



UNIVERSAL MUSIC
AUSTRALIA

Employer Statement Gender Pay Gap Results

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OUR OVERALL APPROACH TO GENDER EQUALITY AND WHY IT'S IMPORTANT TO US

At Universal Music Australia (UMA) we are committed to creating a diverse, inclusive, and dynamic work environment, where employees feel supported and engaged. In short, we value diverse backgrounds and skills, which we believe contribute to maintaining a positive company culture, and that our individual differences, including gender identity, make us a stronger and more successful organisation.

Workplace Gender Equality Agency (WGEA) reporting on pay equity and gaps is an important way for us to assess where we are improving, and identify work which we still have to do, to ensure that we are meeting our commitment to gender equality.

The publication of the 2023 *Raising Their Voices* report, an independent review into sexual harm and harassment in the Australian music industry, led to a much needed industry-wide focus on the lived experience of women in music. In support of

the report's recommendations, including modelling courageous leadership, we have made several organisational development changes concerning our structure, and several female leadership promotions and appointments.

Over the past few years, we have introduced a number of measures which have improved our gender pay gap. This includes building a pay equity calculator which we used to conduct an equal pay analysis, allowing us to drill down on any pay gaps by gender and investigate pay distributions, as well as appointing several women to management and senior leadership roles. The latter has also resulted in **females now comprising 67% of our senior leadership team**, up from 53% from the year prior.

Through these measures, we have improved our **Median Total Remuneration Gender Pay Gap, which now sits at 13%**, a reduction of 4.3% since 2022.

While we are pleased with the progress we've made, we know we have more work to do to ensure that we continue our focus on gender equality, pay equity and promotion opportunities for our people.

Recent appointments have improved our gap, but to reduce it further we will focus on ensuring that our succession planning provides development pathways for junior females, as well as opportunities for additional female appointments to senior leadership roles over time.

We also conducted an employee sentiment survey at the end of 2023 where **75% of employees reported that they have had opportunities to engage in interesting and relevant learning and development activities in 2023**.

We will continue to provide these opportunities in 2024, with our next learning opportunity focused on the topic of gender and unconscious bias.



OUR GENDER PAY GAP

There are two important principles associated with reporting on gender equality and pay:

Pay equity – is achieved when all employees receive equal pay for work of equal or comparable value when performing in the same role at the same performance standard.

State and federal anti-discrimination laws make it unlawful for an employer to discriminate on the grounds of gender about the terms and conditions of employment offered or provided to employees, including pay and other benefits for performing equal work. This is called gender pay equity.

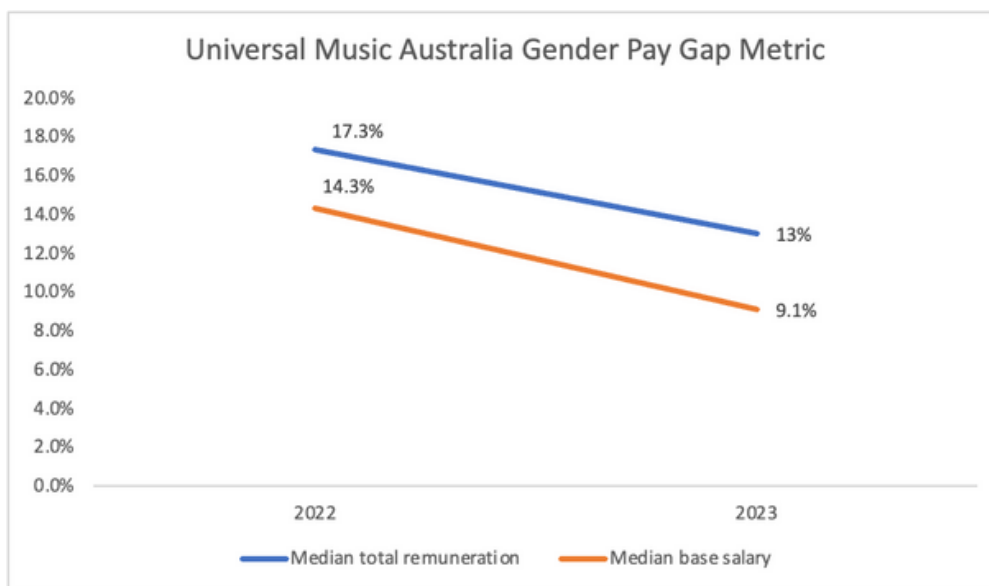
This means:

- Employees doing the same work (or different work of equal or comparable value) get paid the same amount
- Pay and conditions are assessed in a non-discriminatory way - valuing skills, responsibilities and working conditions in each job; and
- Organisational structures and processes provide all staff equal access to training, promotions, or flexible working arrangements.

