PELOTON

UK Gender Pay Gap
Report 2024
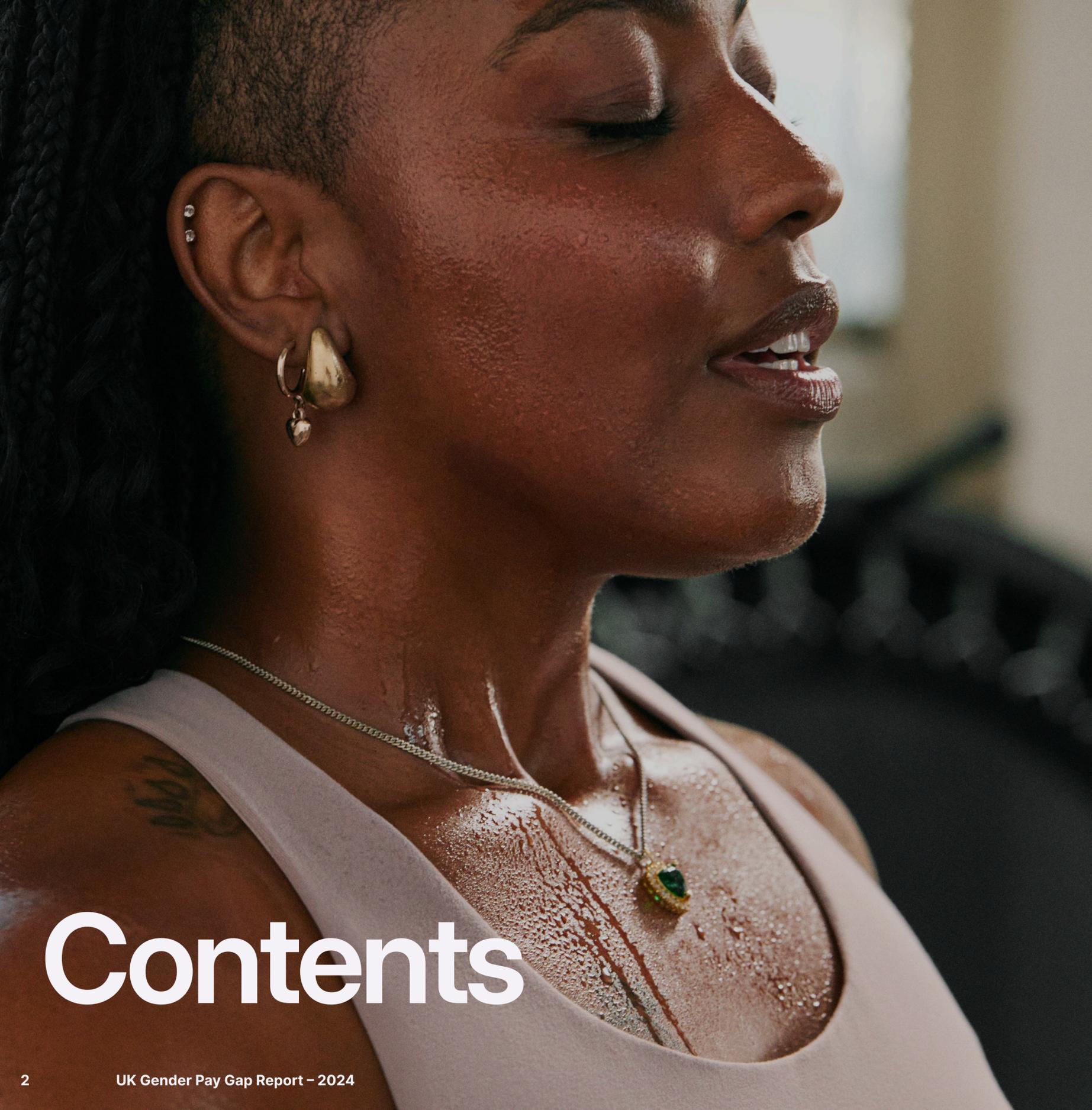
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# Executive summary

UK legislation requires companies with more than 250 UK-based employees to report on a specific set of metrics each year, collectively referred to as gender pay gap reporting. This exercise provides an objective measure of gender-based workplace participation and pay, comparable year-on-year and across companies.

