

UK Gender Pay Report 2022

At Spotify we believe in reflecting our consumers and creators which means building a diverse workforce with equity, inclusion and belonging upheld by each and every band member.

We remain focused on hiring women across leadership roles and company wide, including setting aspirational goals across all of our Business, Functions and Research & Development (R&D) teams. And we're continuing to push forward with actions that will help us build and improve on what we've achieved so far.

This is the fifth year that Spotify has reported under the UK Government's gender pay regulations, and the below offers a snapshot view of the business as of 5 April 2022.

Spotify's UK mean gender pay gap for 2022 is 10.4% and median gender pay gap is 13.1%. This demonstrates a reduction of the pay gap in both measures - something we're particularly pleased with during this period of hypergrowth in our recruitment.

Since our last report (which looked at the same data set as of 5 April 2021), we have continued to grow and pursue ambitious hiring plans and saw significant growth in our UK headcount of 45%. Of this increase in headcount, 43% identified as women. 64% of UK hires were within our R&D function with one third of this group identifying as women.

What is the gender pay gap?

The gender pay gap, as defined by UK legislation, refers to the difference between the average earnings of employees that identify as men and women across an organisation irrespective of role.

This is different from equal pay, which focuses on whether men and women are compensated equally for performing the same or similar work.

In order to mitigate and monitor for this, Spotify has conducted an annual pay equity review since 2015 comparing the pay of employees doing "like for like" work, and investigating the causes of any pay differences that cannot be justified. The objective of these reviews is to course correct if needed and ultimately ensure we are applying equitable pay practices.

Our snapshot as of April 5 2022

Gender pay gap

Mean

10.4%

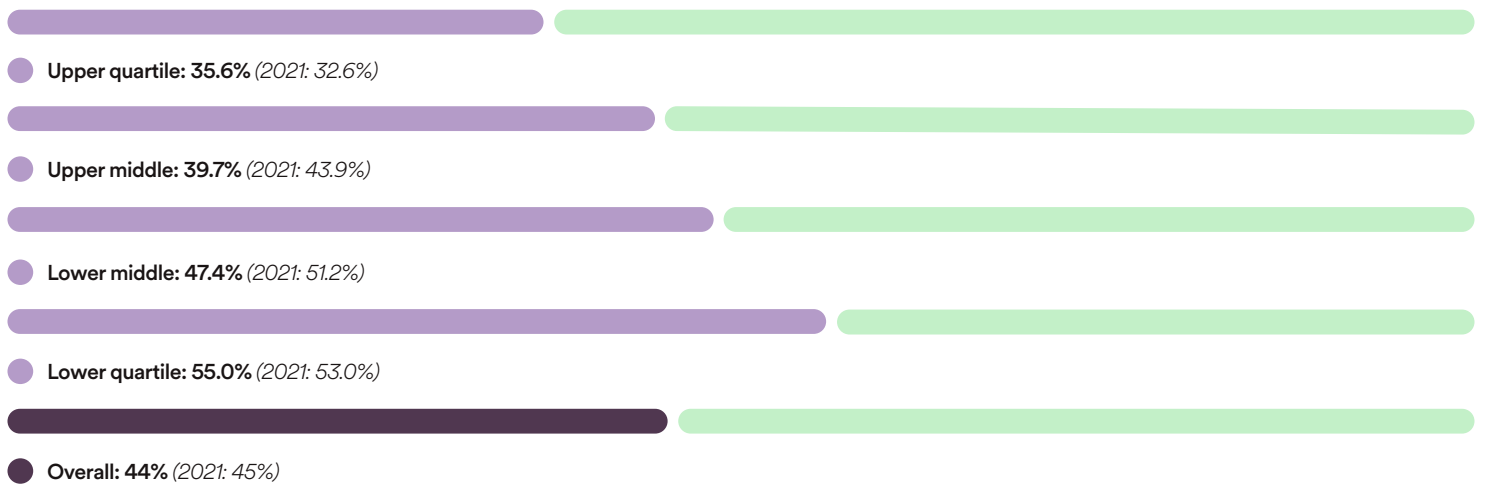
2021: 14.5%

Median

13.1%

2021: 13.9%

Representation of women*



Gender bonus gap**

Mean

20.7%

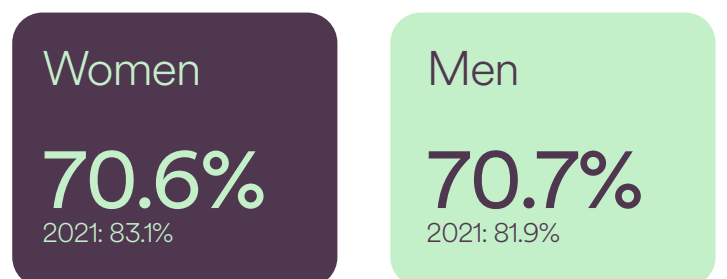
2021: 32.8%

Median

39.0%

2021: 35.4%

Proportion receiving bonus



* In the period covered by this report, fewer than 1% employees in the UK identify as non-binary or questioning. These employees are not included in these numbers.

