

GENDER PAY GAP REPORT

2022

OUR COMMITMENT TO GENDER PARITY

As normality started to return to the workplace following the pandemic, we continued to adapt to new and hybrid ways of working. Despite an ever-shifting landscape in 2022, our commitment to achieve gender parity at PepsiCo UK remained a priority.

The year saw continued progress, achieved through our Gender Pay Gap reporting and by improving our Diversity, Equity & Inclusion governance, including our DE&I Steering Committee which focuses on the retention and development of female talent.

Our journey to create gender diversity is also supported by many wide-reaching grassroots projects and networking events. Our Thrive and Parent & Carers groups continue to drive positive and long-term change and build a more inclusive culture within PepsiCo UK.

We also saw the continued growth of PepM, our employee network group, which brings colleagues together to collaborate, share experiences and offer support throughout the Menopause.

We recognise that diversity and inclusion fuels innovation and drives engagement within our business. Improving the recruitment, retention, and advancement of women also enables us to build a high-calibre pipeline of talent and it's our aim to achieve 50% women in managerial roles by 2025.

The key to achieving our goal is fostering an equitable and inclusive environment where our employees can build successful and fulfilling careers, while providing continued support through the different stages of life and work.

We can 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



Michael Tuller
Vice President,
Human Resources
PepsiCo UK & Ireland



> WE HAVE BEEN RANKED BY THE TIMES AS A **TOP 50 EMPLOYER FOR WOMEN** FOR 17 CONSECUTIVE YEARS - A UNIQUE FEAT IN THE UK



WHAT IS THE GENDER PAY GAP?

The Gender Pay Gap (GPG) is the difference in average earnings for male and female employees. In accordance with legal requirements, all data is based on figures gathered on the 'snapshot' date (5th April 2022) 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 equal pay regulation.

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.

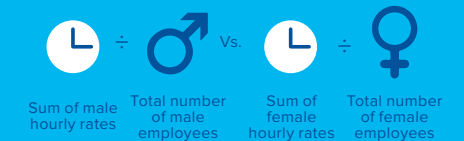
HOW THE GENDER PAY GAP IS CALCULATED



> MEAN

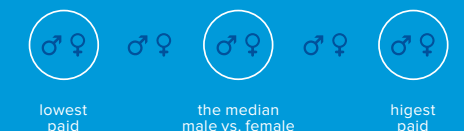
The mean is calculated by adding up the total pay of employees and dividing by the number of employees. This calculation is completed separately for men and women and the totals are compared. Although this provides an 'absolute' average, this figure can be easily skewed by a small number of high or low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

Reporting both mean and median figures provides a more rounded appreciation of the GPG.



> MEDIAN

Simply put, the median is the number which appears 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 (-33.8% median in 2022 vs -18.9% in 2021) with a sharp -14.8% increase which was in part impacted by cash amounts payable to deferred Defined Benefits Pension Plan members as a result of the scheme closing to future accrual. By comparison, the UK employer average total pay gap favours men (14.9% median in 2022).

We continue to see the gender profile of our workforce reflected in our pay gap reporting, with men occupying a higher percentage of roles at both ends of our pay spectrum, particularly at the lower end of the pay scale.

The Bonus Pay Gap median is negligible this year at -1.0%, compared to 2020 when it was +9.0%. Our Bonus Pay Gap figures last year were impacted by one-off COVID-19 related bonuses. Consequently, the Bonus Pay Gap in 2021 shifted significantly in women's favour. (-1.0% median in 2022 vs -362.2% in 2021 vs +9.0% in 2020).

Overall, there have been improvements towards parity and small gains in female representation at executive and management levels in relation to the Bonus Pay Gap.

