



Kobalt UK Gender Pay Gap Report

5th April 2018 Data

Kobalt's mission, vision and values are built around transparency and fairness – that's not just for our clients and creators. Our 2018 mean gender pay gap is 12.7% and our median is 15.8%. Although comparable to the national average, we know this needs constant attention until it reaches 0%.

To clarify, the calculation behind the gender pay gap is not the same as equal pay. We are confident that we are complying with the law as gender does not play a part in our decisions when it comes to remunerating equivalent jobs, recruitment or making promotions. We continue to examine the compensation employees receive and make adjustments where necessary to ensure we maintain pay equity across departments and roles.

The underlying reason behind the gap is predominantly due to the lower representation of women in senior leadership roles within our business.

We do not want to be part of the trend in male-dominated industries such as ours. We're committed to increasing the number of and improving the development opportunities for women, of all races and ethnicities.

Our commitment

While we have a lot of work to do, we have made some progress and consistently review, evaluate, and enhance our employee programmes and practices around hiring and career progression. We'll continue to challenge ourselves to beat the trend.

We're proud of the strong, female senior leadership leading some of our major functions including our Global Chief Operating Officer, Global Head of Creative in the UK and our Global Chief Creative Officer, Managing Director of Neighbouring Rights, President of Global Synch and Brand Partnerships, and Chief People Officer.

In 2018, we staffed a Learning & Development function working to develop and empower global employees, including developing our middle management for upward mobility and opportunity. We've also reduced the eligibility period for maternity leave and are reviewing our overall family leave policies for both mothers and fathers. Our Diversity & Inclusion team continues to be a strong advocate for driving awareness and action including partnering with our People & Culture team on our first UK Diversity & Inclusion survey in 2018.

We know we still have work to do. We'll succeed with a continued commitment to an inclusive environment, and teams with diverse backgrounds, experiences and perspectives.

Kobalt UK

	MEAN	MEDIAN
PAY GAP	12.7%	15.8%
BONUS GAP	35.2%	0%

Although comparable to the national average, we know this gap needs constant attention until it reaches 0%.

We do not believe that women are paid differently because of their gender in respect to equivalent jobs. The gap arises primarily from us having more men in senior roles.

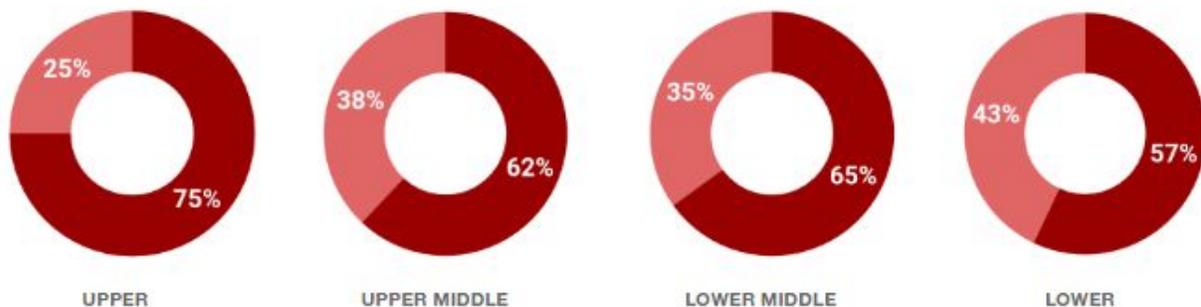
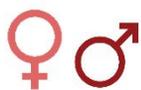
Percent receiving a bonus payment



To attract and retain the best senior people in the music industry, those at the top of our organisation have more opportunity to earn discretionary bonuses depending on the results of the business. While a higher percentage of women get a bonus, the payout is less due to less women in senior roles.

Kobalt does not operate a bonus scheme and this is reflected in the median bonus gap of 0%. Staff who get a bonus is currently awarded on a discretionary basis.

Proportion of females/males in each pay quartile



We know our gender pay gap is not an equal pay issue, but down to the lack of representation of women in senior roles. There is an overall mean gap difference of 4% or less between men and women by quartile. We will be specifically working to address the discrepancy we find in our upper quartile band where there are more men in senior roles, while also working to ensure the mean gap is 0% across all quartiles.

Closing the gap

Since last year, our gender pay gap has been reduced. There were some initiatives we were able to accomplish, but there is much more work to do and we're focused on taking the necessary steps to close the gap we see today.

Attract and nurture widest possible female pool

- As an industry, we are challenged to find females seeking jobs in tech. We will continue our Women in Tech programs to attract and develop women in STEM careers, and will explore more opportunities to nurture female talent in the tech and music industries.
- Introduce positive action in recruitment, ensuring a diverse candidate pool for senior roles.

Empower our leaders to own and drive inclusion

- Develop and deliver diversity and inclusion programs for all managers including Unconscious Bias training.
- Deliver a women's leadership program to encourage and prepare female managers for growth into senior roles.

More consistent reporting and measurement

- In order to truly move the needle in the next few years, we'll implement a more robust regular reporting structure to ensure both equity and representation.
- Hire a dedicated lead for Compensation & Benefits.

Thank you for taking the time to read our report. We confirm that Kobalt's gender pay gap calculations are accurate and meet the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

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Avid Larizadeh Duggan