Gender pay gap – is the overall difference between gender in average hourly rate of pay for full-time equivalent earnings, regardless of role or seniority, expressed as a percentage. It is different from the requirement to pay men and women equally for the same work.

The Workplace Gender Equality Agency calculates the national gender pay gap using Australian Bureau of Statistics' Average Weekly Full-Time Earnings data (cat. No. 6302.0).

UMA’s **gender pay gap median total remuneration for 2023 is 13%**. This is the middle value after sorting the gender pay of organisations in the comparison group from lowest to highest. If the number of comparison groups is an even number, the median is the average of the two middle values. **UMA’s median base salary gap for 2023 is 9.1%**.



Organisational context

UMA conducts annual payroll analysis on relevant pay data showing gender salary (base salary and components of total remuneration) enabling calculation of full-time equivalent employee numbers. This includes base pay, allowances, higher duties, superannuation, bonuses, and job title/classification.

In 2020 UMA engaged Mercer to build a pay equity calculator which we used to conduct an equal pay analysis enabling us to:

- drill down on any pay gaps by gender and investigate pay distributions by group;
- consider remediation options including customised solutions for specific groups; and
- assess and evaluate the impact of actions on pay gaps, reviewing outliers at the individual level, and documenting special-case situations.

UMA also retains detailed information about each employee's role type, level, base salary, bonuses, allowances such as higher duties, years of experience, and salary review and promotion history. This information is used to assess specific gender-related pay gaps, and design and implement remediating actions to address them. We also draw on supplementary data from the WGEA Industry Benchmark Report and WGEA's data explorer to review how our gender pay gap data compares against other industry results.

In recent years, UMA has conducted reviews of senior roles within the business and as part of succession planning and development, we have paid particular attention to gender and pay equity in relation to promotion, appointment, and remuneration. We found that when assessing the organisational impact on overall remuneration, executive pay previously materially contributed to UMA's overall pay gap.

With recent appointments of additional women to key management personnel roles at UMA, this gap has reduced. Additionally, in recent years, UMA has taken targeted action to review:

