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# GENDER PAY GAP REPORT

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2017



# WHY THIS REPORT IS IMPORTANT TO US

We encourage women and men to reach their full potential as we build a workforce that truly reflects our customers and consumers.

We have a long-standing practice of managing pay programmes that ensure pay equity across our employee groups. The business is also committed to monitoring hiring practices, performance assessments, promotion decisions and pay equity reviews.

Among PepsiCo's employees in the UK, men and women are paid within 1% of each other, after controlling for legitimate drivers of pay, such as level, job type and performance.

As part of our Performance with Purpose (PwP) 2025 agenda, we have an ambition to reach gender parity in management roles by 2025.

PepsiCo's global, holistic and data driven strategy for achieving greater gender diversity not only positions us to achieve the goal, it also makes us a stronger company.

> WE'VE BEEN RANKED BY  
THE TIMES AS A **TOP 50**  
**EMPLOYER FOR**  
**WOMEN FOR 12**  
**CONSECUTIVE YEARS**



# OUR ONGOING COMMITMENT

PepsiCo has a proud history as a market leader in diversity practices. With a multitude of perspectives, experiences and backgrounds, our associates are continuing to build on this legacy.

We have a range of programmes in place which have contributed to our achievements, and we will work towards delivering against our local and global commitments.

We confirm that the information and data provided is accurate and in line with mandatory requirements for businesses in England, Scotland and Wales.

Jesper Petersen

Vice President,  
Human Resources  
PepsiCo UK & Ireland

Ian Ellington

General Manager,  
Senior Vice President  
PepsiCo UK & Ireland



# WHAT IS THE GENDER PAY GAP?

The Gender Pay Gap (GPG) measures the difference in earnings for the average man and the average woman within an organisation.

- The Total Pay Gap measures basic pay, all allowances, bonuses and other cash benefits.
- The Bonus Pay Gap reflects the difference in bonus, commission and incentive earnings.

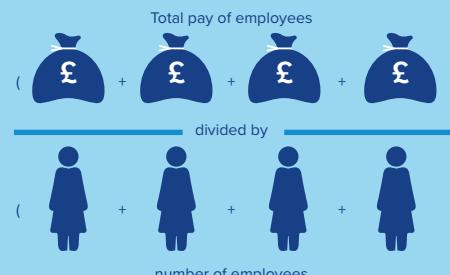
In accordance with legal requirements, all data is based on figures gathered on the 'snapshot' date (5th April 2017) for businesses in England, Scotland and Wales.

GPG mean and median figures are reported as a percentage of men's earnings. Where a negative figure is reported, the GPG is in women's favour.

## HOW THE GENDER PAY GAP IS CALCULATED

### >MEAN

The mean is calculated by adding up the total pay of employees and dividing by the number of employees. This calculation is completed separately for men and women and the totals are compared. While useful, this 'true average' is easily skewed by a small number of high or low earners. Reporting both mean and median figures provides a more rounded appreciation of the GPG.



### >MEDIAN

The median is the number which is in the middle of a ranking of pay from lowest to highest. This is broadly understood to be a representation of 'typical' pay as extremes of low and high pay do not affect the median.

