

Spotify believes in fairness, equality and diversity

We are committed to creating an environment where innovative and passionate people can be their true selves, achieve their ambitions, and operate at their highest level.

We believe that diversity of experience, perspective and background leads to a better environment for all of us. This means creating, nurturing and protecting a plural and inclusive company culture. And it means committing to fair pay for all of our staff.

Since 2017, [the UK Government requires](#) employers with 250 or more employees to report on the pay gap between women and men in their UK employee base. We are a growing UK business, and during 2018 we became eligible to report under these regulations.

As at April 5 2018, Spotify's UK mean gender pay gap was 11.6% and median gender pay gap was 16.8%. Average bonuses for women at Spotify were 19.7% lower than men and 10.3% lower at the median.

On this date, 42% of our people in the UK were women and 58% were men. No employees in the UK formally identified as non-binary.

Our median pay gap of 16.8% is slightly better than the national average last year (17.9% at April 2018), but still falls short of where we want it to be. We are committed to working towards reducing the pay gap at Spotify, with the ultimate ambition of achieving a 'zero' pay gap for our people.

In terms of our bonus gap figures, any gains realised through our employee stock option programme (ESOP) – which is offered to all permanent employees – are also counted within this 'bonus' metric, as well as traditional performance-based bonuses. The resulting metrics are therefore influenced by how and when our people choose to realise their share awards at an individual employee level.

Pay gap

11.6%
Mean

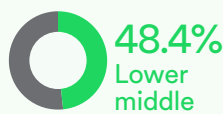
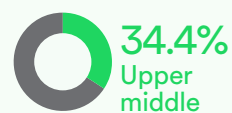
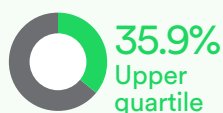
16.8%
Median

Bonus gap

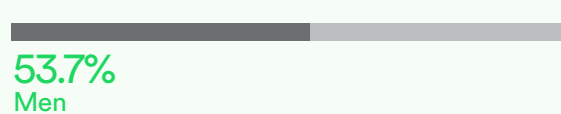
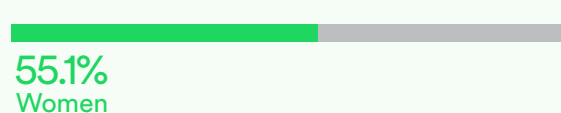
19.7%
Mean

10.3%
Median

Representation of women in each quartile



Proportion receiving bonus



How we are making change happen

To address the pay gap, we are working hard to increase representation of women at all levels and across Spotify globally, with a particular focus on technical and leadership roles. As an example, over the last year we have increased diversity in our global leadership team, which now consists of three women and four men.

The underrepresentation of women in senior leadership and engineering roles is a challenge not only for Spotify but for the entire technology industry. Increasing diversity in these roles is a priority for us.

While we recognise that further progress needs to be made, we are pleased to report that within the research and development (R&D) team, the number of women in the UK increased from 11% in 2017 to 18% in 2018. Over the same period, the number of women across our UK business increased from 42% to 44% in total.

Making sure our pay is fair

People are at the heart of what we do, and we want all employees to feel valued. Accordingly, Spotify is committed to acting fairly at every pay decision point (such as recruitment, promotion and industry benchmarking), and upholding all relevant legislation including the Equality Act 2010 which stipulates rules for pay parity. We believe remuneration for our people must be fairly based on role and performance, not on gender, race, age, religion, sexual orientation, disability or any other demographic characteristics.

We also provide unconscious bias awareness training for all managers in advance of the performance and pay review period, and bias checks are built into reviews of pay recommendations.

It is important to note that this report is **not a study of pay equality**. The government-required format for this report is a review of the gender pay gap between men and women in the UK, without an examination of the roles these individuals perform. We are committed to fair pay: equal pay for equal work. So aside from what is required for this report, and outside of the annual compensation reviews, we also review employees' salaries on a regular basis to ensure that individuals who perform the same role are paid equitably, and to make sure that any differences in pay have identifiable and valid reasons.

Supporting our people

Diversity and inclusion are incredibly important to Spotify, and fair pay is about more than just gender. So, in our work to increase diversity and making sure everyone is treated fairly, we strive to focus on groups and individuals who may be under-represented in the industry or historically marginalised in society (for example due to race or ethnicity, sexual orientation, beliefs or abilities). We have set up a number of Employee Resource Groups (ERGs) to help build communities to address and challenge any issues, and to make sure that employees feel empowered and supported.

We are very proud of our [global parental leave policy](#), which offers all new parents – both men and women – six months parental leave on full pay (or more where required by local law), with parents able to take their leave three years from the date the child comes into their life. We see this as helping both men and women balance their family lives with their careers.

More information on Spotify's efforts to promote diversity and inclusion can be found [here](#).

Tom Connaughton

Managing Director, Spotify UK

I confirm that the information and data provided in this report is accurate and in line with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.