PELOTON



UK Gender Pay Gap Report 2023

Version 3.2 — 2024



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About Us

"Our strong foundations of diversity, equity and inclusion are embedded into how we work."

Kelly Higson
Head of Diversity & Inclusion, International



As a leading global fitness company, we are powering forward with our mission to inspire connection and empower movement, and in doing so, we're breaking down barriers to make our unparalleled fitness experiences available to anyone, anytime, anywhere. We continue to evolve, not just our products and services, but in our content and our classes and, importantly, our unique culture.

Our strong foundations of diversity, equity and inclusion are embedded into how we work and are the building blocks that will enable us to create the most holistically inclusive company.

In this report, we'll share the findings of our 2023 UK Gender Pay Gap analysis and provide an overview of the interventions we've delivered, or are planning to deliver, as part of our refreshed DEI strategy and our commitment to inclusion.

All in. Together. Now!

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Our Gender Pay Gap

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 male and female team members engaged in the same, similar, 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.

Glossary

What we did

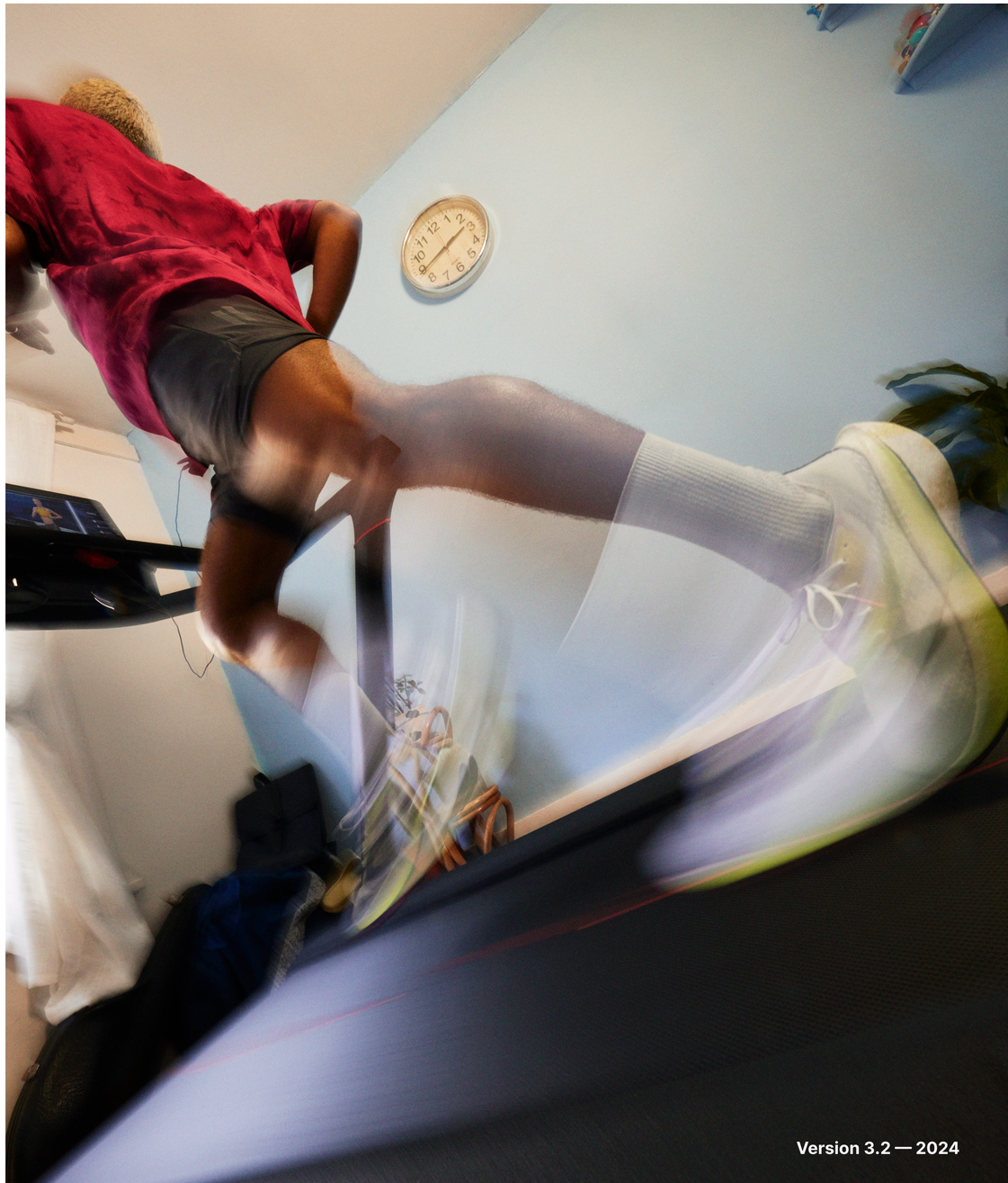
The methodology we've used through our Gender Pay Gap Reporting is that which is set out under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. We use cash data provided by our payroll system, equity data provided by Morgan Stanley, and employee data from PeloTeam (our internal personnel data software). Once the data collection was completed, each required data point was analysed to provide our 2023 Gender Pay Gap Report.

In total, 459 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.

The methodology we use only takes account of binary gender demographics for this pay gap analysis. As a wholly inclusive company, we recognise that this does not represent the true diversity of our team members as it is based on data shared with His Majesty's Revenue and Customs (HMRC) and this data may differ from the gender record we hold on our system at Peloton.

You can see a list of the support we're providing to our trans, non-binary and gender non-conforming team members, **on page 13**.

