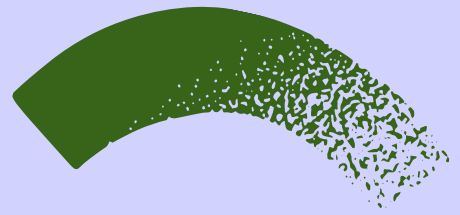


WMUK GENDER PAY GAP REPORT



WARNER
MUSIC
UK

OVERVIEW



Warner Music UK (WMUK) is committed to shaping an environment in which all our employees can thrive, grow and progress. We're continuing our journey to bring about lasting and meaningful change across our business, making us more reflective of the artists we represent and the world we live in.

A key part of delivering on this commitment is our drive to reduce and eliminate the Gender Pay Gap (GPG) in our business. This report sets out our GPG on 5th April 2022, as legally required, and the changes in the gap since 2017.

The figures show an overall pattern of progress, but it's not been linear, and we're open about the fact that this process is a marathon and not a sprint. Our GPG is driven by the over representation of men in the highest paid roles in the company. We're committed to changing that balance – with a 'stretch target' of increasing female representation in combined senior and executive positions to 50% by the end of 2025*.

And we've been making some real progress in the last 12 months. Senior promotions included Linda Walker's elevation to SVP, Commercial, Europe and Charlotte Saxe's appointment as SVP, Legal and Business Affairs.

We also have a second 'stretch target' of ensuring a 50:50 split between women and men across the total WMUK population by the same date.

This report sets out some of the policies we've implemented to help make these changes happen.

We're pleased to partner with the Womxn of Warner WMG UK employee resource group (ERG), which comprises of more than 200 people, to help us drive change. It's helping us identify where we need to add or improve policies, as well as working collaboratively to develop new learning and development opportunities.

It is worth pointing out that this year sees Warner Music International (WMI) file its GPG figures for the first time, as it now employs more than 250 people. These colleagues sit in our London offices, but predominantly work with our other teams worldwide. You can read the WMI GPG report [here](#).

We're pleased that this report shows signs of progress, but we're not complacent about the need for further change. We know the steps we're taking will benefit not just our female (and female identifying) employees, but our whole team, the partners we work with, and the artists we support.

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 GPG 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.

The gender calculations in this report are based on the UK Government's legal criteria, which is simply whether individuals identify as men or women. We're aware that not all our employees would categorise themselves in this way, but breaking out figures for non-binary colleagues could risk identifying their individual salaries.

