

# UK Gender Pay Report 2024

## Why are we reporting the UK Gender Pay Gap?

UK legislation requires organisations with over 250 employees to report on their Gender Pay Gap on an annual basis.

Within Spotify, we continue to strive for pay equity, fairness, and equal access to career growth opportunities. You can read more about our focus and actions in our [Equity & Impact Report 2024](#).

## How is the Gender Pay Gap defined according to UK pay equity reporting standards?

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 all 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. Pay equity is also taken into consideration when we make any pay decision, like during the hiring process or our compensation review windows.

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.

## Report Summary

This is the seventh 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 2024.

For 2024, following the UK guidelines for calculating mean gender pay gap, Spotify UK's mean gender pay gap is 13.9% and its median gender pay gap is 16.1%, compared with 12.7% and 14.5% respectively in 2023. Our gender representation across the workforce has slightly increased in the UK due to hiring and WFA moves with 56% of the population male and 44% female.

It is worth noting that across our lower quartiles, female representation has increased and now makes up over 50%. However, we still have more seniority in our male employees which has increased the gap. We acknowledge that there is still more work to be done here.

This year our gender bonus gap is 22.1% and the proportion of women receiving a bonus has increased to 100% women and 100% men. There are various components that are considered in the bonus distribution calculation, which include sales commissions and equity grants. Given the individual discretion around exercising equity grants at certain price points, this may cause fluctuations in our data year over year that do not appropriately reflect the gender gap.

That said, we recognise that as long as men have a higher proportion of senior jobs, the bonus gap will favor men due to the increase in equity award size at these levels. There is work to be done in our representation to fully address this gap.

## Our snapshot as of April 5 2024

### Gender pay gap

Mean

**13.9%**

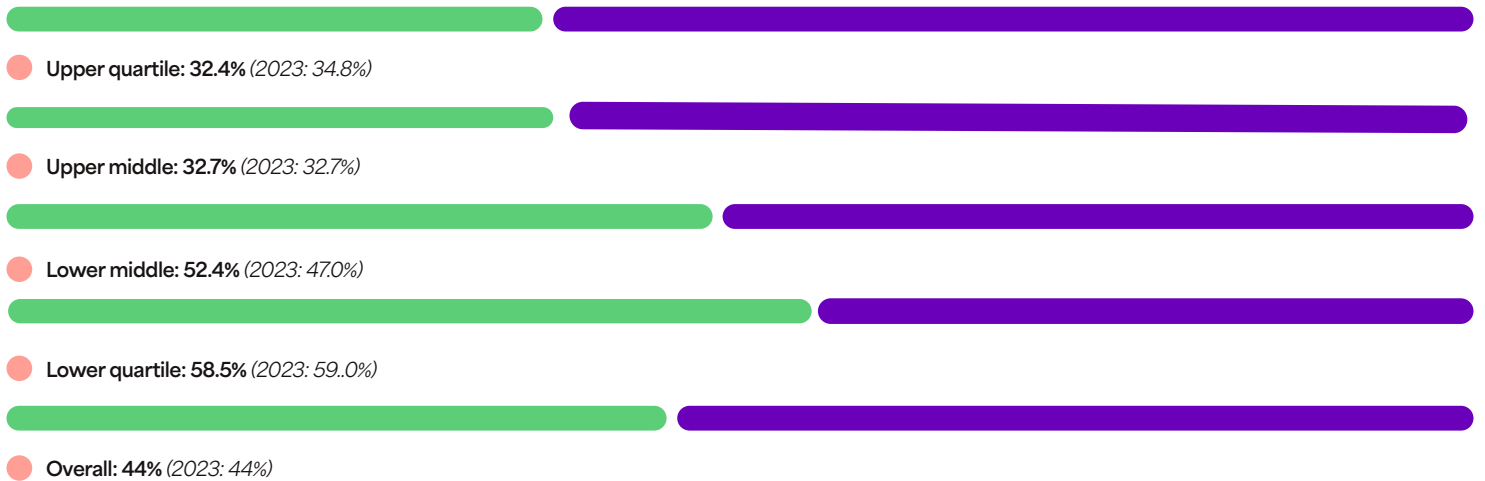
2023: 12.7%

Median

**16.1%**

2023: 14.5%

### Representation of women\*



### Gender bonus gap\*\*

Mean

**22.1%**

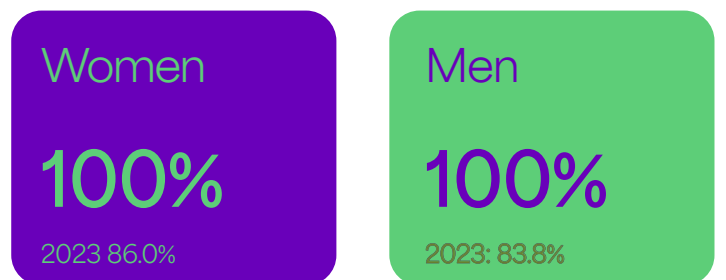
2023: 15.3%

Median

**18.0%**

2023: 31.5%

### Proportion receiving bonus



\* In the period covered by this report, only a few 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.

At Spotify, we're dedicated to creating a more equitable and sustainable world for our employees, artists, creators, authors, and fans. This includes our ongoing efforts to improve gender representation across our business and creating career growth opportunities for our employees at all levels around the world. We know there's still work to do and welcome the opportunity to be transparent about our progress.



**Chris Whiteley**

Managing Director, Northern Europe