

# GENDER PAY GAP REPORT

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2023

# OUR COMMITMENT TO GENDER PARITY

Our people are at the heart of our business and drive our ambition to make PepsiCo a great place to work. Key to achieving this is the provision of an equitable and inclusive environment where everyone can thrive.

We are committed to achieving gender parity at PepsiCo UK and we're delighted to have reached our 2025 gender parity goal across management roles already. In this Gender Pay Gap report, we're pleased to recognise the progress we are making in the attraction, retention and development of female talent. We have a number of initiatives to help us drive this agenda forward — from our improved Diversity, Equity & Inclusion governance to the impact of our employee resource groups.

Specifically, our Thrive and Parent & Carers groups continue to be instrumental partners for the business in raising awareness, driving conversation and influencing change on the things that matter most to women in our workforce.

The recent changes to our family leave policy — extending both maternity and paternity pay by an additional 8 weeks — is a particular example that we're proud to highlight. As well as putting the right support in place for people through inclusive benefits and policies, we're also doubling down on our strategic company-wide programmes to help us achieve our DE&I goals.

These help to bring the diversity of thought and experience into our organisation that we

know gives us valuable insights, increases the relevancy of our brands, fuels our innovation and makes PepsiCo a place where our employees are supported and empowered to succeed.

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



**Dina Kadry**  
Vice President,  
Human Resources  
PepsiCo UK & Ireland



## 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 2023) 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.

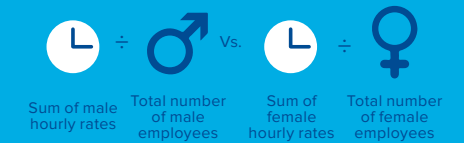
## HOW THE GENDER PAY GAP IS CALCULATED



### > MEAN

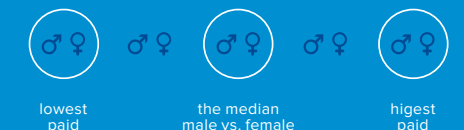
The mean is calculated by adding up the total pay of employees and dividing by the number of employees. This calculation is completed separately for men and women and the totals are compared. Although this provides an 'absolute' average, this figure can be easily skewed by a small number of high or low 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 (-26.2% median in 2023 vs -33.8% in 2022) with a 7.6% decrease towards parity. This year's figures continue to be partially 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 (+14.3% median\* in 2023).

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 in our frontline workforce where 83% of roles are held by men.

The Bonus Pay Gap median increased further in favour of women in 2023 (-13.0% compared to 2022 when it was -1.0%). A steady increase in female representation across both management and executive leadership over the last two years is helping to make progress towards parity across these levels in the workforce.

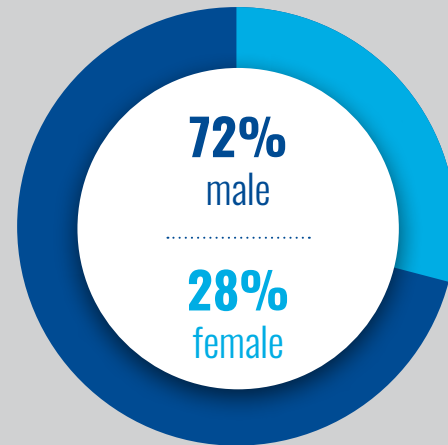
The number of females in our overall workforce remains consistent at 28% in 2023. At all career levels except frontline, our female representation is between 8-20% higher versus total organisation representation.

In both the executive and frontline population, female representation reach its highest level across both groups, at 38.4% and 17.3% respectively, benefitting from small net increases at both ends

year on year. 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.

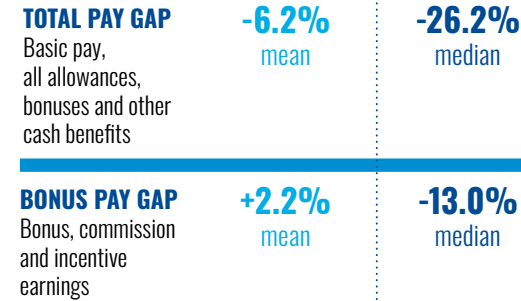
\* Office for National Statistics – Annual Survey of Hours and Earnings: [ons.gov.uk](https://ons.gov.uk)

## > OUR WORKFORCE



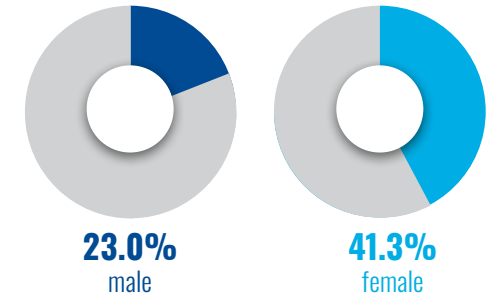
> IN 2023 WE WERE LISTED AMONG THE **TOP EMPLOYERS** IN THE UK FOR OVER **12 YEAR IN A ROW**