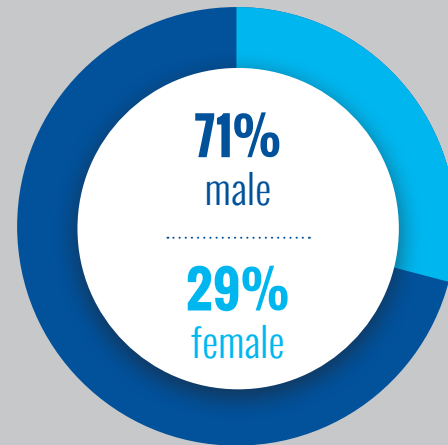
Female representation across the business was flat during the reporting year. At all career levels except frontline, our female representation was higher versus total organisation representation, which is 29% female

In the Executive population, female representation has increased by 1.3% YoY to 36.2% which is a small net increase.

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 committed to creating opportunity and progression for all.

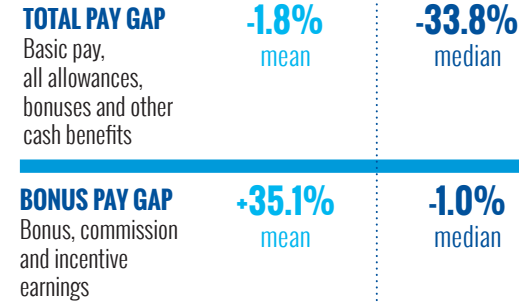
* Office for National Statistics - Annual Survey of Hours and Earnings: ons.gov.uk

> OUR WORKFORCE



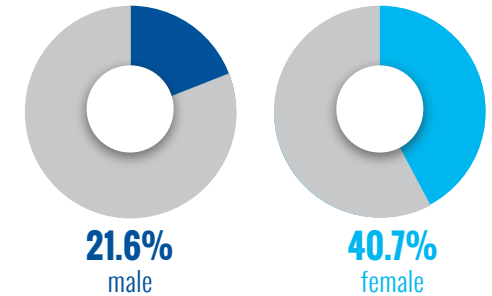
> IN 2022 WE WERE LISTED AMONG THE **TOP EMPLOYERS** IN THE UK FOR OVER **11 YEAR IN A ROW**

> TOTAL PAY AND BONUS PAY GAPS

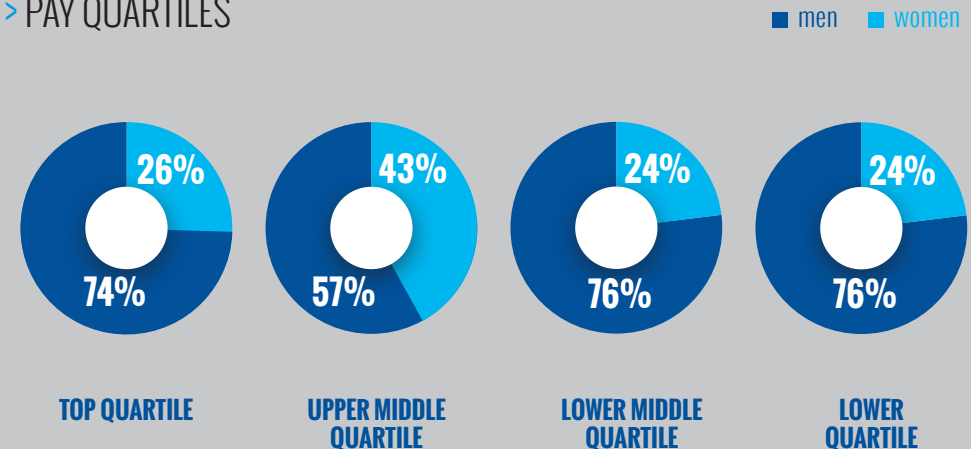


Negative figures indicate GPG in women's favour

> PROPORTION RECEIVING BONUS PAY



> PAY QUANTILES



CLOSING THE GAP > RECRUITMENT

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 by attracting and developing an exceptional talent base will we be able to unleash our full potential, accelerate growth and deliver superior long-term performance.

We have established a robust framework to deliver our diversity and inclusion priorities and in the last year improved the governance of our DE&I Steering Committee. Chaired by senior female leadership, the committee works in partnership with grassroots employee resource groups to turn commitments into actions. 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 and frontline roles.