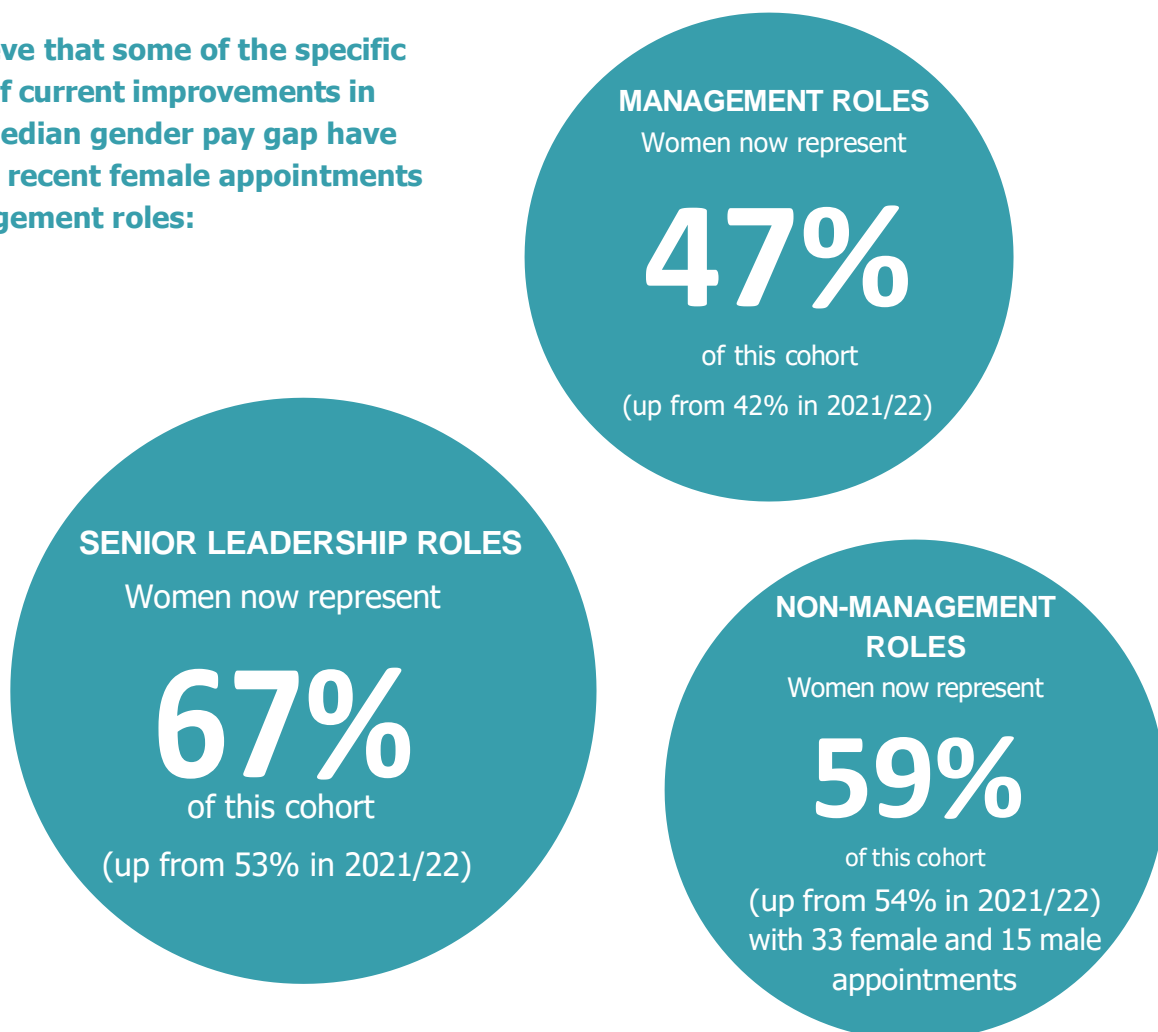
- ▶ the gender mix of key management personnel, managers and non-managers during the recruitment, appointment, and promotion process
- ▶ specific role levels where pay gap analysis points to any anomalies, such as marketing and manager levels to ensure that base salaries are gender-neutral and comparable to reported industry averages
- ▶ gender mix within roles to ensure that there is more equal representation across the organisation
- ▶ remuneration paid at executive level to ensure all leaders are compensated equally for the same roles
- ▶ organisational bonus and incentive policies consistently applied across the organisation
- ▶ talent acquisition strategies specifically focused on ensuring gender equality in candidate shortlisting and selection; and
- ▶ targeted actions and programs which improve all employees' access and equity when participating in our workforce including career development and promotion.

GENDER PAY GAP DRIVERS




UMA’s targeted action on gender equality includes analysing segmented workforce levels, as well as line analysis of different levels of the organisation, including key management personnel level, management, and non-management. These allow us to see what is influencing and shaping gender pay gaps.

There are a range of policies and programs which UMA has already implemented to improve equitable access to development and promotion opportunities for all employees, with some specifically designed to remediate potential disadvantage for those employees wanting and needing to access flexible working opportunities or time out of the workforce for caregiving or other responsibilities (these are discussed in more detail in the next section on UMA’s actions and strategies).

We believe that some of the specific drivers of current improvements in UMA’s median gender pay gap have included recent female appointments in management roles:



We believe that some of the specific drivers of work that we need to do further analysis and remedial work on includes ensuring that we continue to develop actions to remediate any like-for-like and addressable pay gaps in:

-  upper quartile total compensation, including bonus participation (total remuneration averaging approximately AUD\$296,000);
-  lower and upper middle quartile total compensation, including promotion opportunity and merit increases based on performance (total remuneration averaging AUD\$111,000 to AUD\$151,000); and
-  lower quartile roles which comprise 74% female and 26% males (total remuneration averaging AUD\$79,000).

ACTIONS AND STRATEGIES

Around the time that the systemic discrimination report, *Raising Their Voices* was released, UMA decided to conduct cultural assessments of our workplace, including focus groups and surveys to ascertain the lived experience of employees regarding workplace culture, leadership behaviours, communication transparency, values, and career pathways.

The results pointed to the need to provide more equitable opportunities for employee participation in these aspects of workplace experience. UMA created culture teams around these areas comprising employee volunteers to allow our people to play an active part in developing strategic initiatives to improve employees' productivity, engagement and opportunities at work.

