



PEPSICO



PEPSICO IN IRELAND

GENDER PAY GAP

REPORT 2022

December 2022



PEPSICO



Tropicana



As one of the largest food and beverage businesses in the world, we think hard about what it means to be a truly sustainable company at PepsiCo. In September 2021, we launched a strategic, end-to-end transformation of our business. We put sustainability and human capital at the centre of how we will create growth and value, by operating within planetary boundaries and inspiring positive change for the planet and people. We call this approach pep+ (PepsiCo Positive), reflecting a new reality where consumers, customers, our associates, investors, regulators, and many other stakeholders are becoming more interested in the future of the planet and society.

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A key part of our pep+ approach relates to creating a more diverse, equitable and inclusive workplace. We know this is the right thing to do and we have made it a business imperative globally. We are always committed to comply and meet all legislative requirements in this area, and this year marks the first of gender pay gap reporting in Ireland. In that context, we welcome the transparency being brought by the Gender Pay Gap Information Act and its regulations.



THE GENDER PAY GAP AND GENDER PARITY

Pay equity and the gender pay gap are not the same thing. Where pay equity focusses on equal pay for the same work, the gender pay gap compares the broad mean and median for pay across an organisation – in this case, PepsiCo in Ireland. Because the gender pay gap takes no account of the different roles occupied by men and women, it is possible for an organisation that applies pay equity to nevertheless have a gender pay gap. The cause will typically be uneven representation of men and women across different roles. The principle of pay equity essentially means that people should be paid the same for the same work, after controlling for legitimate drivers of pay such as job level, geographic location, and performance ratings. PepsiCo has a longstanding review process designed to promote pay equity across employee groups.



We are building on that history as we strive to achieve our goal of pay equity by implementing a more comprehensive global pay equity review process. In 2021, we implemented this process in 72 countries (including Ireland) that collectively make up more than 99% of our salaried employee population. Our results show that among this population, women and men are paid within 1% of each other (based on base compensation).



THE GENDER PAY GAP RESULTS FOR PEPSICO IN IRELAND

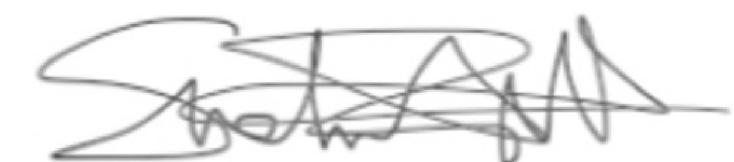
PepsiCo is committed to improving diversity, equity and inclusion across our organisation – and that includes improving gender diversity in those roles that don't currently have it. As part of our Positive Value Chain ambition, we aim to achieve 50% women in managerial roles by 2025. We are not there yet, in Ireland or globally, but we are making steady progress towards it: over the last five years, the proportion of women in management roles has climbed to 43% globally.

Outlined in the report, we see that our gender pay gap is small by most measures – whether compared to Ireland generally or across Europe. However, that does not mean we take it lightly.

The reason we have a variance is that in Ireland, men (57%) and women (43%) are unevenly spread across the organisation by levels and functional specializations.

In our frontline manufacturing & operations roles, for example, there are many more men than women. The reverse is true in certain functions such as HR.

We are proud of our deep-rooted culture of diversity and inclusion. We believe it is not only the right thing to do in general, 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 and to improve representation in frontline roles. 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.



Sneha Patel
Chief Human Resources Officer
PepsiCo -
Portfolio Concentrate Solutions

OUR PAY PHILOSOPHY AND METHODS AT PEPSICO

PepsiCo takes great care to ensure that our people are paid fairly and that inequitable factors do not influence pay outcomes. We apply pay equity analysis annually to our workforce across almost all countries in which we operate, including Ireland. This involves three steps:

1

Identify: We consider each employee's compensation based on legitimate drivers of pay – such as job level, geographic location and performance ratings.

2

Check: We compare each employee's compensation against the reasonable range that would be expected for them, given the results of Step 1.

3

Address: Where it is needed, we make upward adjustments to address unexplained pay differences.



It is because of this process, which is run using a mathematically objective Predictive Pay Calculator, we can say with confidence that we pay employees fairly in general. We can also say that when legitimate factors are considered, pay differences between men and women at PepsiCo are lower than 1%.

Our frontline roles in Ireland operate to a different pay principle: that of collective bargaining. Where collective bargaining applies, pay rates for particular roles and levels of experience are agreed. Those pay rates are applied equally without regard to gender.

THE STEPS WE ARE TAKING ON GENDER DIVERSITY



IN IRELAND, 30% OF OUR PEOPLE ARE FRONTLINE

In Ireland and globally, we strive to reinforce and enhance gender diversity in our organisation. We acknowledge that there are challenges. In Ireland, 30% of our associates are frontline, and they often require qualifications or experience in traditional fields where pipeline of men continue to outnumber women.