## > TOTAL PAY AND BONUS PAY GAPS

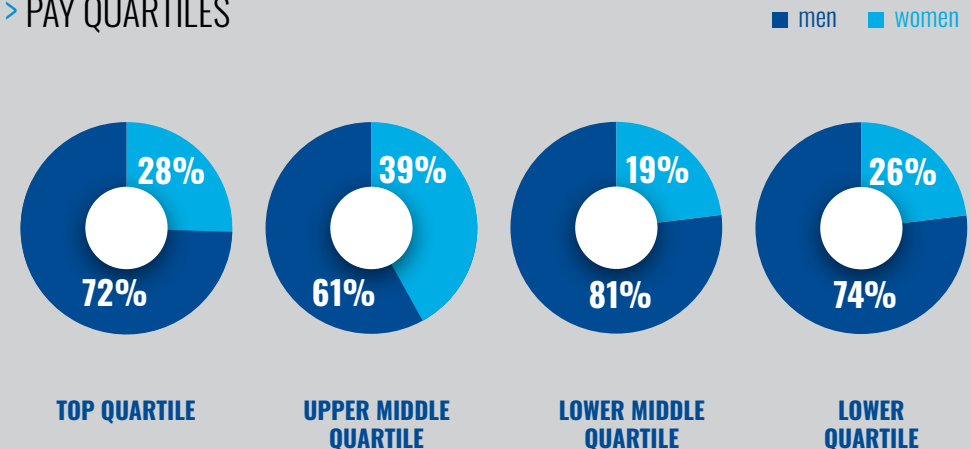


Negative figures indicate GPG in women's favour

## > PROPORTION RECEIVING BONUS PAY



## > PAY QUANTILES



## CLOSING THE GAP

### > RECRUITMENT

We remain fiercely committed to fostering a diverse workforce and creating a collaborative, equitable and inclusive place to work. Diversity and engagement is a competitive business advantage that fuels innovation and strengthens our reputation with employees and members of the communities in which we do business.

By creating a space to be authentically ourselves, we can attract and develop an exceptional talent base to unleash even more potential and accelerate even more growth to deliver superior performance in the long-term.

Since improving the governance of our DE&I Steering Committee in 2021/22, we have made significant investments into our grassroots Employee Resource Groups (ERGs) with the support and sponsorship of senior female leadership. They continue to play a key role in driving inclusion by voicing the needs of their communities and making employee-centric changes across the business.

Supporting this action with a continued focus on the recruitment, retention and development of female talent, particularly in our sales and supply chain functions, will help us on our journey to gender parity across all levels of the business.

**Apprenticeships** 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.

**Frontline focus** In 2023 we increased the incentive of referring female talent for frontline roles by providing a higher bonus amount for female referrals. We also conducted research with women in PepsiCo to help inform some changes to the messaging in our frontline job adverts, with an aim to attract more female talent.

**Unconscious bias** Our training programme for hiring managers includes modules on unconscious bias during the candidate selection process. We are continuing 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** As a founding member of the Leading Executives Advancing Diversity (LEAD) Network designed to attract women across Europe's consumer goods industry, we continue to leverage this partnership to challenge and develop our learning on inclusive leadership in pursuit of gender parity.

**Parents & Carers** This influential employee resource group made its mark in 2023 by partnering closely with the business to make important changes to our enhanced family policies. From their award-winning maternity leave buddy return scheme to addressing topics such as baby loss with a series of sensitive and informative events, they have continued to represent all parents and carers with a strong voice.

**Enhanced parental leave** We increased our extended and short-term parental leave by an additional 8 weeks of full pay to both\*. These changes are also applicable for any colleagues taking adoption and surrogacy leave. In addition, we introduced a Pregnancy Loss Policy giving colleagues two weeks of fully paid leave to support them through this incredibly difficult time.

**Menopause Policy** We offer a Menopause Plan assessment to help colleagues who need dedicated support in this area. The plan gives you time with an experienced menopause trained GP to help identify symptoms and advise on treatment, with unlimited nurse advice in the year following.



### > 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 learning encourages both male and female frontline employees to proactively develop skills in preparation for management opportunities. We launched cohort 3 during 2023 with a 14% increase in women successfully selected to the programme (31% in total). Many of those who took part in cohort 2 were promoted within a year.

**Strategies for Success & Inspire** 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** Thrive is an employee resource group which supports women to connect, learn and get inspired. The group's ambition is to build greater connectivity across the business, tackling issues that are important to female colleagues and working with members and allies to drive positive change. Activities in 2023 included a gender diversity and equity discussion with our General Manager, with a top down roll out of what it means to be an Ally and the associated behaviours.

## OUR GENDER PAY GAP RESULTS - 2023

Gender Pay Gap Analysis 2023	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	4868	72% / 28%	-6.20%	-26.21%	2.21%	-12.96%	23.0% / 41.3%	74% / 26%	81% / 19%	61% / 39%	72% / 28%
Walkers Snack Foods Limited	3117	78% / 22%	1.03%	14.63%	-60.21%	-70.71%	10.4% / 17.0%	72% / 28%	79% / 21%	82% / 18%	77% / 23%
Walkers Snacks Distribution Limited	443	83% / 17%	-8.19%	-34.11%	-27.10%	-27.45%	15.5% / 48.1%	85% / 15%	91% / 9%	71% / 29%	84% / 16%
Walkers Snacks Limited	568	59% / 41%	-7.64%	-35.73%	23.96%	-94.94%	55.7% / 55.6%	73% / 27%	64% / 36%	44% / 56%	55% / 45%
PepsiCo International Ltd	740	51% / 49%	24.86%	14.94%	20.76%	29.96%	83.0% / 76.3%	37% / 63%	50% / 50%	55% / 45%	61% / 39%

Note: Negative figures indicate GPG in women's favour