

UK ETHNICITY PAY GAP 2022

At Sony Music UK we believe creativity is a product of diversity. We strive to bring together the best talent, provide everyone in our business with the opportunity to thrive and reward each person's contribution fairly.

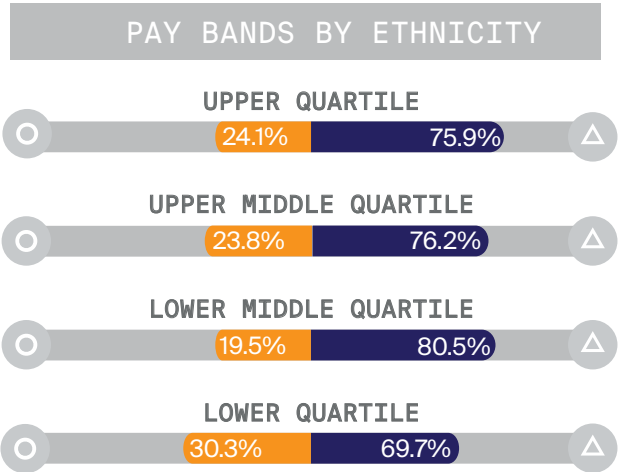
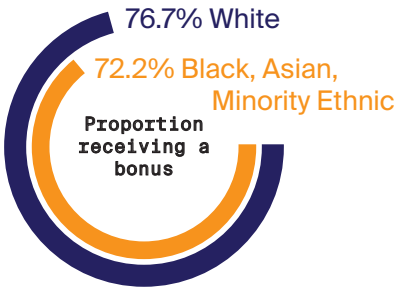
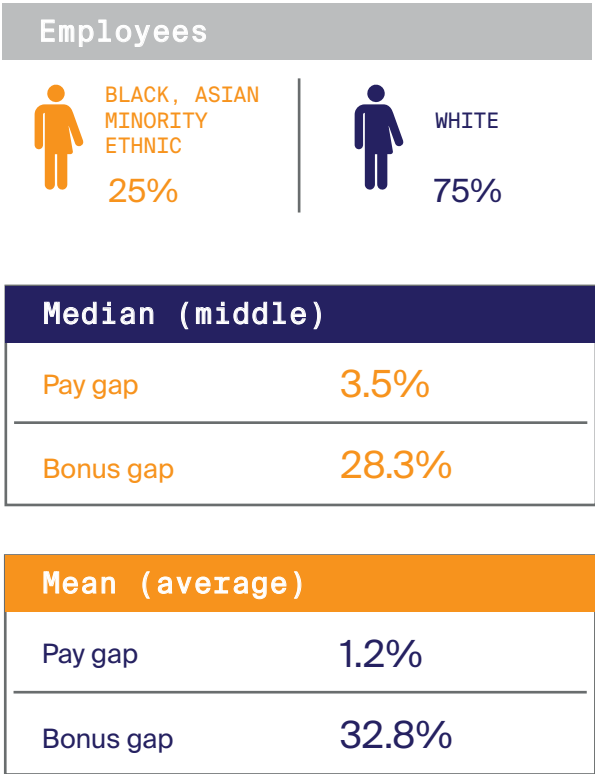
Our goal is to be the destination company for the most creative talent in the entertainment industry – where every employee and creator feels they belong and can fulfil their potential in a supportive, diverse, and inclusive environment.

Pay gap reporting drives organisations to be accountable for making change, and we welcome this. We are committed to working towards a better mix and a fairer industry. We have a constant focus on how to improve our talent pipeline and better support Black, Asian and Minority Ethnic leaders.

WHY ARE WE REPORTING THESE FIGURES NOW?

Sony Music UK is attune to the ethnicity pay gap discussion and over the past two years we have worked to improve our internal data so that we can better understand diversity and equality in our workforce. This is the second time we have reported our figures - it is not yet mandatory - and we commit to doing so annually in line with our Gender Pay Gap reporting. Due to the relatively small size of our UK workforce we have had to group Black, Asian and Minority Ethnic employees so that individuals cannot be identified.

OUR ETHNICITY AND PAY GAP FIGURES (as of 5 April 2022)



MEAN VS MEDIAN

Mean and median are both ways of calculating average pay. The MEAN is calculated by adding the salaries of all Black, Asian and Minority Ethnic employees, divided by the number of those employees. The mean gender pay gap is the percentage difference between mean Black, Asian and Minority Ethnic pay and the mean pay of White employees. It shows the impact of outliers, for example a few, highly paid people.

The MEDIAN is the middle figure in the sequence of salaries from smallest to largest. This compares the middle Black, Asian or Minority Ethnic earner to the middle White earner. This measure reduces the impact of outliers.

