



UK GENDER PAY GAP REPORT

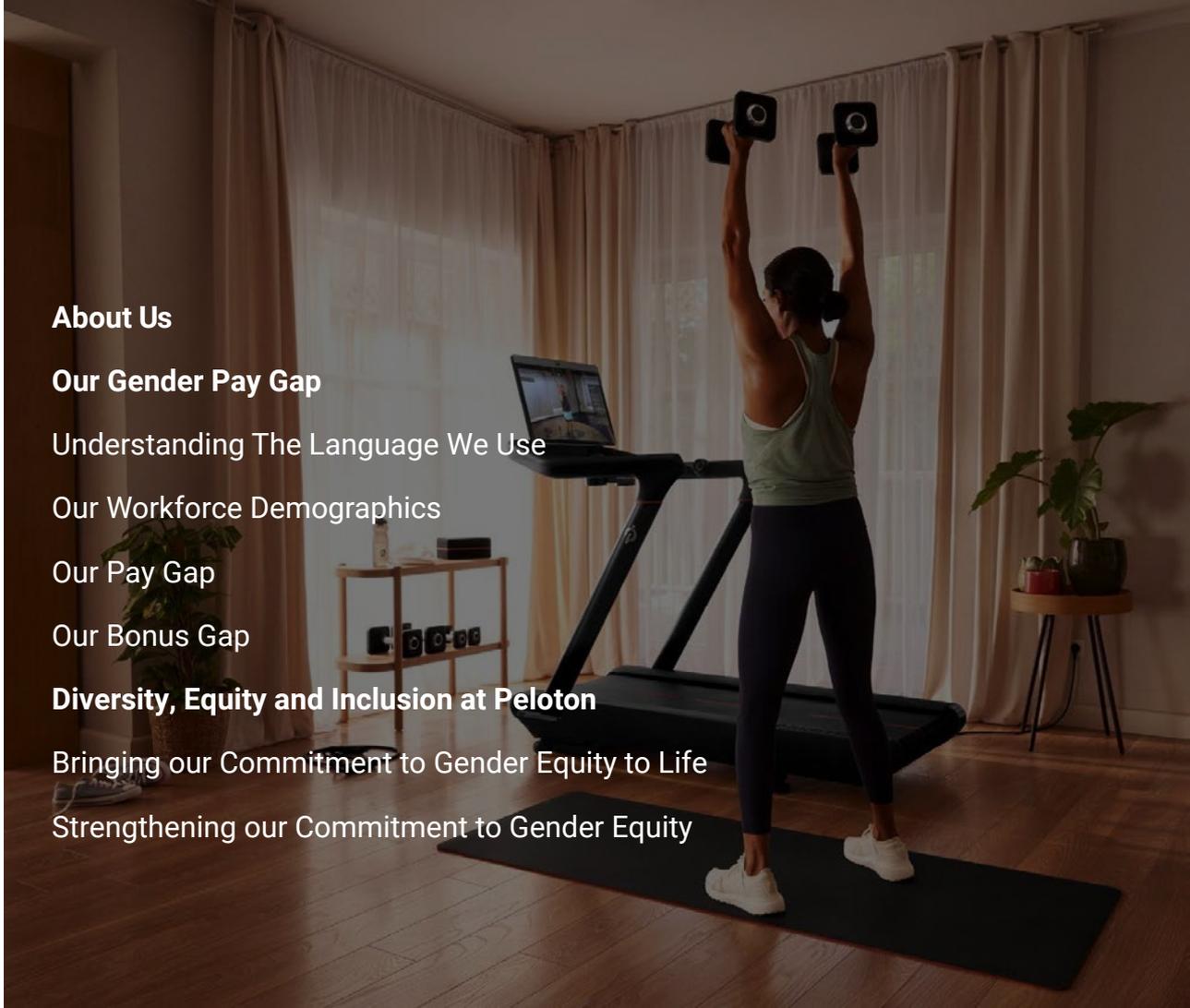
2022





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ABOUT US



In 2012, Peloton created a world-class, indoor cycling studio experience that was always available at a convenient time and place for our members. Since then, we've grown our membership, launched incredible new products and set out our commitment to diversity, equity and inclusion (DEI). Gender equity, across all our markets, is one of the foundations of that commitment.