	Women	Men
Team member population	**42.1%**	**57.9%**
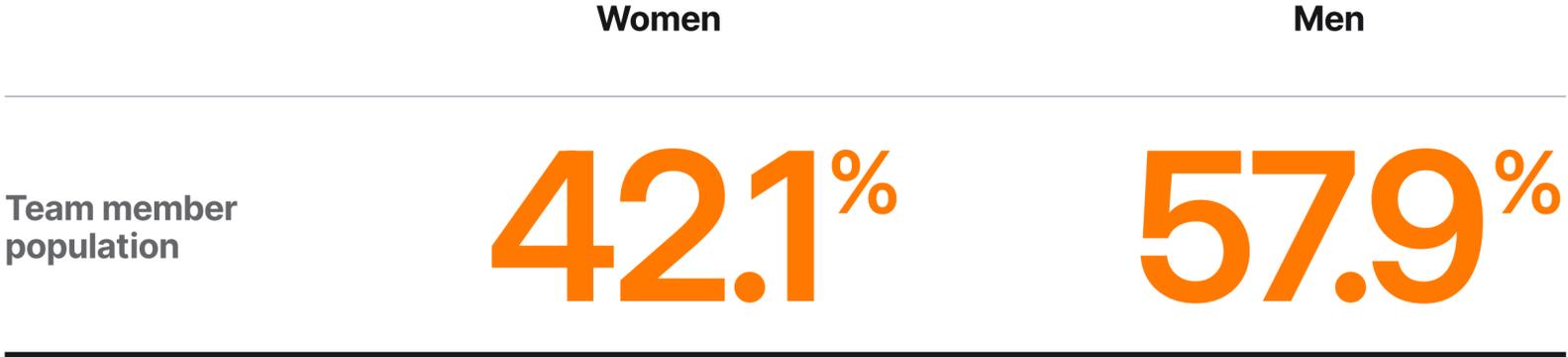
*5 April 2024

Peloton's overall gender pay gap in 2024 was -27.2%, in favour of women. Our 2024 figure is just over 8% further in favour of women compared to our 2023 figure. The main cause for this is a higher proportion of men among our lower and lower middle pay quartiles.

The **average gender pay gap across companies in the UK is currently 13.1%, down from 14.2%** the previous year (both years in favour of men).

Peloton's **overall gender pay gap in 2024 was -27.2%**, in favour of women.

Peloton's **bonus pay gap was 16.4%**, in favour of men. Our bonus pay gap was -84.2% in 2023. This figure fluctuates year-on-year as it's heavily influenced by equity compensation and our small commission-earning population.

69.4% of women team members and 53.6% of men received a bonus.

Peloton's **team member population was 42.1% women and 57.9% men** on the 2024 snapshot date. Our workforce gender demographic has remained relatively consistent year-on-year.

Our bonus pay includes vested restricted stock units (RSUs), exercised stock options, commission payments, and one-off cash payments as we don't have a traditional annual bonus plan. With this, bonus payments are influenced by external factors, including tenure and stock vest dates, and individual employee choice as to when to exercise stock options.

We commission a global pay equity study. This study aims to identify possible pay gaps based on either gender or race/ethnicity when accounting for the factors that determine pay—such as the job function, performance, experience, or other relevant factors.

Our commitment
to inclusion and equity

Cultivating a holistically inclusive environment where all of our team members thrive is aligned with Peloton's mission and values. Comparing average pay by gender is one part of our ongoing commitment to find and address any inequities which may exist in our business.

