

# Job creation, skills and reward.

## Why it matters.

With over 330,000 colleagues at the heart of everything we do, we want everyone to feel that Tesco is a great place to work. This will enable us to deliver for customers, communities and the planet. As one of the UK’s largest employers we are committed to helping develop the next generation of talent, equipping our colleagues with the skills they need to thrive. We want colleagues to feel recognised and respected wherever they work, as well as experiencing the reward of our collective success.

## Relevant UN Sustainable Development Goals (SDGs).



**SDG 1 No Poverty** aims to end all forms of poverty. Our reward principles focus on being simple, fair, competitive and sustainable, and all Tesco colleagues are paid above the minimum wage. At the same time, we are committed to ensuring young people, especially those in long term unemployment, are given access to work experience and skills training, helping to alleviate the potential of falling into poverty.



**SDG 4 Quality Education** aims to ensure inclusive and equitable, quality education and lifelong learning opportunities for all. Our training and skills development programmes ensure all colleagues have the opportunity to get on and we are committed to helping young people develop their employability skills.



**SDG 8 Decent Work and Economic Growth** promotes inclusive and sustainable economic growth, employment and decent work for all. We make a valuable contribution to the communities in which we operate, by providing decent jobs directly and by supporting employment through our supply chain.



**SDG 17 Partnership for the Goals** recognises the importance of collaboration. We have developed our training and skills opportunities and offer a highly competitive reward package, which is extensively discussed and negotiated with our colleagues and USDAW union, with whom we have a long-running partnership.

## Highlights.

We have increased pay for UK hourly paid colleagues by nearly 8%.

Launched the My Tesco App, enabling colleagues to develop skills and access additional hours. Over 40% of colleagues are using the app on a weekly basis.

Helped over 50,000 young people this year to build employability skills and jumpstart their careers, in collaboration with the Prince’s Trust and Institute of Grocery Distribution (IGD).

## Our approach.

**In a fast-changing environment, it is vital that our colleagues are well supported and equipped with the skills to serve our customers and drive business growth, now and in the future.**

We want to be a great place to work and are committed to offering a fair, competitive and sustainable reward package that recognises the incredible contribution our colleagues make. We feel a duty of care and have substantially enhanced our reward package this year, as we continue to look for ways to support colleagues with cost-of-living challenges. Alongside this, we want colleagues to have the opportunity to get on in ways that are meaningful to them, through building new skills, or accessing new opportunities. We have invested substantially in skills and training in areas of growth, upskilling our workforce to meet current and future demands, as well as helping young people to gain valuable experience to kick-start their careers.

### Colleague reward and benefits

We employ colleagues across a huge variety of roles across the Group, with a substantial majority working in hourly paid roles in our stores. We are acutely aware of the cost-of-living pressures colleagues and customers are experiencing and have taken a flexible and responsive approach to colleague reward this year. We have made an increase to base pay for colleagues in the UK, Central Europe (CE) and ROI in the last 12 months. This includes UK customer fulfilment centre and store colleagues receiving an increase of 5.8% to their hourly rate in July, and a further 2% in November 2022 to £10.30. We are pleased to have now reached an agreement with USDAW that increases the hourly pay rate for colleagues in stores and fulfilment centres by a further 7% from £10.30 to £11.02 from April 2023. These changes mean:

- UK Distribution colleagues received a 9.5% increase.
- By April 2023, colleagues in ROI will have received a 10% cumulative increase to their pay.
- Colleagues in CE have seen an increase of up to 12% across 2022.

Through our relationships with our unions, we have long-established full recognition and collective bargaining agreements in place for all our hourly paid colleagues in the UK. The decisions made benefit all eligible colleagues, regardless of whether they are members of a union, and cover our comprehensive benefits package as well as base pay. For example, our April 2022 agreement also included the following benefits:

- **Boosting the annual colleague discount allowance by £500**, taking the total allowance to £1,500 per year. Through Colleague Clubcard, all eligible colleagues in the UK can take advantage of a 10% discount, increasing to 15% every pay day weekend. Over the peak of Christmas in 2022, we increased discounts by up to 20% for UK, ROI and CE colleagues.
- **In June 2022, we launched “My Tesco”**, a new digital app for colleagues to view their schedules, access training and development and sign up to extra hours if they wish. On average 40% of our colleagues are accessing the Extra Hours Market each week, where they can see shift availability based on their skills and are signing up for 30,000 extra shifts.



**Read more about our partnership agreement with USDAW [here](#).**

In addition to our reward package, we provide a programme of financial wellbeing support for our colleagues, which we have enhanced in the last year, key activities include:

- **Launching Pay Advance in November 2022**, which enables our UK colleagues to access up to 25% of their money ahead of pay day, for a charge of only £1.49, to help if faced with unexpected costs during the pay period. Limits on Pay Advance help to protect their pay and future income.

