



PEPSICO

| UK & Ireland

GENDER PAY GAP REPORT

2018



OUR COMMITMENT TO GENDER PARITY

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

We are committed to monitoring hiring practices, performance assessments, promotion decisions and pay equity. We are also working towards 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 organisation.

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

Jason Richards
General Manager,
Senior Vice President
PepsiCo UK & Ireland



> WE'VE BEEN RANKED BY
THE TIMES AS A **TOP 50**
EMPLOYER FOR
WOMEN FOR 13
CONSECUTIVE YEARS





WHAT IS THE GENDER PAY GAP?

The Gender Pay Gap (GPG) measures the difference in average earnings for men and women within an organisation. In accordance with legal requirements, all data is based on figures gathered on the 'snapshot' date (5th April 2018) 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.

The GPG differs from equal pay, as the latter is the legal requirement for men and women to be paid the same for performing identical work, or work of equal value. We conduct annual pay audits to ensure that we fully comply with our equal pay requirements.

WHAT IS REPORTED?

> TOTAL PAY GAP

This measures the differences in earnings between genders based on basic pay, all allowances, bonuses and other cash benefits, paid on the snapshot date. This is reported as a mean and median figure.

> BONUS PAY GAP

This measures the differences in earnings between genders based on bonus, commission and incentive earnings paid over the 12-month period preceding the snapshot date. This is reported as a mean and median figure.

> PROPORTION OF MEN AND WOMEN RECEIVING BONUS PAY

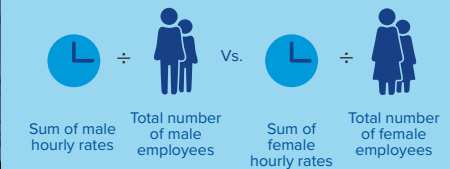
> PROPORTION OF MEN AND WOMEN IN DIFFERENT PAY QUANTILES

All salaries are ranked from highest to lowest and divided into four evenly-sized groups. This measure shows the percentage of men and women in each group.

>MEAN

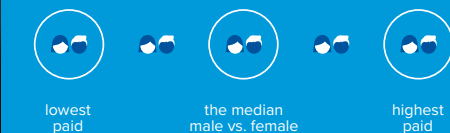
The mean is calculated by adding up the total pay of employees and dividing by the number of employees. This calculation is completed separately for men and women and the totals are compared. While useful as a 'true average', this figure can be easily skewed by a small number of high or low earners.

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, when ranking pay from lowest to highest. This is broadly understood to be a representation of 'typical' pay, as extremes of low and high pay have less impact on the median.





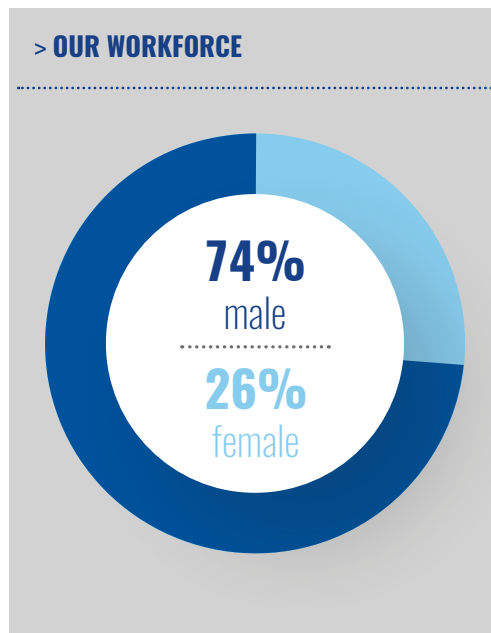
OUR GENDER PAY GAP RESULTS

Our total pay gap continues to favour women (-18.2% median vs -9.9% in 2017), compared to the UK employer average total pay gap, which favours men (11.8% median*).

We continue to see the gender profile of our workforce reflected in our pay gap reporting. Men occupy a higher percentage of roles at both ends of our spectrum, from the small number of senior management positions, to the large number of manufacturing, distribution and newly-created frontline sales roles.

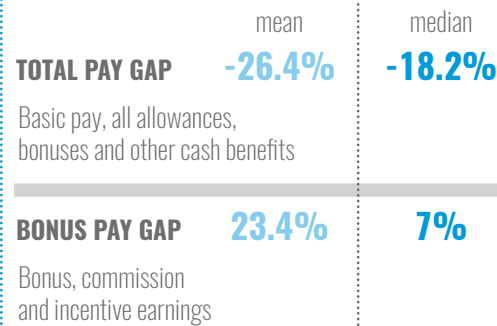
Our bonus pay gap reduced substantially overall (7% median vs 13.8% in 2017). It too continues to reflect our demographic make-up, with more men occupying both senior roles (with correspondingly larger bonus payments) and frontline sales roles, where bonuses constitute a high proportion of overall remuneration.

As we pursue our ambition to reduce our gender pay gap by continuing to recruit, retain and develop women in roles at all levels of the business, we remain steadfast in our commitment to enable opportunity and progression for all.