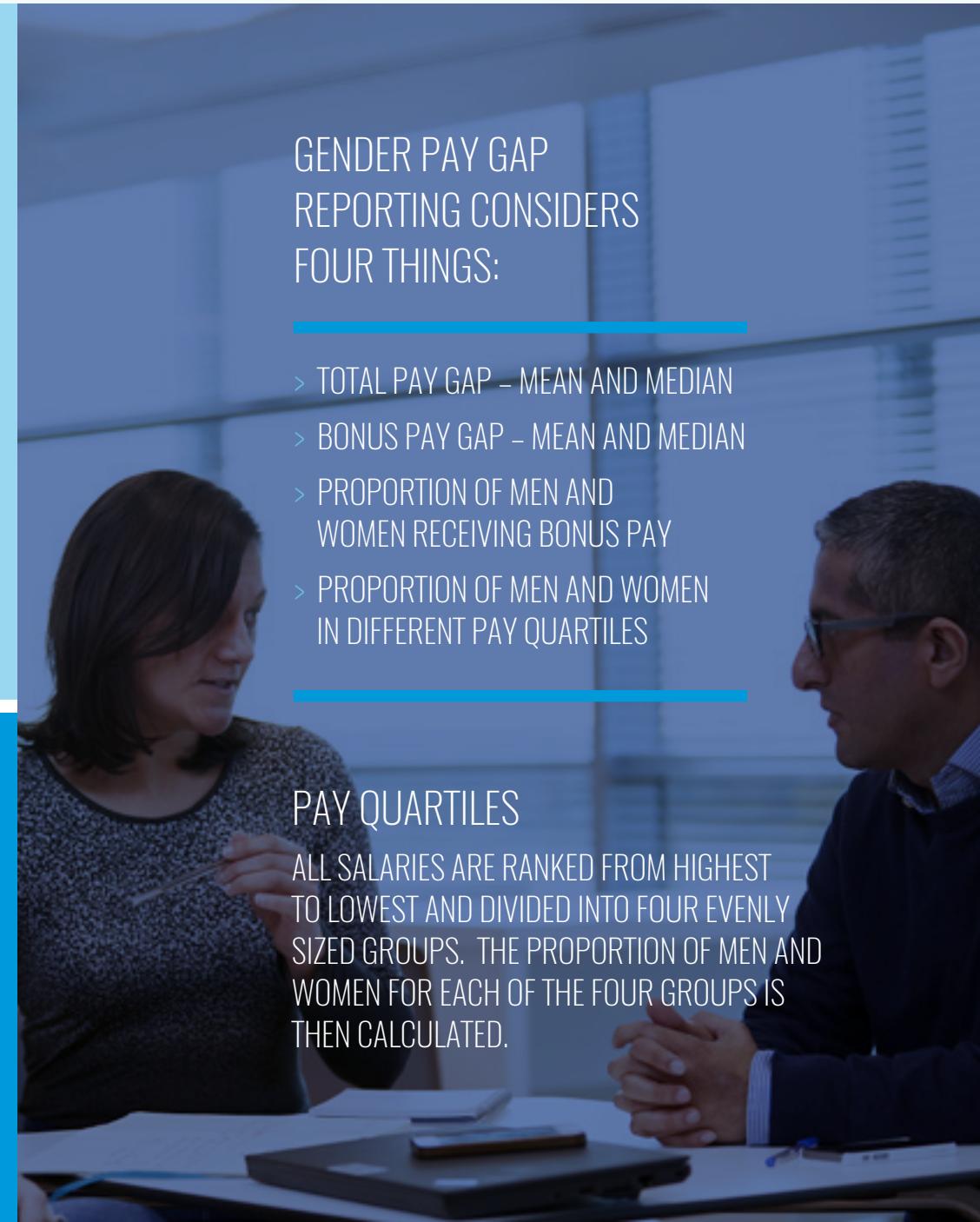


## GENDER PAY GAP REPORTING CONSIDERS FOUR THINGS:

- > TOTAL PAY GAP – MEAN AND MEDIAN
- > BONUS PAY GAP – MEAN AND MEDIAN
- > PROPORTION OF MEN AND WOMEN RECEIVING BONUS PAY
- > PROPORTION OF MEN AND WOMEN IN DIFFERENT PAY QUARTILES

## PAY QUARTILES

ALL SALARIES ARE RANKED FROM HIGHEST TO LOWEST AND DIVIDED INTO FOUR EVENLY SIZED GROUPS. THE PROPORTION OF MEN AND WOMEN FOR EACH OF THE FOUR GROUPS IS THEN CALCULATED.





# OUR GENDER PAY GAP RESULTS

Our results reflect the profile of our workforce. Our total pay gap favours women (-9.9% median) and compares well to the national total pay gap (18.4%\* median). The reason for our GPG is the disproportionate number of men occupying roles at both ends of our pay spectrum: from the smaller number of senior management positions to the large number of manufacturing and distribution roles.

This demographic make-up is also reflected in our bonus pay gap (13.8% median), with more men occupying senior roles, corresponding bonus payments are therefore larger.

There is variation across our business entities, driven by profile and the different focus and roles within them.



> WE HAVE BEEN LISTED AMONG THE **TOP EMPLOYERS** IN THE UK FOR **SEVEN YEARS IN A ROW**

\* Reported for 2017 on [www.ons.gov.uk](http://www.ons.gov.uk)

## > OUR WORKFORCE



The breakdown can be viewed on the final page of this report.

Although not required to do so, we undertake extensive analysis each year to ensure that our pay and bonus programmes fairly reflect individual performance, irrespective of gender. We pay competitive market rates for employees at all levels of the organisation.

We are confident that our GPG is not a pay issue. Our challenge lies in continuing to attract and retain women into roles at all levels, particularly Science, Technology, Engineering, and Mathematics (STEM) careers, while identifying opportunities to promote women into senior management positions. We need to ensure that we are enabling opportunity and progression within the business.

## TOTAL PAY AND BONUS PAY GAPS

**TOTAL PAY GAP** mean **-20.1%**  
Basic pay, all allowances, bonuses and other cash benefits

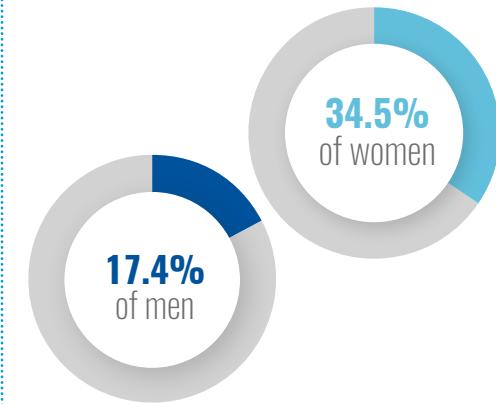
**BONUS PAY GAP** **45.7%**  
Bonus, commission and incentive earnings

