓ <sup>36</sup>	✓ <sup>36</sup>
	Requests for "Do Not Sell my Information" are fulfilled for US customers	✓	n/a	n/a	n/a	n/a	✓	✓ <sup>36</sup>	✓ <sup>36</sup>	✓ <sup>36</sup>	✓ <sup>36</sup>	✓ <sup>36</sup>
	Email marketing opt-out	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Opt-in consent for portions of email marketing and cookie placement				✓	✓			✓				

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

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

36. Limited to California residents.

## Data Security

CODE	METRIC	DISCLOSURE
CG-EC-230a.1 and CG-MR-230a.1	Description of approach to identifying and addressing data security risks, including use of third party cybersecurity standards	<p>QRG's Cybersecurity team is led by a Chief Information Security Officer (CISO) who reports to QRG's Chief Information Officer.</p> <p>QRG's Cybersecurity team includes a Vulnerability Management group. This group uses technology to regularly monitor for vulnerabilities on QRG systems. QRG supplements technology with other activities, including penetration testing and authenticated scans, to support our efforts to identify vulnerabilities in our systems.</p> <p>QRG addresses other data security risks and identified vulnerabilities through the activities of the Vulnerability Management group and through the other groups in QRG's Cybersecurity team: Incident Response, Data Protection and Privacy, Policy &amp; Training, Risk &amp; Governance and Engineering. Through these groups, QRG's Cybersecurity team works to incorporate security-by-design practices, provide awareness and training for employees, assess third-party security profiles, evaluate risks and implement measures to mitigate such risks, monitor for attacks from threat actors and threat actor trends, and respond to cybersecurity incidents under QRG's incident response plan.</p> <p>QRG annually assesses cybersecurity maturity against the NIST Cybersecurity Framework's five domains: identify, protect, detect, respond and recover.</p>

## Activity Metrics

CODE	METRIC	DISCLOSURE		COMMENTS	
		2020	2021		
CG-AA-000.A	Number of Tier 1 suppliers	981	1159	Since only Tier 1 suppliers are currently in scope for audits, the company does not report the number of suppliers beyond Tier 1.	
	Number of suppliers beyond Tier 1	NR*	NR*		
CG-EC-000.A	Entity-defined measure of user activity	Online revenue (\$M)	\$ 8,895	\$ 7,929	
		Total sessions (billions)	2.7	2.5	
		Average monthly searches (millions)	46.9	51.1	
CG-EC-000.B	Data processing capacity (MHz)		55,798,331	Data processing capacity listed is for physical, on-premise systems only; data processing capacity for cloud computing and PaaS containerized compute is not tracked.	
	Percentage of data processing capacity outsourced		59%	The share of outsourced data processing capacity has increased in 2021 due to server retirements and conversion of physical servers to virtual (P2V) across the enterprise.	
CG-EC-000.C	Number of units shipped (millions)	332	316		
CG-MR-000.A	Number of retail locations	21	23	17 Ballard Designs stores; six Frontgate stores	
	Number of distribution centers	15	20		

\* NR stands for Not Reported.

qurate  
RETAIL GROUP <sup>SM</sup>



Q<sup>®</sup> QVC | HSN<sup>®</sup> | zulily

BALLARD DESIGNS | FRONTGATE<sup>®</sup> | Garnet Hill<sup>®</sup> | grandinroad.

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