** In accordance with the government-required format, the bonus measurement includes commission, sales incentives, other allowances (such as relocation allowances) and bonus payments, but also income realised through our long

term incentive programme which is offered to all permanent Spotify employees.

Every new permanent hire receives a long term incentive award but the choice each employee makes – both in terms of the mix of cash and equity they wish to receive and the timing of realising value from the awards – will impact the numbers we see in each reporting period.

What do our numbers show?

Spotify's UK mean gender pay gap for 2022 is 10.4% and median gender pay gap is 13.1%. While this demonstrates a reduction of the pay gap in both measures, we know more work needs to be done to make sure that the gap continues to close.

Average total "bonus" payments for women over the 12 months covered by this report were 20.7% lower than men on average, and 39% lower at the median. While the proportion of women and men getting a bonus is the same, the difference in mean and median bonus amounts is mainly due to the higher representation of men in R&D jobs.

When comparing like-for-like jobs, we see that we are paying men and women equitably; instead, representation at the mid to senior levels and in R&D generally continues to be the biggest issue highlighted by these numbers (as it does more generally in the industries in which we operate).

However, we continue to focus on inclusive hiring practices at all stages of the recruitment process including diverse candidate slates. In fact, when we look at our adjusted pay gap, calibrating for job, level, function, etc, we see equitable pay outcomes.

While we find the legislation and required calculations can create potentially misleading results, fairness and equal treatment is at the heart of our decision making, whether at the time of hire, our annual pay review or when considering an internal job move.

The representation of our bandmates

On 5 April 2022, approximately 44% of our employees in the UK were women and 56% were men and this has been a consistent ratio since we started reporting in 2015. This split translates similarly to our leadership where 46% were women and 54% were men.

As 10% of our global headcount, the UK is in-line with our global demographic which is approximately 44% women and 53% men (with the remainder being a mix of non-binary, questioning or not declared). This looks different for our R&D group which is 33% women and 67% men in the UK (in-line with representation globally).

We know that the tech industry has a long way to go with increasing the number of women in tech roles. TechNation (backed by the UK Government), highlights that despite women comprising 50% of workers in the UK labour market as a whole, in tech it is half, at 26%. Similarly, based on an analysis from McKinsey on Women in Tech in Europe last year, women occupy only 22% of all tech roles. As a European company, we are far ahead of this. Although Spotify is leading in the industry there's more work to be done.

What about other pay gaps?

We've proactively started to capture other demographics to help us to better understand the profile of our UK employees and therefore ensure equity across different groups.

Following the launch of our commitment to ethnicity reporting within the UK, we're pleased to see that we have a disclosure rate of more than 80% and will continue to work

with this information to help inform internal discussions and actions.

Like many other employers, we await the UK government's decision on expectations of ethnicity pay reporting, and welcome their direction on what other initiatives should be in place to help further the dialogue and move the needle on diversity in the workplace.

What's next?

We know the main challenge we face now is broader representation, and so we're focused on countering current norms. Aside from the work we're doing on the creator side with offerings such as our [EQUAL hub](#), we're also pushing ahead for important internal initiatives to improve representation across Spotify. Here are some highlights:

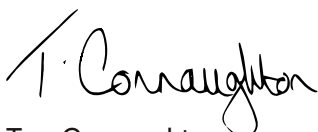
- Looking ahead we will continue to focus on increasing the representation of women in technical roles and in leadership. This effort also includes our **Sponsorship and Leadership programmes**, focusing on partnering senior leaders with band members from historically underrepresented groups to help them advance their careers and help grow the next generation of R&D leaders.
- Accelerating growth for historically marginalised talent including women by continuing to work and support **our belonging group Women@Spotify** and actively identifying and removing barriers to their advancement in the workplace.

- Our inclusive hiring strategy aims to develop scalable and sustainable guidelines and resources and this includes **setting aspirational goals to increase the number of women in our R&D groups**. For 2022 we set our focus on the representation of Women in R&D to be 35% and those in Leadership roles at 27%.
- To re-emphasise our intention, and our commitment to equitable treatment of all band members with a conscious decision to highlight 'equity' in our **Diversity, Equity, Inclusion & Belonging (DEIB)** team and strategy. Equitability will feature in our training and processes as standard going forward. An example of this is our commitment to inclusive interview training of our recruitment team.

You can read more about our focus and actions in the DEIB section of our [Equity & Impact Report 2022](#)

As we grow and evolve as a business, we remain committed in our pursuit of gender equity. We will continue in our commitment to providing equal opportunities for women globally and progress with more conscious representation across all areas of our business.

While Spotify has reached some significant milestones in audience reach and creator support, we also remain focused on proactively working on our internal initiatives both new and existing to create a more equitable environment for all of our band members.



Tom Connaughton
Managing Director, UK and Ireland

We confirm that the information and data provided in this report is accurate and in line with the Equality Act 2010 (Gender Pay Gap Information) [Regulations](#)

Spotify's UK Gender Pay Report 2021 can be found [here](#)