Negative figures indicate GPG in women's favour

median  
**-9.9%**

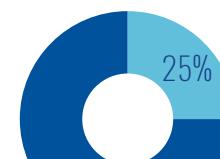
**13.8%**

## PROPORTION RECEIVING BONUS PAY

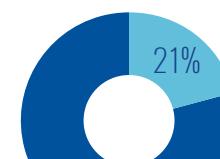


women men

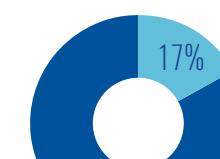
## PAY QUARTILES



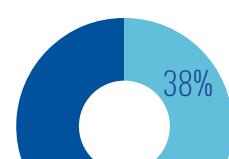
LOWER QUARTILE



LOWER MIDDLE QUARTILE



UPPER MIDDLE QUARTILE



TOP QUARTILE

# WHAT WE ARE FOCUSING ON

We leverage diversity and engagement as a competitive business advantage that fuels innovation, strengthens our reputation, and fosters engagement with employees and members of the communities in which we do business.

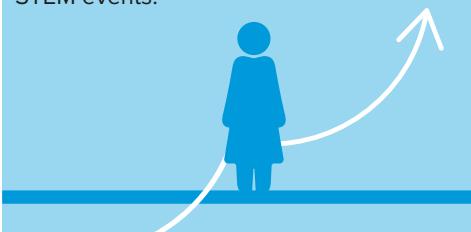
Only through developing and maintaining an exceptional talent base will we grow our business and deliver superior long-term performance. Our UK Diversity & Engagement Action Group is tasked with accelerating our inclusion strategy from good to great. It is focused on improving the representation of women in senior roles and we are undertaking a number of initiatives in pursuit of this ambition.

> IN 2015 WE WON THE **BUSINESS IN THE COMMUNITY EXCELLENCE IN PRACTICE AWARD FOR ADVANCING WOMEN**



## THE NEXT GENERATION OF FEMALE STEM TALENT

Attracting women to STEM careers at PepsiCo provides opportunities at all levels of the business. We take a proactive approach in attracting talent, including 70 in-house ambassadors, a variety of student placement schemes and supporting national STEM events.



## ASPIRATION 50:50

At the end of 2017 we announced a new partnership with Leading Executives Advancing Diversity.

LEAD is dedicated to advancing, retaining and attracting women across Europe's consumer goods and retail industry with the ambition of building a more gender-balanced succession pipeline.



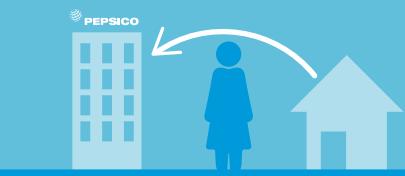
## SUPPORTING WOMEN IN THEIR CAREERS

We operate a long-standing Strategies for Success programme in the UK, designed to accelerate the careers of talented female middle-managers.

It provides a structured approach to development through personal coaching, mentoring and peer group learning and resulted in 95% of participants feeling more confident to explore and experiment with their career.

## RETURN TO WORK

Our focus is to ensure our programmes encourage and support employees in their return to work, providing open, welcoming and accessible support for maternity or caregiver returners, helping them balance the demands of work and home life.



## SUPPORTING FLEXIBLE WORKING

We offer different types of flexible work arrangements including reduced hours and days, different start and finishing times, job share and work location..

Flexible working arrangements were within the top three reasons to stay with PepsiCo following a recent Employee Preference Survey.

Significant investment in cloud-based technology has enabled remote working across the business.

## INSPIRING WOMEN

We have a mentoring partnership with "Inspiring Women", a campaign that connects employers with young women to break down gender stereotypes and help them achieve their full potential.





# OUR GENDER PAY GAP RESULTS

	Number of employees	Workforce by gender	Total pay gap		Bonus pay gap		Proportion receiving bonus pay	Pay quartiles by gender m/f			
			m/f	mean	median	mean	median	m/f	lower quartile m/f	middle quartile m/f	upper middle quartile m/f
	<b>4551</b>	75% / 25%	-20.1%	-9.9%	45.7%	13.8%	17.4% / 34.5%	75% / 25%	79% / 21%	83% / 17%	62% / 38%
<b>Employing entity</b>											
Walkers Snack Foods Ltd <b>Mainly manufacturing and related services</b>	<b>2827</b>	77% / 23%	-8.1%	10.1%	-74%	-20%	8.4% / 15.8%	73% / 27%	75% / 25%	86% / 14%	75% / 25%
Walkers Snacks (Distribution) Ltd <b>Logistics and Distribution</b>	<b>723</b>	93% / 7%	-22.2%	-12.9%	29.7%	23.3%	5.5% / 20.8%	95% / 5%	95% / 5%	97% / 3%	86% / 14%
Walkers Snacks Ltd <b>Commercial, Sales and Marketing</b>	<b>351</b>	60% / 40%	5%	-10%	72.3%	14.3%	46.8% / 54.5%	62% / 38%	63% / 37%	56% / 44%	61% / 39%
PepsiCo International Ltd <b>Corporate Functions</b>	<b>650</b>	51% / 49%	23.6%	25.8%	56%	41.4%	82.7% / 64.7%	33% / 67%	46% / 54%	57% / 43%	67% / 33%

Note: Negative figures indicate GPG in women's favour