

UK ETHNICITY PAY GAP 2023

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.

OUR ETHNICITY AND PAY GAP FIGURES (as of 5 April 2023)

Employees

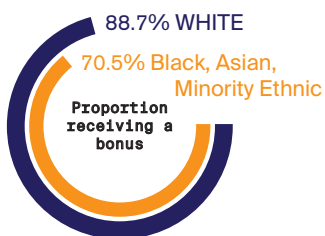


Median (middle)

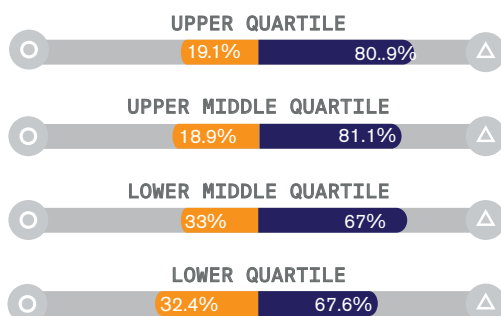
Pay gap	23.8%
Bonus gap	30.7%

Mean (average)

Pay gap	13.2%
Bonus gap	5.8%



PAY BANDS BY ETHNICITY



WHY ARE WE REPORTING THESE FIGURES NOW?

Sony Music UK is attune to the ethnicity pay gap discussion and over the past three years we have worked to improve our internal data so that we can better understand diversity and equality in our workforce. This is the third 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.

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 THE 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. We have spent the past year improving the accuracy of our data by encouraging employees to update their personal information where they feel comfortable doing so. We have seen a substantial uplift in employees now choosing to disclose, so for this reason we are working with a different data set to previous years.

On our current data at Sony Music UK, Black, Asian and Minority Ethnic permanent employees comprise 25% of our workforce. With a relatively small UK footprint, a handful of joiners, leavers and promotions can cause our numbers to fluctuate more significantly than in larger organisations, which is reflected in some of this year's numbers. In our top Senior Management Team, 30% identify as Black, Asian or Minority Ethnic. Leaders of our labels and divisions are currently 27% Black, Asian and Minority Ethnic, while in the wider Upper Quartile bands the numbers are 18-19% and they are 32-33% in the Lower Quartile bands.

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 a lower mean 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 2023.

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 improving our internal data so that we can build a more accurate picture of our UK workforce, and 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 additional leadership development based on gaps we have identified in our pipeline. In the past calendar year, of the promotions that were available, 30% were given to Black, Asian Minority Ethnic employees. In addition, natural turnover (when people choose to leave) among Black, Asian Minority Ethnic employees in the past year was 7%, which is a 14% improvement compared to five years ago.

DATA ANALYSIS

We have continued to improve our data collection to understand our workforce make-up better and people's individual experiences at work. We are pleased that we have seen an uplift in employees sharing their data which is reflected in some of the changes we have seen in this report. 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 tapered according to salary. We have also strengthened our existing menopause support through provision of greater specialised medical care and are now introducing reproductive health support for our employees and their partners, as well as provision of neurodiversity diagnosis and care.

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 on cultural moments. Our in-house Director of Employee & Artist Wellbeing continues to offer training sessions for our staff on how to proactively protect and promote wellness and kindness in the workplace, 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 the year ahead. We have continued to run mandatory Diversity, Equity & Inclusion Fundamentals training to all employees, an approach that is underpinned by regular learning sessions to explore different facets of DE&I.

A&R ACADEMY

Our A&R Academy is a programme that mentors young people through the "Artist & Repertoire" process in the music industry, from scouting to signing acts, which will help further diversify important parts of the industry. The intake for our 2023 A&R Academy is 67% Black, Asian or Minority Ethnic and the programme is already yielding results with several permanent hires being made as a result. Across our A&R programmes to date, we have retained 78% of recruits.

MENTORING & SKILLS

PushFar is our company reciprocal mentoring platform that facilitates mentoring across labels and divisions and reinforces other schemes that embed a learning culture in our company, such as regular Digital Uncovered sessions and Think Forward career conversations. 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 sixth year, and our 4th Floor Creative Academy programme in partnership with the charity Small Green Shoots.

SOCIAL JUSTICE

Sony Music's UK Social Justice Fund has already committed more than \$2.7 million to grassroots and nationwide organisations fighting racial injustice in the UK. Through our partner charities and staff volunteers we have helped people into jobs, created training and development schemes, improved access to music education and supported rehabilitation programmes for former offenders. We have also funded research into issues of racism and trauma, and we have increased opportunity for better representation in genres including classical and electronic music.

I confirm that the data reported is accurate.

UK ETHNICITY PAY GAP 2023

 Jason Iley Chairman & CEO	 Liz Jeffery VP, People Experience
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