



PEPSICO

| UK & Ireland

GENDER PAY GAP REPORT

2021



OUR COMMITMENT TO GENDER PARITY

In 2021 the COVID-19 pandemic continued to accelerate many changes for the future of work. As we shape that future for PepsiCo, we remain committed to fostering a diverse workforce by creating a collaborative, equitable and inclusive space for all employees.

It is our long-held belief that by making diversity and inclusion an integral part of our business strategy, our people and the communities we operate in will flourish. This in turn, allows our company to succeed too.

In our journey towards gender parity, we are focused on delivering meaningful actions, alongside formal metrics like Gender Pay Gap Reporting. Grassroot movements, such as our employee resource group focused on gender diversity, drive this agenda internally. New initiatives in 2021, such as the establishment of a new group for parents and carers, as well as the introduction of menopause support, will further help to create an environment at PepsiCo where everyone feels included and barriers to success are removed.

We are proud of our deep-rooted culture of diversity and inclusion. We believe it is not only the right thing to do, but helps to make PepsiCo a stronger business and a great place to work.

It remains our ambition to achieve gender parity in management roles by 2025. As we strive to achieve it, we are committed to monitoring

hiring practices, performance assessments, promotion decisions and pay equity as we seek to attract, retain and advance a diverse, high-calibre pipeline of talent for our business.

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,
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PepsiCo UK & Ireland



> WE HAVE BEEN RANKED BY THE TIMES AS A **TOP 50 EMPLOYER FOR WOMEN** FOR **16 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 2021) 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

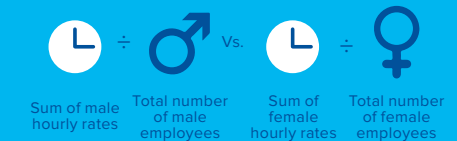
All salaries are ranked from highest to lowest and divided into four evenly-sized groups. This measure shows the percentage of men and women in each group.

HOW THE GENDER PAY GAP IS CALCULATED

> MEAN

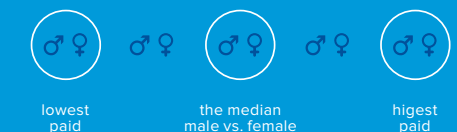
The mean is calculated by adding up the total pay of employees and dividing by the number of employees. This calculation is completed separately for men and women and the totals are compared. Although this provides an 'absolute' average, this figure can be easily skewed by a small number of high or low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

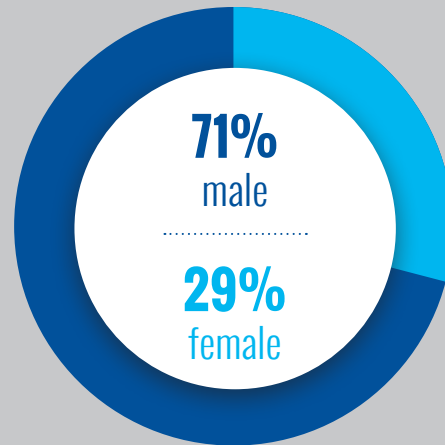
Our total pay gap continues to favour women (-18.9% median vs -24% in 2020), albeit with a slight decrease this year, demonstrating progress towards parity. By comparison, the UK employer average total pay gap favours men (15.4% median*).

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. Such roles stretch from a small number of senior management positions, to a large number of manufacturing, distribution and frontline sales roles.

Our bonus pay gap has shifted significantly, which is due to the impact of one-off COVID-19 related bonuses on our reporting. This year, bonus pay was applicable to a much larger proportion of our total workforce, specifically in our frontline roles where men make up the majority (83%). As a result, we have seen our median bonus pay swing in favour of women (-362.2% vs 9.02% in 2020).

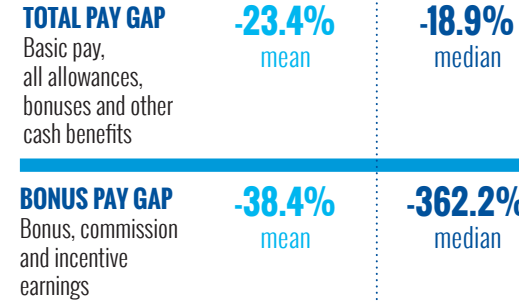
Female representation across the business was flat during the reporting year. Our highest pay quartile remains the closest to parity at 57% male / 43% female. As we pursue our ambition to reduce our gender pay gap by continuing to recruit, retain and develop women in roles at all levels of the business, we remain steadfast in our commitment to enable opportunity and progression for all.

