

# Spotify UK

## Gender Pay Report 2019.

At Spotify we strongly believe in fairness, equality and diversity and using data to drive progress forward, so we welcome the opportunity to review our gender pay figures. Our platform is for everyone, and so is our workplace. This means creating, nurturing and protecting a diverse and inclusive company culture, and committing to fair pay for all of our staff. Our commitment to building a diverse and inclusive workplace in which everyone is compensated fairly for their role and what they deliver has never been stronger.

This is the second year for which we are reporting under the UK Government's gender pay regulations. The gender pay gap refers to the difference between the average earnings of male and female employees across an organisation. This is different from equal pay, which focuses on whether men and women are compensated equally for performing the same or similar work: equal pay is a legal obligation for all employers.

Since our last report, we have seen high growth across all parts of our business. This is particularly true in the UK which has seen a 35% increase in our employee headcount, where we have invested significantly in our Research & Development department, representing 60% of this growth in the UK. More generally, we've seen growth in all areas of our business which have resulted in a net increase in mid-senior positions being hired or transferred to the UK.

### Our snapshot at 5 April 2019.

#### Gender pay gap

Mean	Median
<b>9.9%</b>	<b>14.4%</b>
2018: 11.6%	2018: 16.8%

#### Gender representation in each quartile

	Women	Men
Upper quartile 2018: 35.9%	<b>36.0%</b>	<b>64.0%</b>
Upper middle 2018: 34.4%	<b>43.5%</b>	<b>56.5%</b>
Lower middle 2018: 48.4%	<b>45.9%</b>	<b>54.1%</b>
Lower quartile 2018: 50.0%	<b>48.8%</b>	<b>51.2%</b>

#### Gender bonus gap\*

Mean	Median
<b>29.5%</b>	<b>-0.2%</b>
2018: 19.7%	2018: 10.3%

#### Proportion receiving bonus



\*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 employee stock option programme which is offered to all permanent Spotify employees.

On April 5, 2019, 44% of our employees in the UK were women and 56% were men (which is more balanced, and an improvement from 42% and 58% respectively from our report this time last year). In the period covered by this report, no employees in the UK identify as non-binary. Those who did not declare their gender identity are not included in these numbers.

Spotify's UK mean gender pay gap was 9.9% and median gender pay gap was 14.4%. This demonstrates an improvement on last year's report.

Average mean bonuses for women over the 12 months to the snapshot date were 29.5% lower than men, but 0.2% higher at the median.

## What do our figures show?

Our continued efforts to mitigate bias through our policies, processes and activities are showing some positive signs - all the more important to us during a period of hyper growth across our business, particularly in the UK.

Our figures this year show that we are succeeding in getting a greater proportion of women into senior roles. We've seen a noticeable increase in representation of women at the upper middle quartile (34.4 to 43.5%). To put this in the global context, we grew by 19.4% over this reporting period and the number of women across our global business increased from 38% to 40%.

We saw a smaller group of employees overall receive bonuses or similar across our UK business when compared to last year. At Spotify UK, we generally only offer cash bonuses to our sales teams and this group is a relatively small part of the UK business. The shift in the bonus gap is perhaps more interesting, as we saw a closing of the median bonus gap in favour of women. A key driver of this is that we have a strong representation of women across our sales division.

The difference between the mean and median figures for the bonus gap tells us that there are outliers that are skewing the mean (overall average), which are not related to individual performance or reflective of a typical year. The bonus figures include income realised through our employee stock option programme which is offered to all permanent Spotify employees: in that respect, bonuses paid can be the result of historic grants, individual choice/selection, and changes in the stock market, and are therefore not necessarily individual performance-related.

We remain committed to building a diverse and inclusive workplace in which everyone is compensated fairly for their role and what they deliver. These results demonstrate that we need to maintain our focus on hiring and supporting more women (and other minoritised groups) into the higher levels at Spotify, particularly into the specialist and middle management levels of the organisation (typically in the upper and upper middle pay quartiles).

We've also spent a great deal of time thinking about progressing our diversity agenda - which we comment more on here: [Diversity & Inclusion](#).

# What are we doing next?

We continue to be very proud of our global [parental leave policy](#) (amongst our other flexible and family-friendly policies and initiatives) which helps all parents, regardless of their gender, to balance their family commitments with their careers and make a real positive difference by offering six months paid parental leave to all employees. We are hopeful that policies such as these will help to address the historically disproportionate focus on women bearing the burden of parental leave and family responsibilities and the ensuing gap it creates between men and women in their career trajectories.

We've also been taking particular care with our job posts to make sure they make use of inclusive language in order to capture the widest possible range of applicants. We do this by running job descriptions through a language decoder to spot hidden bias and tweak tone.

The underrepresentation of women in senior leadership and engineering roles continues to be a challenge for many technology companies, including Spotify, and increasing diversity in these roles is a high priority for us. In the last 12 months, we've launched a number of internal initiatives designed to support historically-marginalised and/or underrepresented groups in our industry, and ultimately improve diversity.

Building a diverse and inclusive workplace in which everyone is compensated fairly is incredibly important to us. By considering how everyday organisational practices can be improved, we can move beyond policies and programmes that seek to address only the biases within people's heads, and begin to address structural forms of bias as well.

*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 2017.*



**Tom Connaughton**  
Managing Director, UK & Ireland

Spotify's UK Gender Pay Report 2018 can be found [here](#).