GENDER PAY GAP REPORT 2021
OVERVIEW

Warner Music UK (WMUK) is committed to building a diverse, equitable and inclusive workplace where each of our employees feels seen, heard, valued, respected and has the opportunity to truly fulfil their potential.

This year, as well as sharing our Gender Pay Gap numbers for 5th April 2020, as legally required, we’re also choosing to publish our results for April 2021. This will allow us to talk about our progress in real-time. It will also let us talk about what we’re doing, and not just what we’ve done. To give further context to the journey we’re on, we’ve also shown the trend from April 2017.

What we see is that, in 2017, when we first started reporting our Gender Pay Gap, we had a mean salary gap of 49.4%. Between 2018 and 2020, we made consistent strides in closing this gap, most recently to 30.0% in 2020. However, in 2021 the mean salary gap increased to 36.7%.

We have always known that our progress may not be linear and, when we delve into why, we can see that while women make up 50% of the overall WMUK population and we’re seeing an increase in the proportion of female hires in the lower quartiles, they continue to be underrepresented in the upper quartiles. While we have welcomed several women to senior leadership positions over the last two years, we have also seen several men be promoted or join the business at a senior level, including in newly created roles. While this has increased the diversity of our business in some ways, it has negatively impacted our Gender Pay Gap in the short term. However, through our continued partnership with the Women of Warner Employee Resource Group, which consists of over 200 people, we’ll continue to identify and invest in learning and development opportunities for female talent at WMUK.

We also recognise that the pandemic has had significant impact on gender equality, specifically for those struggling to balance work and parenting/caregiving responsibilities. To help counter this, we introduced a package of support for parents and caregivers that includes financial support, additional leave, and enhanced flexibility.

Our most recent figures underscore why we must continue to focus on making WMUK an environment in which all our employees, including those in underrepresented groups, can thrive, grow, and progress. To hold ourselves to that goal and make sure we stay results-focused, last year, we set ourselves two ‘stretch targets’ concerning gender representation. First, by the end of 2025, we would aim to increase female representation in the combined Senior and Executive positions to 50%. Second, we would maintain a 50:50 split between women and men across the total WMUK population.*

We believe the conversations we’re having and the steps we’re taking will lead to lasting and meaningful change across our business, making us more reflective of the diverse community of the artists that we represent and the world we live in.

Tony Harlow
CEO
Warner Music UK

Erica Bone
VP, People Team
Warner Music Group

Dr Maurice Stinnett
Global Head of Diversity, Equity & Inclusion
Warner Music Group

* Please note that the Gender Pay Gap Quartiles do not directly correspond with our definition of the ‘Senior and Executive positions’ mentioned here. This is because our targets are set according to definitive job titles, whereas the Quartiles are fluid based on company size. We believe setting our targets based on non-moveable benchmarks allows us to be more transparent.

It should be noted that the gender calculations in this report are based on the UK government’s criteria, which is simply whether individuals identify as men or women. We’re aware that not all our employees would categorise themselves in this binary way. We continue to work at capturing a full picture of our workplace better.
Our Gender Pay Gap Report figures show the trend from April 2017 – April 2021.

In headline terms, while we saw an improvement in both the mean and median Gender Pay Gaps every year from 2017 to 2020, in the 2021 figures, we’ve seen an increase in both.

From 2017 to 2020, our mean Gender Pay Gap reduced from 49.4% to 30% in 2020. However, in 2021, we saw it increase to 36.7%. The same is true of our median Gender Pay Gap, which was reduced from 21.3% in 2017 to 14.5%, with an increase to 17.8% in 2021.

*MEAN VS MEDIAN

The mean is calculated when you add up the wages of all employees and divide the figure by the number of employees. The mean Gender Pay Gap is the difference between mean male pay and mean female pay. It's a better calculation for understanding the impact of outliers – such as a few, highly paid people – on the overall Gender Pay Gap.

The median is the figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median Gender Pay Gap is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages. It's a useful calculation for eliminating the impact of outliers on the average figure.
BONUSES

All permanent employees are eligible for a bonus payment in January, provided they started with the company before 1st July of the previous year.