Some highlights of our work to lift people up include:

People

- Upskilling people leaders and team members through a programme of education and learning tailored by level, focussing on inclusive hiring, navigating challenging situations, and career development
- Continually improving our team members' workplace experiences, including offering dedicated wellness spaces used for mental health breaks, prayer, and lactation
- Strengthening our International Inclusion Forum and providing our teams with a suite of cultural activations

Business

- Introducing executive leadership team sponsors for our Team Member Led Groups
- Deepening business accountability for inclusion through data-informed actions to maintain team member engagement

Brand

- Providing our Members with a spectrum of wellness options across modalities, with a variety of Instructors, classes, and communities so they feel seen, heard, and valued
- Using our full array of assets, especially Peloton's products and services, in partnership with leading nonprofit organisations to advance access to fitness and wellness for all

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

Understanding the language we use

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 referred to as the most common way to describe an 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 our 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**.

Equal pay

It's important to remember that **equal pay and the gender pay gap are not the same thing**. Equal pay refers to the pay of men and women team members engaged in the same, similar, or work of equal value. The gender pay gap measures the difference in the average earnings of men and women team members, across all roles and across the entire business. It's therefore a much broader measure of difference.

Glossary

Our methodology

What we did

The methodology we've used through our Gender Pay Gap Reporting is that which is set out under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. We use cash data provided by our payroll system, equity data provided by Morgan Stanley, and employee data from PeloTeam (our internal personnel data software). Once the data collection was completed, each required data point was analysed to provide our 2024 Gender Pay Gap Report.

In total, 380 UK Team Members were included in this study and includes all role levels, those in full-time and part-time work, those who were on full paid leave, and those who were temporary and/or seasonal employees employed on the snapshot date.*

*5 April 2024

In line with governmental guidance, this includes team members who identify along binary gender demographics (women and men) for this pay gap analysis. As a wholly inclusive company, we recognise that this does not represent the true diversity of our team members. You can see our holistic approach to inclusion on **page 6.**

Our data

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What we did

As we've done each year, we've first looked at the gender demographics of our workforce and how these are distributed across four quartiles.

We took the total 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 men and women team members in each quartile.

UK workforce

We've seen a relatively consistent demographic of our workforce when compared with our 2023 data. As of the snapshot date,* we employed more men (57.9%) than women (42.1%) team members and showed no significant changes to the gender distribution in each of the quartiles.

Workforce demographics

Quartile	Women	Men
Upper	49.5%	50.5%
Upper Middle	49.5%	50.5%
Lower Middle	33.7%	66.3%
Lower	35.8%	64.2%
Overall	42.1%	57.9%

*5 April 2024

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 -27.2% is in favour of our women team members. This indicates that women employees were paid on average 27.2% more than men employees on an hourly basis.

As shown on the prior slide, the upper and upper-middle quartiles are split relatively evenly between men and women, however, there is a higher percentage of men in the lower and lower-middle quartiles impacting the figure.

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, for example bonuses, commission, and any equity.

	Median Hourly Rate	Mean Hourly Rate
2021	-23.3%	51.8%
2022	-28.5%	24.6%
2023	-19.0%	-5.1%
2024	-27.2%	-6.0%

*5 April 2024

Pay 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 stock options, commission payments, or one-off cash payments.

The percentage of men who received bonus pay was 53.6%, and 69.4% of women received bonus pay.

Peloton's overall median bonus gap is 16.4%. This indicates that on average our men team members received 16.4% more in total bonus payments in the 12 months leading up to the snapshot date.

This is a change compared to our 2023 bonus gap, which is impacted by shifts in the population distribution of commission eligible roles. Without a traditional annual bonus programme, the small population of roles eligible for commission continue to have outsized impact on this figure.

Another key component of our pay programmes is equity compensation. The bonus gap calculation includes the total number of RSUs that vested and stock options that were exercised over 12 months. This figure can be impacted by outside factors such as stock price changes, individual team member choice in when they exercised stock options, historical equity choice elections, or team member tenure.

We anticipate seeing a continued variance for this category given the stock market influence in our reward framework without a traditional annual bonus programme.

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.*

	Median Bonus Gap	Mean Bonus Gap
2021	21.9%	85.1%
2022	-50.2%	81.7%
2023	-84.2%	0.9%
2024	16.4%	28.4%

*5 April 2024

Bonus gap