- **Bringing together all our financial wellbeing support into our Colleague Value Vault**, covering programmes such as our Colleague Deals and Discounts, our exclusive colleague cost-of-living webinars, and resources such as Grocery Aid.
- **Strengthening the range of free products** that we offer our store colleagues across the Group, including a range of free food, drinks and toiletries, such as female hygiene products.

Alongside discounts, colleagues also benefit from a competitive total reward package providing access to share schemes, the Tesco Retirement Savings Plan, where we match contributions up to 7.5%, an Employee Assistance Programme and much more.



See further details of our colleague benefits package [here](#).

## Colleague training and development

We strive to ensure all our colleagues have the opportunity to get on at Tesco and for our development programs to equip them with the skills needed for future growth. At the start of 2022, we made a significant investment in colleague skills and training, supporting the workforce of the future across a range of growth areas within our business. Our capability building programmes include:

- **Developing multi-skills for retail colleagues**, allowing for greater flexibility and enabling colleagues to fulfil roles where demand is greatest. Across three core e-learning modules; Serve, Pick and Fill, over 3,500 colleagues in UK stores and fulfilment centres have successfully gained key skills such as serving on a checkout or a self-service area, picking an online order or replenishing the shelves.
- **Launched “Your Contribution”**, our new performance approach, enabled by a new digital platform. This brought a stronger emphasis on regular conversations, feedback and development. The new system is the home for all performance-related activity and helps all colleagues own and track their performance, while recognising the contribution they make to winning together.
- **To support the roll out of ‘Your Contribution’ we launched three new line manager products**; Creating a Winning Performance Culture, Mastering Feedback and Setting Strategic Objectives. These have been launched across the Tesco Group, helping to build the right skills while bringing to life our Win Together Behaviours. Since the launch, over 900 line managers in the UK have completed the training.
- **We have continued to invest in our Future Skills Partners in the UK**. The in-store coaching partners provide colleagues with access to a range of digital learning which is designed to build awareness and digital skills. For colleagues in CE, similar to the role our Future skills partners play in the UK, we have launched a digital champions role, with 550 champions across stores and distribution centres.
- **To drive our strategic approach, we have continued to embed our Being an Inclusive Manager programme**. As of February 2023, over 7,000 managers have completed this training across the Group.
- **Great Manager Programme**, In our Tesco Business Services in Bengaluru and across our Technology teams in the UK and CE, we are building the skills and capabilities of our colleagues in partnership with the Great Manager Institute (GMI) with bespoke, certified training. Since launching the program, nearly 300 managers have been certified.
- **Tesco Bank**, LinkedIn Learning completed by over 2,000 colleagues, developing skills in Agile Software Development.
- **Driver Academy**, In Booker we have continued to scale up our driver academy where colleagues are paid while learning HGV skills. Upon completion, participants receive a certificate and have the opportunity to celebrate their achievement with team members, including Directors.
- **Following the success of dunnhumby’s Returners program this year, we launched “Back to her Future”** in India, in partnership with Jobs for Her, with a similar focus on welcoming women back into work. This has received huge interest from the pilot scheme, with new employees joining us in both Science and Finance.

## Job creation and helping young people

An economic and social impact report found that Tesco supports between 1% and 4% of jobs in every region of the UK, and that 1 in 5 people have worked in a supermarket at some point in their career. We are hugely proud of our record of creating great jobs in local communities and supporting young people to transition into the world of work, especially in a volatile and changing job market. Key focus areas this year have included:

- **Our Christmas recruitment campaign**, which was hugely popular, supported our business during the seasonal peak and provided opportunities for anyone looking to boost their income or take a step back into the world of work. We hired over 25,000 temporary colleagues in the UK.
- **Skills Development**, our 3-year partnership with Prince's Trust and IGD saw us exceed our 2021 target of helping 45,000 young people jumpstart their career and build employability skills. Through offering a wide range of roles and young people programmes in our business, we supported over 50,000 young people, and we will be supporting additional Achieve Clubs in secondary schools across the UK in the coming year. Our ambition now is to reach a further 200,000 young people most in need of support to develop life-long skills.
- **Since announcing our commitment in 2020, we have offered six-month work placements to over 1,000 young people** in areas of medium to high unemployment through Kickstart, a government-led scheme that supports 16-24 year olds claiming Universal Credit and at risk of long-term unemployment. Our final cohort of Kickstart colleagues finished their placements in April 2022 and rated the experience of the programme as 94% satisfaction. 52% of young people who completed the programme gained employment with Tesco.
- **Through our cross-sector collaboration with Movement to Work**, we have trialled a new approach to short work placements for young people aged 16-30 not in education, employment or training. We have exceeded our 2022 target with over 300 young people starting a programme.