We have an accelerated DEI agenda, and undertaking a comprehensive analysis of our gender pay gap provides us with helpful insights into any action we might need to take to address any identified inequity.

In this report, we'll share the findings of our 2022 Gender Pay Gap analysis, we'll explain the reason of any gap, if it exists, and we'll provide an overview of the interventions we've delivered, or are planning to deliver, as part of our DEI strategy and our commitment to inclusion.

As we ride into 2023, we remain steadfast in our efforts to ensure that we remain globally inclusive and an employer of choice across all strands of diversity. **Together, We Go Far.**



OUR GENDER PAY GAP



Our Gender Pay Gap

As a business, we recognise the role we play in identifying, analysing and addressing systemic inequality, and we're responding to that with a firm commitment to taking action.

We're constantly looking for ways to create workplaces that are inclusive, fair and deliver equity for all our team members. One way to better understand the steps we can take to create the best place to work is to analyse our gender pay gap.

In the UK, gender pay gap reporting is a legal requirement, and we believe that when we share our data in a transparent way, it enables us to sharpen our focus on gender equity and advance the rate at which we can achieve equality. We have an accelerated agenda when it comes to diversity, equity and inclusion.





Understanding The Language We Use

As required under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we report on both the mean and median pay values, which we define below.

Mean - Sometimes simply referred to as 'the average', the mean is calculated by adding together the pay or bonuses of all team members, then dividing this figure by the number of team members working at Peloton in the UK.

Median - This is the middle value when team members are ranked in order, using their pay or bonus figures. We take the team member in the middle of the list and this is our median average.

Why report both figures? In addition to being a requirement under the regulations, **using both figures provides us with additional insights**. We also know that the median figure is less affected by the figures that top and tail the data, which can be significantly affected by a small number of senior roles with higher earnings.

Snapshot date - All UK companies with over 250 employees are required to use team member data relating to a **snapshot date of 5 April each year**. Bonus data and participation uses the data in the 12 months leading up to the snapshot date.

Equal Pay

It's important to remember that **equal pay and the gender pay gap are not the same thing**. The law requires Peloton, and other companies, to pay equally male and female team members who are engaged in equal or similar work or work of equal value.

Whereas the gender pay gap measures the difference in the average earnings of male and female team members across all roles and across the entire business. It's therefore a much broader measure of difference.





Our Workforce Demographics

What we did

In order to calculate our gender pay gap, we first needed to understand the gender demographics of our workforce.

We took the number of UK team members and ranked them by hourly pay rate.

We then divided this list into four equal groups, or quartiles as these are known, with an equal number of team members in each group.

We then calculated the proportion of male and female team members in each quartile.

UK Workforce. Quartiles, by gender.

Quartile	Upper	Upper Middle	Lower Middle	Lower	Overall
Female	49.7%	44.8%	36.4%	30.1%	40.2%
Male	50.3%	55.2%	63.6%	69.9%	59.8%

We've seen a small shift in the demographics of our workforce, when compared with our 2021 data. As of the snapshot date*, we employed more male (59.8%) than female (40.2%) team members, with an increase in females overall and small shifts in gender distribution in each of the quartiles.

*5th April 2022



Our Pay Gap

What we did

We analysed the pay gap of all team members, using data provided by our payroll systems, our equity data and team member demographics.

Our median hourly pay gap of -28.5% is in favour of our female team members. This indicates that female employees were paid 28.5% more than male employees on an hourly basis.

At the snapshot date*, there were more females in commission-eligible roles, which contributes to additional payments based upon formulaic measures. This is a slightly increased figure when compared to our 2021 gender pay gap of -23.3%.

We will closely monitor this trajectory, to ensure that our workplaces remain fair, equitable and inclusive to all team members.

Pay Gap

Quartile	2021	2022
Median Hourly Rate	-23.3%	-28.5%
Mean Hourly Rate	51.8%	24.6%

What data did we report on?

For our analysis, we used the UK government regulations to calculate the hourly rate of our team members including base pay and any incentive payments, such as bonuses, commission and any equity.

*5th April 2022



Our Bonus Gap

What we did

Peloton does not have a traditional annual bonus plan, so for this analysis we included vested Restricted Stock Units (RSUs), exercised Options, commission payments or one-off cash payments.