Societal norms can continue to be a factor and it will probably remain difficult to attract women into specific roles. We do not endorse or support this state of affairs, but we recognise that it is significantly affecting the career choices of women at PepsiCo and in wider society, and are working on innovative methods to combat this both internally and through our community engagement efforts.

We are reviewing our compensation structures and benefits portfolio to ensure we maintain our market competitive position where we are present. Internally we review our employee's base salaries and total rewards bi-annually to ensure equity.



ATTRACTION OF NEW TALENT

Our Talent Acquisition team has a strong focus on improved gender diversity in hiring.

We engage in outreach to many of Ireland's universities, in the firm belief that if we present the positive reality of work at PepsiCo to a broad audience, we will attract the best applicants of all backgrounds.

Our external campaigns look to break gender stereotypes on certain roles and showcase testimonials from associates of the rewarding careers we can offer.

We are interested in measures that have proven successful in our other markets.

In the USA, PepsiCo has piloted a program of outreach for talented women who (often for family reasons) have left the workforce but would like to return. Rollout of a similar program in Ireland is being actively examined with a view to possible implementation in 2024.



SUPPORTING THOSE WITH FAMILY RESPONSIBILITIES

We want to support those of our people who need to balance work with family responsibilities. Under our 'Work that Works' philosophy, associates have increased flexibility to work in a hybrid manner, averaging 2-3 days a week in the office and from home, where the role allows.

Where colleagues look for parental leave, we try to give them broad options as to how they take it – for example, in a single block of time, or 1 day a week, or different hours on different days. We provide 26 weeks of fully paid maternity leave, allowing for a social welfare adjustment.

During times when children are off school, and where the role allows, we offer our people full flexibility on the particular times of day that they choose to complete their contractual hours.

We ensure that pay increases and bonus awards are not reduced in respect of protected leaves, including maternity leave.



PROVIDING AN ENVIRONMENT THAT PROMOTES DIVERSITY AND EQUAL OPPORTUNITY

To meet our diversity goals, we must promote an environment in which our people have equal opportunities for development. We have continued to build on that momentum and impact of our Diversity, Equity and Inclusion agenda through virtual and in person events, and leveraging external speakers and internal resources - all to advance our culture of inclusion through several of our Employee Resource Groups (ERGs), WIN (Women's Inclusion Network), Equal (LGBTQIA) and Enable (Inclusive of all abilities).

Unconscious bias training is offered to all of our associates - and all of our managers take it. For our people leaders, we also provide programs in Inclusive Leadership. WIN for instance, helps women at PepsiCo access tailored resources, get support, partner with male allies, and increase their confidence to continue to thrive.

We also have an extensive STEM network of ambassadors and careers available at PepsiCo, focused on inspiring the next generation of female talent with outreach to schools, colleges, and specific programs across Ireland.

An additional initiative focused on mentorship is the Million Women Mentors (MWM) program, where we are working with students and early-career professionals to foster their interest in technical fields and offer career wisdom.



WIDER SOCIETY

'Immediate and long term benefits...'



In Ireland we are involved in a number of programmes which we believe, either as a direct objective or as a positive consequence, continue to help to promote further gender representation both for the immediate and long term benefits in the fields that can be required for many roles at PepsiCo.



We hold an annual Kids Science Day for the children of our associates.

We support iWish, which aims to attract women into Science, Engineering and Technology roles.

We are active in the local communities with monetary donations and volunteering time to local charities and schools.



OUR IRISH WORKFORCE METRICS EXPLAINED

Hourly Remuneration refers to the difference in total earnings on an hourly basis between men and women on a mean (average) and median (middle ranking) basis. It includes all forms of money remuneration, not just basic salary.

Bonus Recipients sets out the proportion of men and of women who receive any form of bonus. Bonuses for this purpose includes vouchers and share awards as well as regular performance bonuses.

Bonus Gap refers to the gap between men and women on the value of all bonus items taken together.

The lower quartile sets out, in respect of the lowest paid quarter of our people by hourly remuneration, what percentage are men and what percentage are women.

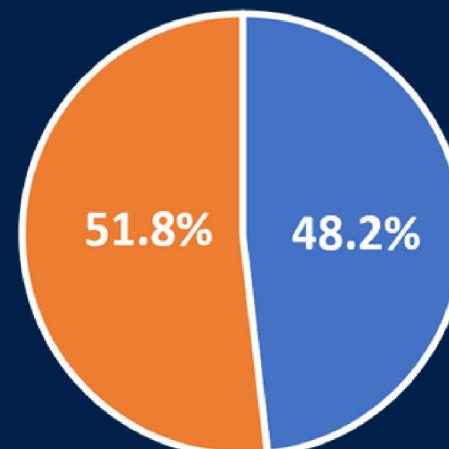
The upper quartile sets out, in respect of the highest paid quarter of our people by hourly remuneration, what percentage are men and what percentage are women. The same logic applies to the lower middle quartile and the upper middle quartile.