### Work Placements

Across the Group over 3,500 apprentices have joined a programme. In the UK, 268 colleagues within our distribution centres, customer fulfilment centres and stores have retrained or are retraining as drivers through the Warehouse to Wheels, Level 2 HGV apprenticeship programme and HGV Bootcamp. The apprenticeships we provide young people offer invaluable skills for their future.

In CE we supported over 2,700 apprentices with in-store work experience, additionally Booker have run an internal training programme to cover the Butchery Apprenticeship Level 2 and 3 qualifications.

### Internship and graduate programmes

Our Business Diversity Internship entered its second year to support external candidates identifying as disabled or with a long-term health condition, from an ethnic minority background, LGBTQ+, socially or economically disadvantaged. 72% of candidates taking part in the 10-week paid experience were female, 79% from an ethnic minority background, and 21% with a disability. Feedback is positive, with a satisfaction rate of 94% and 20 of the interns from this programme were offered a place on our 2023 Business Graduate Programme.

Our graduates gain valuable knowledge through hands-on experience, learning and development. In the UK we introduced the Business Graduate programme which provides experience in various parts of the business. In 2022, over 150 graduates across the UK, CE, dunnhumby and ROI joined the programme.

## Memberships and partnerships.

Here are some examples of our key collaborations on job creation, skills and reward:



## Awards and benchmarks.

### dunnhumby – Certificate of Top Employer institute in UK and US

This certificate recognises dunnhumby's dedication to improving our ways of working, through excellent HR policies and people practices. Additionally, the Top Employer certification provides us the opportunity to celebrate our best asset, our people and the crucial role they play within dunnhumby.



### Tesco Slovakia – Roma Spirit 2022 award, supports the employment of people from marginalised groups

This award confirms our open and long-term approach to creating an inclusive place to work for people with social disadvantages.



### Tesco UK – 2022 Prince's Trust Partnership Awards, Partner of the year

Recognition of our five-year partnership and ongoing commitment to supporting young people through the funding of Prince's Trust Achieve Clubs across the UK. Since 2021, we have helped thousands through over 270 volunteering projects. Across our business, dedicated colleagues have committed their support to changing the lives of young people.



## Performance.

Group Data					
Commitment	KPIs	2019/20	2020/21	2021/22	2022/23
Being a great place to work	Percentage of colleagues that recommend Tesco as a great place to work within the "Every Voice Matters" survey	79%	82%	80%	82%
Developing careers, skills and leadership capability	Percentage of colleagues who feel they have the opportunity to learn and develop at Tesco within the "Every Voice Matters" survey	73%	73%	73%	72%

## Looking ahead.

We are committed to being a great place to work, where colleagues are supported to be at their best, including through a competitive reward package. We continue to look for ways to support our colleagues financially and to prioritise colleague development in areas of multi-skills and of business growth, providing sustainable employment opportunities over the long-term.

### Commitments and targets

- Developing careers, future skills and leadership capability for colleagues across the Group.
- Helping young people to build employability skills and jumpstart their career over the next year through our partnership with the Prince's Trust which aims to reach 200,000 young people most in need of support.
- Pledged to create 300 work placements for young people in the UK through Movement to Work in 2023.

## Methodologies.

### How we measure our progress

To track our progress in supporting colleagues with employment and skills, we rely on the direct feedback we receive through our "Every Voice Matters" (EVM) colleague survey.

#### Percentage of colleagues that recommend Tesco as a great place to work within the EVM survey

As defined by percentage of colleagues that agree with the following statement "I would recommend Tesco as a great place to work".

Agreement is determined by the selection of "Agree" or "Strongly agree" in the EVM survey. The survey is distributed across all divisions and markets (Tesco subsidiaries, such as One Stop and dunnhumby are excluded).

#### Percentage of colleagues who feel they have the opportunity to learn and develop at Tesco within the EVM survey

As defined by percentage of colleagues that agree with the following statement "I've had the opportunity to learn and develop at Tesco over the last year".

Agreement is determined by the selection of "Agree" or "Strongly agree" in the EVM survey. The survey is distributed across all divisions and markets (Tesco subsidiaries, such as One Stop and dunnhumby are excluded).

Results for these KPI's are rounded, using standard calculation practices.

## Read more about our approach

### More information

[Our approach to job creation and skills](#)

[Helping young people get into work](#)

[Our approach to reward](#)

[How we work with trade unions](#)