We know from research on gender equality that a diverse and inclusive workplace, which is free from gender discrimination, will afford all our employees with the best opportunities to progress at UMA.

UMA also conducted an employee sentiment survey at the end of 2023 where **85% of our people agreed that overall culture has improved in the past 12 months** with approximately the same numbers agreeing that leaders and management model positive workplace behaviours, share information openly and transparently, support them to maintain a work/life balance, and foster an inclusive and diverse workplace. More than **75% of employees reported that they have had opportunities to engage in interesting and relevant learning and development activities in 2023.**

OBSERVERSHIPS AND SPONSORSHIPS

During 2023 several UMA female employees participated in observership opportunities with the Australian Recording Industry Association (ARIA) and the Phonographic Performance Company of Australia (PPCA). UMA also sponsored the inaugural Female Lifetime Achievement Award in the Australian Women in Music Awards. These initiatives allow females at UMA an opportunity to see the possibilities associated with leadership roles and career pathways in the music industry.

LEADERSHIP DEVELOPMENT

All employees (including full-time, part-time and casual) have access to UMA's learning and development activities. UMA has created a comprehensive strengths-based development program with regular sessions to support our people to bring their best selves to work and deliver on our key strategic priorities. In 2023 UMA also rolled out a comprehensive leadership program specifically tailored to leading in the music industry to equip leaders to run effective meetings, have difficult conversations, support high-performance and team development, and lead through change. All employees have access to industry and company activities such as the annual ARIA awards, President's lunches, and culture team activities, narrowing the divide between senior management and entry level roles.

Learning and development sessions are a valuable opportunity for leaders to come together to not only learn, but also share their ideas and experiences with other like-minded leaders. They also provide aspiring leaders with visibility across the organisation which can be useful in addressing performance bias during the performance management process, particularly in relation to research on gender bias about 'natural leaders'.

In 2024 UMA will be implementing the following development programs:

- coach/mentor-based performance framework which will incorporate a yearly development plan for all employees
- leadership skills for new managers
- development program for all aspirational employees
- strengths-based skills sessions; and
- UMA values activations to embed our values across the business.

FUTURE FLEX

UMA recognises that everyone's work preferences and work needs can change over time and are influenced by life outside work. UMA is committed to encouraging and supporting our employees to achieve and maintain work life balance and accomplish personal and career goals.

To do this we offer all employees flexible work arrangements, whether full-time, part-time or fixed term, an opportunity to apply for flexible work arrangements to flex working hours, leave and work location depending on caring or other responsibilities.

PARENTAL LEAVE

UMA has an inclusive and gender equal approach to parental leave and we support and encourage shared parenting responsibilities and paid parental leave for both parents, whether permanent, fixed-term or long-term casual employees with at least 12 months continuous service.

UMA offers up to 14 weeks of paid parental leave for employees with 1-5 years of continuous service and 18 weeks of paid parental leave for employees with 5 or more years of continuous service, which can be taken in a block or flexibly.

UMA also offers 10 keeping in touch days, and an additional 10 days of leave if extended beyond 12 months by arrangement with management.

INTERNSHIP PROGRAM

Internships play an important part of our culture at UMA and are an opportunity for university students to gain exposure to the inner workings of a corporate work environment, and to help them determine their career path as they complete their studies.

Because it is unpaid, the UMA Internship program is open to eligible students from tertiary institutions who are required to participate in work placement per the terms of their degree. UMA can only consider candidates who can demonstrate enrolment in the 'Internship' unit of study. We have a high volume of women applying for the program and we have a gender diversity target of 50% in intern selection. There are currently more females than males shortlisted for the 2024 program.

SUMMARY

As an organisation, we are incredibly proud of the progress we have made over the past few years when it comes to advancing gender equality in the workplace. Through the introduction of a range of measures and initiatives, such as building a pay equity calculator, regular succession planning with gender and pay equity in mind, as well as senior promotions of women to executive roles, we have made a real impact on UMA's gender pay gap.

We know we have more work to do to ensure that UMA continues its focus on gender equality within the workplace. With this in mind, we are already planning supplementary activities, which include:

- gender bias training for all employees
- metrics to assess and report on the impact of flexibility measures such as UMA's Future Flex policy; and
- a strategy for consultation with employees about gender equality.

We look forward to continuing this journey, as we remain committed to providing an equitable workplace for all staff, regardless of gender.



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