Warner Music International (WMI) is committed to shaping an environment in which all our employees can build a career and fulfil their true potential. A key part of delivering on this commitment is our drive to reduce and ultimately eliminate the Ethnicity Pay Gap (EPG) in our business.

The UK Government doesn’t require companies to publish their EPG, but we felt it would be helpful to share the figures alongside our separate Gender Pay Gap (GPG) report. We are publishing that as we now have more than 250 employees in London, crossing what was the UK Government’s reporting threshold.

Warner Music International Services Limited (“WMISL”), the entity employing our UK based employees, includes people working in several divisions that operate individually. These range from shared services such as the Finance, IT and People teams; through specialist business units, such as Business Development, Merch Production and Songkick; to Global Catalogue and Warner Classics. Given the small size of some of these teams, it’s impossible to provide a detailed breakdown for each without infringing on the privacy of individual employees.

To also avoid identifying any individual employees, we’ve had to combine people from Black, Asian and other underrepresented ethnicities in one group. We’re aware that this combining of groups, with the different lived experiences they represent, is increasingly thought of as an unhelpful prism through which to view these issues, but we know that if we go more granular in reporting pay by ethnicity at this stage then there’s a risk that individuals could be identified.

We’ve calculated the figures using the methodology outlined by the UK Government for the GPG as a framework for consistency, the numbers outlined in this report relate to April 2022 the point we’re legally obliged to report the GPG data from. Our data has some limitations, with only 88% of all respondents choosing to disclose their ethnicity, but we’re confident that the figures offer a reasonable understanding of where we are as a company. Our colleagues at Warner Music UK (WMUK) have also published their EPG figures, which you can view here.

Our figures clearly show that we have much more do if we’re to fully reflect the society we operate in. We’re in continuous dialogue with The Link, our employee resource group for people of colour and their allies, to see what more we can do to create the conditions where everyone can thrive.

We know closing the EPG will benefit our whole team, the partners we work with, and the artists we support.

MARIA WEAVER – President, WMX
KEVIN GORE – President, Global Catalogue and President, Arts Music
KATE LE GASSICK – General Counsel, WMI
JESSICA KEELEY CARTER – EVP, Global Marketing
RUPERT LOUGEE – VP, Global Process Lead
In April 2022, our mean salary EPG was 19.3% and our median salary EPG was 22%. These figures reflect the fact that employees of Black, Asian and other underrepresented ethnicities are not fully represented at the most senior levels of the business and addressing this is a priority. We will continue to track and annually report these figures so we can be held accountable for our rate of progress.

**MEAN & MEDIAN SALARY ETHNICITY PAY GAP, APRIL 2022**

**MEAN**

The salaries of all employees from Black, Asian and other underrepresented ethnicities are added together then divided by the number of employees from Black, Asian and other underrepresented ethnicities. The same formula is applied to White employees’ salaries. The mean pay gap is the % difference between the two. If there was no difference, the result would be a 0% pay gap. This metric is useful because it factors in the salaries of everyone in the company who has chosen to disclose their ethnicity data and therefore demonstrates how outliers – such as the most highly-paid employees – can impact the average figure.

**MEDIAN**

The salaries of all employees from Black, Asian and other underrepresented ethnicities are lined up from smallest to largest and the one in the exact midpoint of the range is selected. The same formula is applied to White employees’ salaries. The median pay gap is the difference between the two. If there was no difference, the result would be a 0% pay gap. This figure is useful because it eliminates the impact of outliers – such as the most highly paid employees – on the average figure.

**EQUAL PAY FOR EQUAL WORK**

The Ethnicity Pay Gap is not caused by employees of Black, Asian and other underrepresented ethnicities being paid less for doing the same jobs as White employees. It is illegal to pay anyone more or less than others doing the same job on the basis of their ethnicity. The gap is a company-wide calculation and driven by having more White people than those from Black, Asian or other underrepresented ethnicities in senior roles.
In 2022, more White employees (79%) received a bonus than employees who are people from Black, Asian or other underrepresented ethnicities (71%). These numbers reflect those eligible to receive a bonus before the 1st July cut-off date. Our mean ethnicity pay gap in bonus payments for 2022 is 51% and our median EPG is 37.7%.