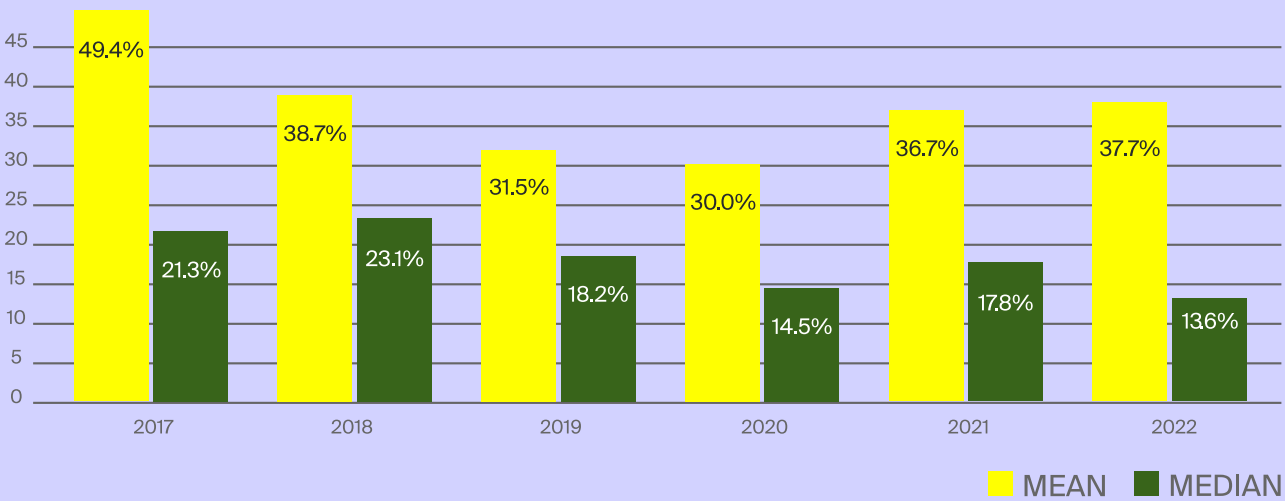
EQUAL PAY FOR EQUAL WORK

The GPG is not caused by women being paid less for doing the same jobs as men. It is illegal to pay anyone more or less than others doing the same job on the basis of their gender. The gap is a company-wide calculation and driven by having more men than women in senior roles.

SALARIES

Our GPG Report figures show the trend from April 2017 – April 2022. From 2017 to 2022, our mean GPG reduced from 49.4% to 37.7%, while our median GPG fell from 21.3% to 13.6%. However, as the graphs below show, this was not a linear and uniform fall, with the mean gap actually increasing in the last year.

MEAN & MEDIAN SALARY GENDER PAY GAP BY YEAR, 2017-2022



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 GPG 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 GPG.

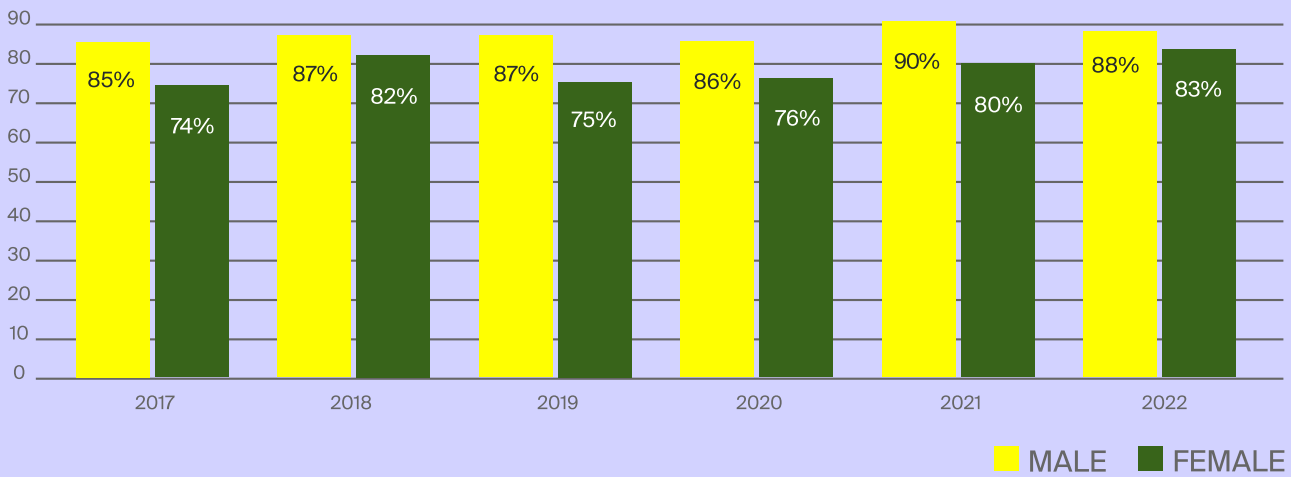
The median is the figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median GPG is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages. It's a useful calculation for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

BONUSES

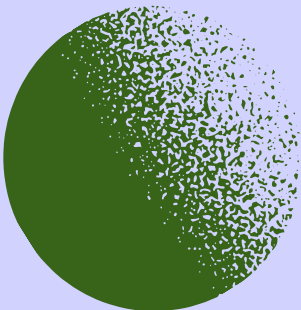
All permanent employees are eligible for a bonus payment in January, provided they started with the company before 1st July of the previous year. A slightly higher proportion of men (88%) than women (83%) were eligible for a bonus, with the gap closing from 10% in 2021 to 4% this year.