Benefits in kind sets out the percentage of our people who are in receipt of non-cash benefits of monetary value – for example, a company car. We do not include pension within our benefit in kind calculation, as technically pension is not a benefit in kind.

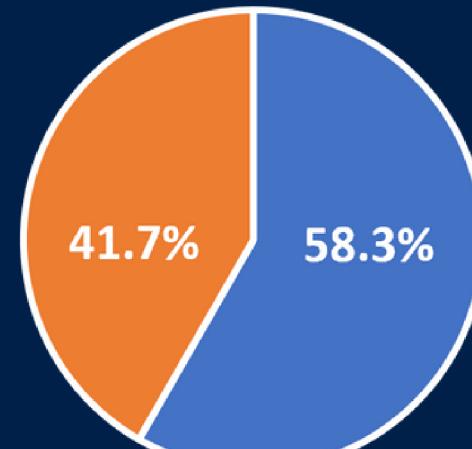


While the Irish gender pay gap rules refer to men and women, at PepsiCo we support all gender identities.

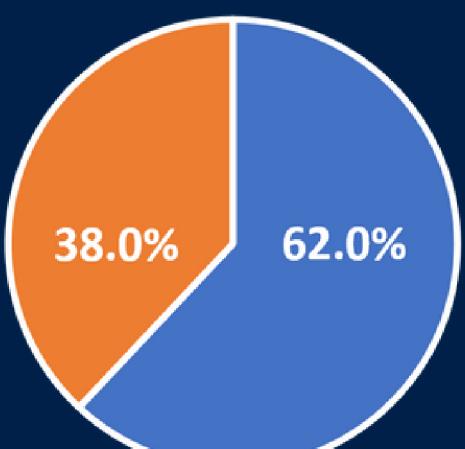
Entity	Year	All Employees							
		Hourly Remuneration		Bonus Received		Bonus Gap		Benefits in Kind	
		Mean	Median	M%	F%	Mean	Median	M%	F%
PepsiCo in Ireland	2022	3.4%	7.5%	70.2%	84.9%	10.4%	20.3%	10.2%	13.6%



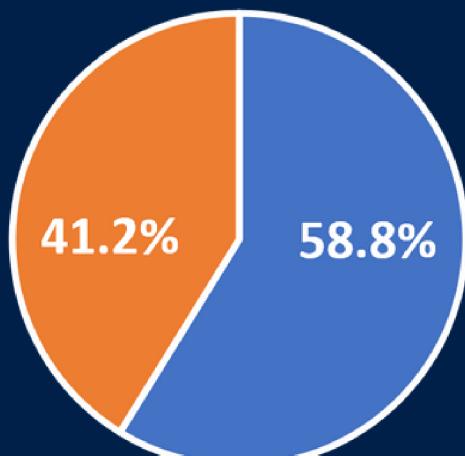
Lower Middle Quartile



Upper Middle Quartile



Upper Quartile





APPENDIX: THE GENDER PAY GAP AT PORTFOLIO CONCENTRATE SOLUTIONS UC

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The Irish gender pay gap disclosure rules state that any corporate entity employing more than 250 people must report its gender pay gap metrics. PepsiCo has more than one such entity in Ireland. We felt that the fairest and most transparent way in which we could report, was to do so for all PepsiCo owned entities in Ireland together.

However, to meet local legal requirements, we report separately for Portfolio Concentrate Solutions UC in its own right. The metrics for Portfolio Concentrate Solutions UC are not very different to those for PepsiCo when taken as a whole:




Entity	Year	All Employees								Entity	Year	Part-Time employees				Temporary Employees					
		Hourly Remuneration		Bonus Received		Bonus Gap		Benefits in Kind				Hourly Remuneration Gap		Hourly Remuneration Gap							
		Mean	Median	M%	F%	Mean	Median	M%	F%			Mean	Median	Mean	Median	Mean	Median				
Portfolio Concentrate Solutions UC	2022	2.9%	7.5%	70.4%	84.8%	8.9%	20%	10.1%	13.9%	Portfolio Concentrate Solutions UC	2022	35.4%	35.4%	5.2%	5.3%						
Entity	Year									Entity	Year	Part-Time employees				Temporary Employees					
		Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile				Hourly Remuneration Gap		Hourly Remuneration Gap							
		M%	F%	M%	F%	M%	F%	M%	F%			Mean	Median	Mean	Median	Mean	Median				
Portfolio Concentrate Solutions UC	2022	48.7%	51.3%	58.2%	41.8%	62.6%	37.4%	59%	41%	PepsiCo in Ireland	2022	28.7%	35.2%	5.2%	5.3%						



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