At PPL, we are committed to ensuring that we hire, develop, and promote the best people from the widest pool possible, regardless of any characteristics – including ethnicity.

We take equity, diversity, and inclusion (EDI) very seriously. They are intertwined with our people strategy, to enable us to continue to develop and maintain a working culture that is welcoming, fair, and considerate to all.

The reduced mean pay gap and greater overall ethnic diversity among the PPL team detailed in this report are a result of several years of work across the business to adapt recruitment methods, ensure balanced interview panels, and invest in staff training. They also follow the publication of a robust five-year EDI strategy in 2022, which sets priorities and clear targets for change.

We were one of the first organisations in the music industry to publish an EDI strategy, and we remain one of a very limited number of our peers in the music ecosystem to publish colleague ethnicity data. We continue to lead the sector in our approach to becoming an even more welcoming, safe place to work where all lived experiences are respected.
OUR APPROACH

We have shared our ethnicity pay gap data annually since 2021. This is a key part of our work to become a more transparent company. We voluntarily publish these figures - there is no legal requirement for any organisation to release staff ethnicity data.

To improve the quality of our data, we undertook a voluntary data collation exercise to encourage colleagues to disclose their ethnicity. 97.2% of our team have now done so, against a target of 95%. Recent government guidance has provided detail on how to factor those employees who have not declared their ethnicity. For the purposes of calculating these figures, we have used that guidance, which recommends calculating pay gaps only from those colleagues who have provided an ethnicity but including those colleagues who have not provided their ethnicity within the overall pay quartile statistics.

As of 5 April 2023, our workforce consisted of:

227 FULL-TIME EQUIVALENT (FTE) ROLES

People declaring any ethnicity other than white now make up 30% of PPL's workforce:

- April 2023: 30% non-white, 70% white
- April 2022: 27% non-white, 73% white

This rises to 35% in the lower earning half of the organisation:

- April 2023: 35% non-white, 65% white
Our ethnicity pay gap statistics as of 5 April 2023 were:

**MEAN ETHNICITY PAY GAP**

30%  

**MEDIAN ETHNICITY PAY GAP**

26.6%

Our mean ethnicity pay gap has decreased to 30% in favour of white employees, from 39.8% in April 2022.

In a company our size, the pay for roles at the most senior level can impact statistics. As there is only a single employee at CEO level, and they are usually the highest paid employee in most organisations, their inclusion can skew figures substantially. Our mean ethnicity pay gap would drop to 26.8% if CEO base pay were excluded.

The gap, while narrowing, remains because the proportion of employees of non-white ethnicity is higher in the lower earning half of the workforce. Over the medium to long term, this will provide us with a sustainable pipeline of talent to progress through the organisation and into the upper earning quartiles of earners.

The median ethnicity pay gap increased to 23.6% in favour of white employees; it was 17% in 2022. Again, this reflects the higher proportion of white employees in the upper half of the organisation (76%) than in the lower half (57.6%). The proportion of non-white employees in the upper-mid quartile has also fallen.
PPL operates a bonus scheme which is based on company and individual performance, subject to certain eligibility criteria - for example, an employee’s start date. Payment of this bonus saw the mean gender bonus gap increase to 20.7% in favour of white employees, compared to 18.3% in 2022. Our median ethnicity bonus gap is 10.4% in favour of white employees, compared to 9.1% in 2022.

The percentage of people eligible for a bonus fluctuates each year (for reasons including their start date), as does the amount paid out. These variable factors impact the gap each year.

The vast majority of the cases where PPL staff did not receive a bonus for 2022 were due to factors like start dates or taking parental leave. Of the people who did not receive a bonus, 45% were white and 55% were non-white. This translated into 90.2% of white employees and 75% of non-white employees receiving a bonus. As PPL’s overall diversity has improved over the year, and bonus is paid annually, we expect to see a lag in the improvement of this statistic.
OUR APPROACH TO PRESENTING ETHNICITY DATA

Like other companies of a comparable size, we have faced a challenge in how best to present our ethnicity pay gap data in a meaningful way, in the absence of a clear statutory or industry standard. So far, we have taken the most common approach used by similarly sized organisations, which is to mirror gender pay gap reporting as far as possible, using the broad, binary categories of ‘white’ and ‘non-white.’

In April 2023, the government published guidance which advises employers to publish ethnicity data with the greatest amount of granularity possible. However, the guidance also suggests that only statistics calculated from a group of employees of a minimum size of 50+ should be shared externally, and we do not meet that threshold for any group other than white.

Whilst we are committed to disclosing data with as much transparency as possible and recognise the power of reporting as a driver for change, we will not do so to a level of granularity which risks making individual employees identifiable. Looking after our employees and making the company a safe, inclusive, and welcoming place to work is our priority: reporting is secondary to that.
OUR GOALS

Last year, we set out our ambition for staff diversity by 2027 in our five-year EDI strategy. We have since updated our staffing aims using the now-published 2021 census data for London and South East England, where most of our staff live.

Although we have taken important steps in recent years, we know there is still more work to be done to close our ethnicity pay gaps and further champion equity at every level of our organisation.

Kate Reilly
Chief People Officer

Peter Leathem
Chief Executive Officer