In 2022, we saw a mean bonus GPG of 55.8% (down from 62.8% in 2021), while our median bonus GPG dropped from 20% in 2021 to 6.4% this year.

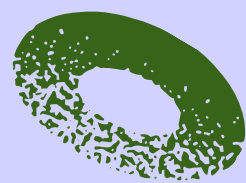
% RECEIVING A BONUS



MEAN & MEDIAN BONUS GENDER PAY GAP BY YEAR, 2017-2022

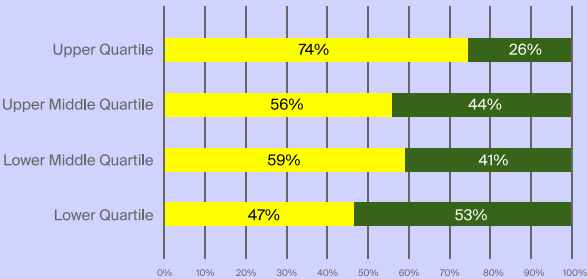


GENDER DISTRIBUTION BY QUARTILE

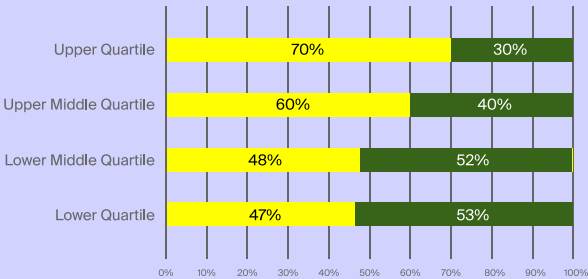


In 2019 we began to see a developing trend in the prevalence of female talent emerging in the Lower Quartiles, showing that our recruitment and retention initiatives are starting to have an impact. However, it's clear that men still dominate the Upper Quartile of the company, which remains the major driver of our GPG.