In 2020, we saw our mean bonus pay gap decrease by a further 12.4 percentage points (a reduction of 23.2 percentage points over the last four years). However, it increased from 56.9% in 2020 to 65.6% in 2021. The widening of the gap reflects the weighting of men in more senior roles and the fact that several female employees started after the 2021 cut-off date, making them ineligible for a bonus that year.

In 2020 there was a minimal increase in the median bonus pay gap (2.6 percentage points). However, this dropped by 17.3 percentage points to 20.6% in 2021.
In 2019 we began to see a developing trend in the prevalence of female talent emerging in the lower quartiles, showing that our recruitment and retention initiatives are starting to have an impact. However, it’s clear that men still dominate the upper quartile of the company, which remains the major driver of our Gender Pay Gap.

To address this, we are taking several steps, including introducing a Reciprocal Mentoring Pilot Programme in May 2021. The programme provides a structured opportunity for relationship building, knowledge sharing, and collaboration between senior leaders and people from groups that are underrepresented at a senior level of the business.
WHAT WE’RE DOING TO CLOSE THE GAP

We’re committed to creating an environment where all our female employees can thrive, and this takes action, not just words.

In August 2020, to help accelerate our progress, Warner Music Group (WMG) hired its first Global Head of Diversity, Equity and Inclusion (DEI), Dr Maurice Stinnett, who has been building a dedicated team of experts around him. With his support, in November 2020, we shared our first WMUK Diversity, Equity & Inclusion Report with our team. This internal document outlines our five-year DEI targets and the 31 tangible actions we’re committed to taking within the first 12 months following publication.

As part of this, we outlined several commitments we believe will accelerate meaningful change and shared our 2025 gender representation stretch targets (see page 2).

Since November 2020, we’ve been focusing on:

1. DEVELOPING OUR TALENT
   Our People Team and Global DEI Team have collaborated to develop a reciprocal mentorship programme focused on groups underrepresented in leadership. The UK pilot programme launched in June 2021 and saw employees from underrepresented groups with two years or less service, paired with senior mentors. The programme is designed to support these underrepresented groups in advancing and progressing in their careers and increasing their representation in Warner Music UK’s leadership roles, and we’re now looking at how we can scale it across the organisation.

2. PARTNERING WITH OUR WOMEN OF WARNER EMPLOYEE RESOURCE GROUP
   Robust ERGs are critical to the engagement, inclusion, and retention of women at Warner Music, and we’ve worked closely with our UK Women of Warner ERG to explore development opportunities and support programming. In addition to making external coaches available to help groups meet their objectives, we’ve supported several events and workshops exploring the issues faced by women in the workplace, including women’s safety at work and allyship. We also helped facilitate a panel discussion around International Women’s Day hosted by Dotty, Apple Music’s Lead Cultural Curator in Black Music.

3. POLICIES AND PROCEDURES
   While not every person has parenting or caregiving responsibilities, research shows us that women face steeper caregiving penalties in the workplace than men, which has only increased during COVID. Therefore, it is vital that our policies support gender equity in the workplace. In response to the challenge brought by COVID, we introduced the WMUK Work, Family and Household Support Guide, which provided those with caregiving demands, including working parents, with additional caregiving leave, one-off financial support, and access to bespoke resources, including coaching and curated digital learning content. In tandem, we offered coaching to leaders to help them better manage their teams’ individual needs.

   Our People Team is also evolving the recruitment, hiring, and onboarding policies, proposing new strategies for how we can best achieve gender equity in representation across levels at Warner Music UK.

4. TRAINING & EDUCATION
   Since November 2021, we have introduced more than 30 new learning resources from Lean In, a non-profit organisation dedicated to helping women achieve their ambitions, to our digital learning platform. We have also introduced People Leadership Essentials training, a mandatory training programme for all managers, which covers topics such as psychological safety and addressing Unconscious Bias, helping to create a more inclusive leadership environment. In collaboration with our ERGs, we’re continuing to evolve the People Leadership Essentials format and content based on feedback and best practice.