Peloton's overall median bonus gap is -50.2%. This indicates that our female team members received 50.2% more in total bonus payments in the 12 months leading up to the snapshot date.

We know that, across industry, there are many variables in how businesses reward performance. Undertaking an analysis of this data is complex and requires us to assess the equity value as measured at the time the taxable event occurs, which is at exercise for Options and at vest for RSUs, which creates some variance in our data.

This is due to stock price movement and individual team member choice in when they exercised and made equity choice elections.

As with our overall pay gap data, we will closely monitor this trajectory.

Bonus Gap

Quartile	2021	2022
Median Bonus	21.9%	-50.2%
Mean Bonus	86.6%	81.7%

What data did we report on?

Our data in this analysis refers to total incentive value including all bonuses, commissions, and taxable equity in the 12 month period prior to the snapshot date*.

*5th April 2022

Diversity, Equity and Inclusion at Peloton

Building an equitable and inclusive workplace is a key element of Peloton's business growth and is part of our long-term, global diversity, equity and inclusion (DEI) strategy.

We are firm in our commitment to ensuring that we identify systemic bias in our systems and operating practices and take steps to immediately address any identified disparities. However, it's not just the role of the DEI team to embed equity and inclusion across the business. Our expectation is that diversity, equity and inclusion is everyone's business and our leaders and our team members are living up to that expectation.

As we journey into 2023, we're already looking at ways to build on the progress we've made to achieve gender equity and inclusivity and we're ambitious in our plans to ensure our team members are part of that journey, every step of the way.



Bringing our Commitment to Gender Equity to Life

The World Economic Forum* estimates that, across industry, it will still take 132 years to achieve full gender parity in closing the pay gap. It's a four year improvement on their previous projections but it's still not good enough.

We recognise the role that business has to play in accelerating that trajectory, and whilst Peloton's pay gap is favourable to our female team members, we're not complacent in our approach to broader gender inclusivity. Over the last year, along with a broader programme of inclusion, we've:

- ▶ Promoted our self ID campaign to increase the demographic data we hold on our workforce. This will help to ensure that all our DEI interventions are data-driven and evidenced based.
- ▶ Conducted an additional global pay equity study, in Spring 2022, which identified that less than 4% of our overall team members had a base pay disparity. We took immediate steps to address any gaps and by 1st July 2022, for UK team members, we had eliminated every instance of pay disparity identified in the study.
- ▶ Brought our Employee Resource Group (ERG) leaders together to plan for the launch of a UK-specific Inclusion Forum, which will build on the incredible work of our Women's Alliance, Pride, Thrive, Parenthood and Black@Peloton ERGs.
- ▶ Launched our UK DEI programming, as part of National Inclusion Week, and invited our social impact partners, London Friend and Sporting Equals, to share the opportunities they have available for our team members to volunteer.
- ▶ Hosted International Women's Day and Women's History Month events, bringing together female team members and their allies.
- ▶ Promoted our existing benefits, including our Bright Horizon's emergency back-up care for children and dependants and our fertility benefits through our partner, Carrot, and promoted our wellbeing room for team members in our London office.
- ▶ Provided easy access for team members to benefit from 1-to-1 financial coaching through our partner, Origin, helping them plan for their future and optimise benefits and perks available to them.
- ▶ Launched our DEI library, responding to requests from team members for resources and literature on gender equity.



Strengthening our Commitment to Gender Equity

At Peloton, we're unapologetic about our approach to diversity, equity and inclusion and our commitment to gender equity and inclusivity.

Our 2022 Gender Pay Gap illustrates that we continue to be a great place to work for all our team members and that our workplaces offer opportunities for everyone to thrive.

Whilst we have had a number of changes in our business over the last year, the strength and conviction of our DEI priorities has been steadfast. Our Women's Alliance Employee Resource Group continues to grow, with those who are part of this group acting as some of our most important culture carriers at Peloton.

I'm proud of the gender equity progress we've made so far, and grateful to our leadership and team members for stepping up, each and every time their support is called for. This combined commitment means that, together, we will boldly approach gender inequity and take steps to address contributing factors.

Statutory Declaration

I confirm that the data and information presented in this report is accurate and meets the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Dalana Brand, Chief People Officer