As with our salary gaps, these figures reflect the underrepresentation of people from Black, Asian or other underrepresented ethnicities at the most senior levels of the business and we will publish the figures annually so we can be held accountable for our rate of progress in redressing this balance.
When we look at the Quartiles, we see that the lowest representation of employees identifying as being Black, Asian and other underrepresented ethnicities is in the upper quartile at 21% and the upper middle quartile is 19%. The corresponding figures are better in the lower middle and lower quartiles, at 26% and 33% respectively, but in all Quartiles it falls below the 40% of the London population who identify as being Black, Asian or from other underrepresented ethnicities.
WHAT WE’RE DOING TO CLOSE THE GAP

To help us close the gap, we’ve undertaken several actions, including:

1. CHANGES TO RECRUITMENT, HIRING, AND ONBOARDING

We’ve changed our recruitment, hiring, and onboarding strategies with the aim of securing greater representation of underrepresented ethnic groups across all levels at WMI. From the application stage we use Textio to ensure our job specs are unbiased, and we post opportunities with networks that target diverse audiences. We don’t ask for current salaries and we aim to present a diverse slate of talent for each role. We always encourage a diverse interview panel, and we have DEI recruitment commitments that we’re working hard to achieve.

2. DEVELOPING OUR TALENT

Following a successful pilot with WMI employees in 2021, WMG’s Global DEI Team is continuing to develop and expand our reciprocal mentorship programme, which sees junior employees from underrepresented groups paired with senior mentors for mutual development. Integrating pilot learnings alongside insights from our 2022 global engagement survey, a second iteration is scheduled for launch in the US, Canada, and Latin America in October 2022 – and will be open to employees from all WMG divisions. We expect an improved and expanded version of the scheme to launch in Europe later this year.

The two-way learning supports business leaders to be more informed, inclusive, and agile for hiring and management and provides people from groups underrepresented in leadership (including women and gender expansive people) relationships and guidance from senior leaders that will support them to progress in their careers.

In addition, we worked closely with The Link, our Employee Resource Group (ERG) for people of colour and their allies, focused on championing equality and challenging discrimination, to introduce a bespoke mentoring programme specifically for its members.

3. TRANSPARENCY

Publishing our EPG data annually will be an important step in our journey. Our colleagues at WMUK established a DEI Council in 2020, with the goal of helping drive accountability, visibility and engagement with its DEI agenda. It includes representation from all employee resource groups, the WMUK senior management team and other key stakeholders from across the business. We’re looking to replicate this approach at WMI and will announce more details soon.
IMPROVING OUR CULTURE

We want every person who joins WMI to know that they belong here. More and more, people express how important it is for their employer to take a stand on issues and provide diversity and inclusion programming. To attract and retain top talent, we’re investing in programming to support an inclusive culture.

Alongside WMUK, and in partnership with our employee resource groups, we’ve built a curriculum of learning, educational, and cultural events at both the local and global levels that provide opportunities for community building and networking, especially for people from underrepresented ethnic groups, as well as educate the WMI workforce.

As part of our approach, we’ve curated and shared digital learning resources, offered support with networking and facilitation and curated a Racial Equity Glossary that is housed on a Global DEI Hub.

Our events have included:

- A screening of two films in Steve McQueen’s anthology *Small Axe* and then follow up discussion groups (organised by The Link and Black Employee Network leads)
- Panel discussion with Kanya King CBE (Founder & CEO of MOBO Organisation), Estee Blu (recording artist and MOBO UnSung Competition alumni) and Paulette Long OBE (music industry executive and artist manager), moderated by Jeremiah Gogo (WMUK) for Stephen Lawrence Day
- Saskia Coomber (WMI) interviewed Shoobs founder Louise Broni-Mensah about professional development, transferable skills, following your passion and creating community
- David Zhou of Eastern Margins – presentation as part of the Stop Asian Hate campaign, introduced by Chris O’Leary (WMI)
- Dr Matthew D Morrison: A presentation on Black British Music History for Black History Month introduced and moderated by Joe Kentish (WMUK)
- Sian Anderson (WMUK): A Cook-Along for Black History Month
- Drinks with The Link: a casual catch-up at a pub near our Kensington offices for members and allies
- A self-care package from Black-owned business CocoBean to mark the anniversary of George Floyd’s murder and we set up a partnership with New Beacon Books, Britain’s first independent Black-owned publisher/specialist bookshop and have co-curated a recommended reading list

WELLBEING SUPPORT

We want every person who joins WMI to know that we’re dedicated to providing resources that speak to their lived experiences. We know that people can’t do their best work – or advance in their careers – if they don’t have access to the supports they need. We offer several wellbeing resources to support the self-care of our employees if personal, work, or societal issues are impacting their wellness, which include targeted resources to support our employees from Black, Asian and other underrepresented ethnicities, who may, for example, feel more comfortable partnering with bespoke wellbeing coaches from a similar background and lived experience.
THANK YOU