WHAT DOES THIS DATA TELL US?

Calculating the ethnicity pay gap relies on the data a company holds, in terms of who and how many employees have chosen to disclose their ethnic heritage, which is not a mandatory requirement. On our current data at Sony Music UK, Black, Asian and Minority Ethnic permanent employees comprise 25% of our workforce.

Within this figure, we have seen an increase in Black, Asian and Minority Ethnic employees in both the upper quartile (24.1%) and upper middle quartile (23.8%). Our senior management team is 25% Black, Asian and Minority Ethnic and 38% of our labels and divisions are led by Black, Asian and Minority Ethnic employees. However, we recognise that our data is still showing a pay gap between White and Black, Asian and Minority Ethnic employees.

As a proportion, more of our White staff were eligible for a bonus than Black, Asian and Minority Ethnic staff, but we have seen improvement in both a lower mean and median bonus gap this year. The reason there is a gap in terms of who receives a bonus (for both Black, Asian and Minority Ethnic and White employees) is due to the timing of when people were hired during the year and whether they were bonus-eligible at the snapshot date of April 2022.

HOW ARE WE CLOSING THE GAP?

We value diversity and equal opportunity and are committed to supporting inclusive teams. Much of our work in the past year has focused on implementing progressive policies that reflect our values, so that we continually build on our commitment to be the most diverse and inclusive company possible.

BESPOKE LEADERSHIP DEVELOPMENT PROGRAMMES

We offer bespoke development programmes for Minority Ethnic executives who we believe show senior leadership potential, from executive education to coaching schemes and we have a track record of promoting from within wherever possible. In addition, we will be offering a cohort of employees the opportunity to participate in a leadership course specifically aimed at developing black female talent.

PEOPLE EXPERIENCE

Our HR team has rebranded as ‘People Experience’ to reflect our focus on doing all we can to help employees thrive in the workplace. We have improved the way we collect data to better understand our workforce make-up and people’s individual experiences at work.

We also continue to benchmark roles and participate in independent equal pay audits to ensure that our salary ranges remain competitive and there are no disparities in pay based on factors that are not job-related such as gender or ethnicity.

FRAMEWORK & POLICIES

Sony Music has a global strategic framework, MILES, that underscores our Diversity, Equity & Inclusion efforts and represents five core values that unite our network of employees, artists, partners and peers: Mobility, Impact, Leadership, Equity and Safety. Some of the landmark UK policies include a Core Hours policy, an Equal Parental Leave policy for men and women, and a Childcare Support Policy that helps fund childcare costs, where grants are taped according to salary.

CULTURE & WELLBEING

We continue to work closely with our Race and Ethnicity network HUE (Helping Unite Everyone) who regularly share educational and cultural resources and host panel discussions and events focussed around cultural moments such as Black History Month, Lunar New Year and South Asian Heritage Month.

Our in-house Director of Employee & Artist Wellbeing has continued to offer training sessions for our staff on how to proactively protect and promote wellness, as well as continuing to provide expert wellbeing support to both our Artists and employees. We have also conducted focus groups across the company to explore how we could amplify a sense of belonging amongst our employees and the learnings from this research will feature in our people plans for 2023.

A&R ACADEMY

Our A&R Academy is a programme that mentors young people through the A&R process, from scouting to signing acts, which will help further diversify important parts of the industry. The intake for our 2022 A&R Academy is 100% Black, Asian or Minority Ethnic and the programme is already yielding results with several permanent hires being made as a result.

MENTORING & SKILLS




PushFar is our company reciprocal mentoring platform that facilitates mentoring across labels and divisions and reinforces other schemes we have to embed a learning culture in our company, such as regular Digital Uncovered sessions and Think Forward career conversations that build on recommendations from our global employee survey. We also support mentoring programmes for those looking to join our industry, including the Positive Influence programme we run with the Creative Mentor Network, now in its fifth year and our 4th Floor Creative Academy programme in partnership with Small Green Shoots.

SOCIAL JUSTICE

Sony Music’s UK Social Justice Fund has already committed more than \$2million to grassroots and nationwide organisations fighting racial injustice in the UK. Through our partner charities we have helped people into jobs, created training and development schemes, improved access to music education and supported rehabilitation programmes for former offenders. Plus, we have funded pioneering research into issues of racism and trauma, and we have increased opportunity for better representation in musical genres including classical and electronic.

UK ETHNICITY
PAY GAP 2022

I confirm that the information and data reported is accurate.

 Jason Iley Chairman & CEO	 Nicola Tuer COO	 Liz Jeffery VP, Human Resources
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