> OUR WORKFORCE



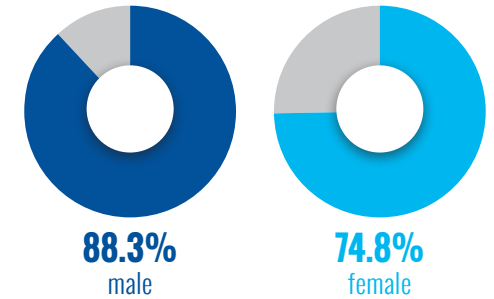
> IN 2021 WE WERE LISTED AMONG THE **TOP EMPLOYERS** IN THE UK FOR THE **TENTH YEAR IN A ROW**

> TOTAL PAY AND BONUS PAY GAPS

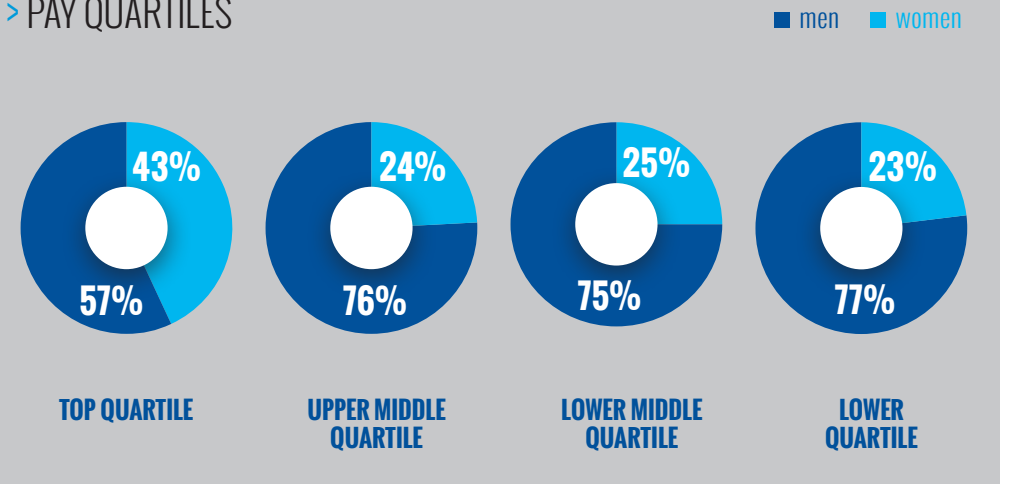


Negative figures indicate GPG in women's favour

> PROPORTION RECEIVING BONUS PAY



> PAY QUARTILES



* Office for National Statistics - Annual Survey of Hours and Earnings - ons.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 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. The development of our Diversity, Equity & Inclusion (DE&I) strategy is guided by a UK steering group which works in partnership with grassroots employee resource groups to turn commitments into actions. With the ongoing impact of the pandemic, these groups have continued to embrace virtual connections which has in turn helped to boost reach and awareness of their agendas among employees across PepsiCo.

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.

> RECRUITMENT

Targeted candidate attraction We leverage social media as a powerful recruitment tool. Our digital campaigns look to break gender stereotypes on certain roles and showcase the rewarding careers we offer. In 2021 we increased female hires in supply chain leadership roles by 4%.

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

Apprenticeships Through our apprenticeship programmes we continue to drive female representation in what are traditionally male-dominated STEM roles. In 2021 we introduced a new commercial apprenticeship to attract more diverse candidates into our Field Sales organisation.

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 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.

Support for parents and carers Our new employee resource group was set up with the intention of supporting all parents and carers at home and in their careers. The group aims to level the playing field with regards to parenting and caring responsibilities by ensuring our policies, support and guidance are inclusive for all.

Menopause support We have produced a Menopause Guide to raise awareness of how the menopause can impact women in the workplace. The guidance provides support and information for both employees and line managers. Our newly established PepM group provides a safe space to ask questions, share experiences and get support.

Field sales safeguarding We set about understanding how we could increase female representation to ensure a diverse field sales team. We identified the need to create a greater culture of safety and empowerment among all PepsiCo representatives when working in the field. We introduced a new field safeguarding and harassment policy which empowers employees to report any issue that may make them feel uncomfortable when carrying out their duties.

> 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.

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 careers of female middle managers. It provides a structured approach to development through personal coaching, mentoring and peer group learning.

Thrive at PepsiCo Our employee network group has been set up with the intention to be a movement for women in PepsiCo to connect, learn, inspire and...thrive! Through initiatives and events, they support career and leadership development, create networking and mentoring opportunities to drive change. In the past year, activities have included guest speaker sessions on diversity and inclusion, a talk and Q&A on imposter syndrome as well as virtual networking sessions.





OUR GENDER PAY GAP RESULTS - 2021

Gender Pay Gap Analysis 2021	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	4763	71% / 29%	-23.4%	-18.9%	-38.4%	-362.2%	88.3% / 74.8%	77% / 23%	75% / 25%	76% / 24%	57% / 43%
Walkers Snack Foods Limited	2957	78% / 22%	-9.7%	0.2%	-139.9%	-0.05%	89.2% / 77.5%	77% / 23%	75% / 25%	87% / 13%	75% / 25%
Walkers Snacks Distribution Limited	325	83% / 17%	-21.1%	-14.1%	-57.6%	-179%	94.1% / 71.2%	88% / 12%	85% / 15%	85% / 15%	73% / 27%
Walkers Snacks Limited	594	59% / 41%	-11.4%	-32.8%	31.2%	-5.1%	84.3% / 68.0%	73% / 27%	62% / 38%	47% / 53%	53% / 47%
PepsiCo International Ltd	887	51% / 49%	17%	16.4%	44.3%	37.2%	83.4% / 75.0%	39% / 61%	47% / 53%	56% / 44%	62% / 38%

Note: Negative figures indicate GPG in women's favour