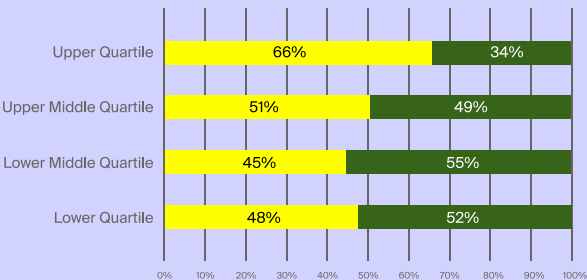
APRIL 2017 GPG – QUARTILES



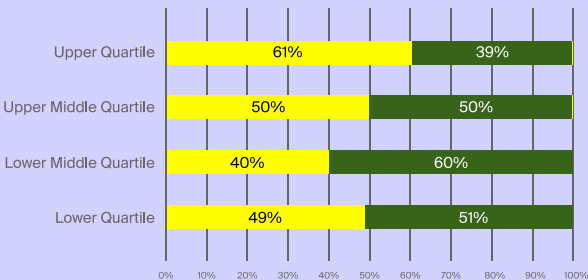
APRIL 2018 GPG – QUARTILES



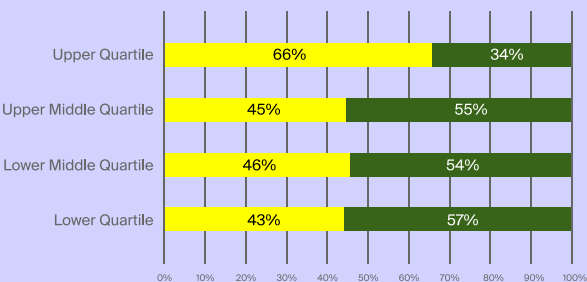
APRIL 2019 GPG – QUARTILES



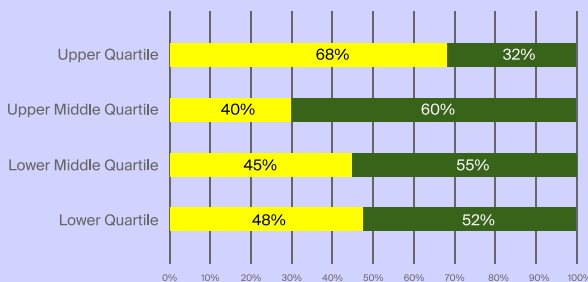
APRIL 2020 GPG – QUARTILES



APRIL 2021 GPG – QUARTILES



APRIL 2022 GPG – QUARTILES



WHAT WE'RE DOING TO CLOSE THE GAP

We've put in place a number of policies to help create an environment where all our female employees can thrive, and we're in a continuous dialogue with the Womxn of Warner WMG UK ERG to make sure we're continuing to adapt to offer them the support they need. We've also put in place stretch targets as part of our DEI internal reporting so we can be accountable for the change in the number of women holding senior roles within the company.

Below are just some of the things we're doing:

IMPROVING POLICIES FOR PARENTS AND CAREGIVERS



Having strong family friendly policies supports women to continue to progress in their careers and reduces inequality. Offering the same amount of parental leave to parents of all genders helps to equalize the division of childcare across parents. When men are encouraged and supported to take paternity leave, this reduces the career-related penalties women often face for time out of work and keeps women on the same track for career progression. We're looking forward to sharing the changes we've made to our family friendly policies in 2023.

We also recognise that parenting demands don't stop after the first 12 months of a child's life, and that many people have other caregiving responsibilities.

CHANGES TO RECRUITMENT, HIRING, AND ONBOARDING



To move us closer to our aim of more equitable representation throughout all levels at WMUK, we're continually working to improve our recruitment, hiring, and onboarding to reduce barriers to joining WMUK. Specifically, we:

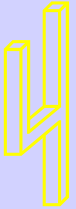
- **CHECK FOR BIAS IN OUR JOB SPECS**
From the application stage, we use Textio, a software program that reveals bias, jargon, and phrases that can be exclusive to members of certain groups. This makes sure that our job specs are inclusive and appealing to people of all genders. We also collect, on a voluntary basis, applicant diversity data in Workday, our hiring dashboard, to identify the candidates that are applying for our roles.
- **ENSURE OUR JOB POSTINGS REACH WOMEN**
We post opportunities with networks that target diverse audiences, including women-focused boards.
- **DON'T ASK FOR CURRENT SALARIES**
so that we don't perpetuate any pay inequality that existed.
- **COLLECT PROSPECTIVE AND CURRENT EMPLOYEES' DIVERSITY DATA** (on a voluntary basis)
to identify gaps and trends in recruitment, promotion, and attrition to see where and how we can improve.
- **WORK WITH PARTNERS ON OUTREACH EVENTS.** We've worked with The Ultimate Seminar and Rio Ferdinand Foundation to encourage people from all backgrounds and genders to consider a career in the music industry and understand how to get the breaks they need.



PARTNERING WITH OUR UK WOMEN OF WARNER EMPLOYEE RESOURCE GROUP

We work closely with our Women of Warner WMG UK ERG to explore development opportunities and support programming. We've brought in independent experts to deliver events and workshops exploring the issues faced by women in the workplace, including women's safety at work and allyship. Women of Warner WMG UK has also provided invaluable input as we review policies, such as our enhanced parental leave offering.

We ran a learning event in November, in partnership with Women of Warner WMG UK, specifically targeted to support senior women in their career development called 'Leaders on the Rise'. We're also hosting an evening event open to all women and allies at Warner Music, for an evening of networking, learning and collaborating.



TRAINING & EDUCATION

Bias can sneak into things like hiring, performance discussions, and promotions without people even realising it. So we've updated our mandatory Management Explored training for all managers to cover topics such as psychological safety and addressing unconscious bias, to help our managers be more aware and lead more inclusively. In partnership with WMI, we've also massively expanded the range of resources available through our digital learning platform.



THANK YOU