> RECRUITMENT



Apprenticeships Throughout 2022, we targeted candidate attraction resulting in a strong gender balance across our programmes. We continued to drive female representation in what are traditionally male-dominated roles, particularly on our graduate schemes where we made progress to support our ambitions of a more representative workforce.

Unconscious bias Our training programme for hiring managers includes modules on unconscious bias during the candidate selection process. We continued to invest in software that can help reduce unconscious bias through anonymized applications and predictive, skill-based assessments to identify the best talent.

STEM In addition to actively attracting women to STEM careers at PepsiCo, we also have a team of more than 100 ambassadors who are inspiring the next generation of female talent with outreach to schools and colleges across the UK. We are members of the European STEM ONE network whose STEM experts help to attract more diverse applications at career fairs.

> RETENTION

LEAD Network We are continuing to work in partnership with the Leading Executives Advancing Diversity Network attracting women across Europe's consumer goods and retail industry. Female members of our Thrive group also attend LEAD Network conferences.

Support for parents and carers Our employee resource group was set up with the intention of supporting all parents and carers at home and in their careers. In 2022, the group partnered with the business to review and improve our maternity returners experience; worked to drive positive change to policies & procedures including for Working Dads; and continued to build a community for Parents & Carers with coffee connects, buddying programmes and other events.

Menopause support We increased the information and benefits available for our employees in 2022 and our PepM group continues to provide a safe space to ask questions, share experiences and get support. The group has also run a coffee connect for World Menopause Day and produced a Menopause Guide to raise awareness of how the menopause can impact women in the workplace.

Listening sessions We held a number of listening sessions with females across the organisation to understand how we can further support this group. These were facilitated by Business in the Community and our internal talent management team ran further listening sessions to deep dive on career experiences. A number of actions have been identified as a result, with many implemented in 2022, including the introduction of mentoring circles.



> DEVELOPMENT



Frontline Home Grown This element of our broader talent development programme focuses on building a diverse pipeline of talent within our UK supply chain. A structured programme of online and in-person learning encourages frontline employees to proactively develop skills in preparation for management opportunities. We launched cohort 2 during 2022 with 17% females which mirrors the gender split for the population.

Strategies for Success We operate a long-standing personal development programme designed specifically for women. Complementary to our Personal Leadership Development courses, Strategies for Success is specially designed to accelerate the careers of talented female middle managers. We also run Inspire, which is a Europe led programme for female senior leaders within the business.

Thrive at PepsiCo Our employee network group has been set up to help people connect, learn, and inspire and the group has achieved much in the last year, cross functionally, with men and women. The group supports career and leadership development and creates networking and mentoring opportunities to drive change. Activities in 2022 included a 'Breaking the Bias' event with senior leadership, our first in-person event since the Pandemic with Women in Football, in addition to strategy and mentoring sessions.

OUR GENDER PAY GAP RESULTS - 2022

Gender Pay Gap Analysis 2022	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	lower middle quartile m / f	upper middle quartile m / f	top quartile m / f
Overall	4799	71% / 29%	-1.8%	-33.8%	+35.1%	-1.0%	21.6% / 40.7%	76% / 24%	76% / 24%	57% / 43%	74% / 26%
Walkers Snack Foods Limited	2957	78% / 22%	-0.4%	-9.2%	-13.6%	-27.9%	6.3% / 15.6%	74% / 26%	79% / 21%	78% / 22%	79% / 21%
Walkers Snacks Distribution Limited	397	82% / 18%	+4.1%	-7.7%	+52.0%	+4.9%	14.1% / 41.0%	84% / 16%	83% / 17%	74% / 26%	87% / 13%
Walkers Snacks Limited	596	59% / 41%	-0.3%	-37.9%	+37.6%	-53.2%	55.0% / 56.5%	75% / 25%	61% / 39%	46% / 54%	54% / 46%
PepsiCo International Ltd	849	51% / 49%	+30.3%	-19.1%	+40.9%	29.2%	81.3% / 70.2%	34% / 66%	50% / 50%	57% / 43%	62% / 38%

Note: Negative figures indicate GPG in women's favour