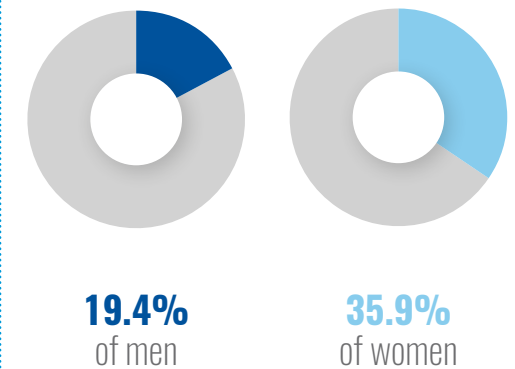
> WE HAVE BEEN LISTED AMONG THE **TOP EMPLOYERS** IN THE UK FOR **EIGHT YEARS IN A ROW**

TOTAL PAY AND BONUS PAY GAPS

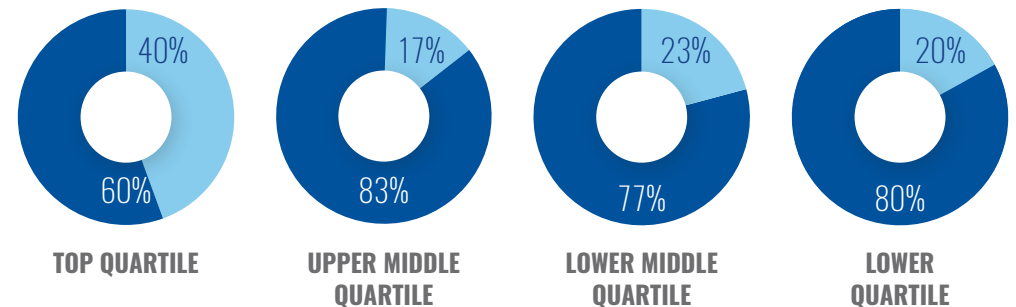


Negative figures indicate GPG in women's favour

PROPORTION RECEIVING BONUS PAY



PAY QUARTILES



* Based on 10,536 UK businesses with more than 250 employees who reported for 2017: <https://gender-pay-gap.service.gov.uk>



CLOSING THE GAP

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. We believe that by focusing on the recruitment, retention and development of female talent, we will achieve our ambition of improving the representation of women in senior roles and frontline roles. We are undertaking a broad range of initiatives in pursuit of this ambition.

RECRUITMENT

Apprenticeships a central principle of rejuvenating our apprenticeship programme was to ensure we reached a female audience and we are continuing to drive female representation, in what are traditionally male-dominated STEM roles.

Unconscious bias our training programme for hiring managers includes modules on unconscious bias during the candidate selection process. We are also using software which reviews the language used when marketing vacant roles, in a further bid to help eliminate gender bias.



RETENTION

STEM in addition to actively attracting women to STEM careers at PepsiCo, we also have a team of ambassadors who are inspiring the next generation of female talent into STEM careers.

LEAD Network we are working in partnership with the Leading Executives Advancing Diversity Network, which is dedicated to advancing, retaining and attracting women across Europe's consumer goods and retail industry.

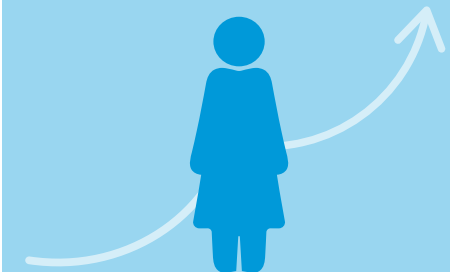
Flexible working we offer a variety of options, including flexible hours, work location and remote working.

Return to work we encourage and support employees in their return to work, providing open, welcoming and accessible support for parental leave returners or caregiver returners.



DEVELOPMENT

Strategies for Success we operate a long-standing personal development programme, 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 has resulted in 95% of participants feeling more confident to explore and experiment with their career.



WORKPLACE GENDER EQUALITY
BUSINESS IN THE COMMUNITY

> WORKING IN PARTNERSHIP TO SUPPORT **DIVERSE, EQUAL AND INCLUSIVE EMPLOYMENT**



OUR GENDER PAY GAP RESULTS

	Number of employees	Workforce by gender m/f	Total pay gap		Bonus pay gap		Proportion receiving bonus pay m/f	Pay quartiles by gender m/f			
			mean	median	mean	median		lower quartile m/f	middle quartile m/f	upper middle quartile m/f	top quartile m/f
Overall	4596	74% / 26%	-26.4%	-18.2%	23.4%	7.0%	19.4% / 35.9%	80% / 20%	77% / 23%	83% / 17%	60% / 40%
Employing entity											
Walkers Snack Foods Ltd Mainly manufacturing and related services	2808	78% / 22%	-9.1%	0.5%	-8.4%	4.1%	7.7% / 15.3%	76% / 24%	77% / 23%	85% / 15%	76% / 24%
Walkers Snacks (Distribution) Ltd Logistics and Distribution	608	92% / 8%	-30.9%	-27.3%	46.4%	32.0%	6.8% / 29.2%	97% / 3%	94% / 6%	95% / 5%	84% / 16%
Walkers Snacks Ltd Commercial, Sales and Marketing	478	62% / 38%	-11.3%	-44.3%	28.9%	-63.7%	58.2% / 48.4%	80% / 20%	63% / 37%	52% / 48%	56% / 44%
PepsiCo International Ltd Corporate Functions	702	50% / 50%	18.4%	19.5%	37.6%	38.6%	81% / 65.8%	37% / 63%	46% / 54%	60% / 40%	63% / 37%

Note: Negative figures indicate GPG in women's favour