Our Methodology



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Our Data

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 male and female team members in each quartile.

UK workforce. Quartiles, by gender

We've seen a relatively consistent demographic of our workforce when compared with our 2022 data. As of the snapshot *date, we employed more male (59.3%) than female (40.7%) team members.

Workforce Demographics

Quartile	Female	Male
Upper	50.4%	49.6%
Upper Middle	42.1%	57.9%
Lower Middle	35.1%	64.9%
Lower	35.3%	64.7%
Overall	40.7%	59.3%

*5th April, 2023

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 -19.0% is in favour of our female team members. This indicates that female employees were paid on average 19.0% 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 decreased figure when compared to our 2022 gender pay gap of -28.5%.

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

What data did we report on?

For our analysis, we used the UK government's Gender Pay gap regulations and methodology 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%

*5th April, 2023

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 Options, commission payments, or one-off cash payments.

Peloton's overall median bonus gap is -84.2%. This indicates that on average our female team members received 84.2% more in total bonus payments in the 12 months leading up to the snapshot date.

This variance is highly influenced by stock price volatility, as well as individual team member choice in when they exercised and made historical equity choice elections.

Additionally we expect to see year over year variances because we do not have a traditional cash bonus program and equity is a key component of our pay mix. Because of this our results are tied to market movement and impacted by one-time outliers.

We will continue to monitor this trajectory, but we anticipate seeing a continued variance for this category given the stock market influence in our reward framework without a traditional annual bonus program.

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 Bonus	Mean Bonus
2021	21.9%	85.1%
2022	-50.2%	81.7%
2023	-84.2%	0.9%

Bonus Gap

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Diversity, Equity & Inclusion at Peloton



Addressing The Gap

Inclusion doesn't happen by chance. It takes a concerted, continuous effort from everyone, and our refreshed Diversity, Equity and Inclusion (DEI) strategy underlines our belief that DEI is not one thing we do, it's centred in everything we do.

Over the last year, we've pivoted our DEI approach to one that utilizes the power of data, information, and insights, and our amazing community of team members, to deliver activity across three areas of focus: our people, our business and our brand.

We've made great progress, but we're not complacent, and we're unapologetic about the pace we've set for our DEI strategic priorities. As we deliver on these priorities, we'll leverage our value of having a bias for action, we'll operate intentionally, and we'll focus on embedding sustainable, equitable practices across all areas of our business.

The World Economic Forum* still estimates that, across industry, it will still take 131 years to achieve full gender parity in closing the pay gap. That number is only a 1-year improvement from their previous predictions and is 131 years too long. We know that undertaking a Gender Pay Gap analysis is one way to help us identify the steps we can take to address any gender pay gap inequities which may exist in our business. However, whilst our pay gap shows a favourable position towards our female team members, our work on gender inclusivity is far broader than this metric.

Over the last 12 months, we've continued to power forward with our programme of inclusion which includes:

1. Increasing the diversity of our executive leadership team, leveraging their experiences to help us drive change.
2. Increasing business accountability for DEI, sharing data-led recommendations on gender workforce representation and market availability, inclusive hiring, engagement, inclusion and supplier diversity data.
3. Delivering a programme of education and learning for our Peloton London Studio leaders and team members, focussing on inclusive hiring, mindful communications, activating allyship and diversity, equity and inclusion.
4. Conducting a global pay equity study, in Summer 2023, to ensure we create a fair and equitable workplace for all team members, concluding that we were paying equitably and no adjustments were required in the UK.
5. Partnering with our Workplace team to continually improve the experiences of women in the workplace.
6. Continuing promotion of our self ID campaign to increase the demographic data we hold on our workforce, ensuring that all our DEI interventions are data driven and evidenced based.
7. Activating our UK Inclusion Forum, broadening the scope to include a focus on intersectionality.
8. Hosting an Employee Resource Group fair, using games and engagement activity to educate on moments of gender equity.
9. Creating a Transgender and Gender Non-Conforming (TGNC) Affinity Group for our team members, complementing our existing TGNC Team Member Support Guide.
10. Hosting a clothing drive and cycle fundraiser, supporting Smart Works, a charity that provides interview clothing, coaching, and job preparation skills for women.
11. Enhancing our internal inclusion resources and DEI library with new titles on gender equity, inclusive practice, and allyship.
12. Delivering International Women's Day and Women's History Month programming.

Bringing Our Commitment to Gender Equity to Life



Strengthening our work on gender equity through intentional actions

Last year, I shared that we were unapologetic about our approach to diversity, equity and inclusion (DEI) at Peloton, and that the strength and conviction in our DEI priorities has been steadfast.

Over the course of the year, we've made great progress in pursuit of gender equity and broader inclusivity, and our 2023 UK Gender Pay Gap illustrates that Peloton continues to be a great place to work. However, we cannot afford to take our foot off the accelerator, because there is still work to do.

Since joining Peloton, I've spoken openly that I believe that all our leaders, and our team members alike, have a role to play in helping us create the most holistically inclusive company, where everyone has equity of opportunity and where working at Peloton means you can bring your whole self to work. This is underpinned by the commitment from our executive leadership team, whose diversity and experiences we will leverage to support the delivery of intentional actions that drive gender equity and equality.

Our refreshed global DEI strategy is being implemented locally across our markets, including the UK, delivering relevant programming and interventions that will continue to create meaningful moments for our team members, Members, and Peloton's communities.

Everyone at Peloton deserves to have the best career experience of their life, and I'm proud of the partnerships that have been built, across our business, to ensure that this experience holds true for all team members.

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

