

Tesco Underwriting Gender Pay Report 2021.

Celebrating diversity across
our business.





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We are all different, we bring different perspectives, and that’s what will help us build an inclusive and diverse culture.

Our vision is to create and build an inclusive workplace where everyone is welcome, where colleagues feel they can be themselves at work, to be their best self. In May 2021, Tesco Underwriting became wholly owned by Tesco Bank and this has provided more opportunities to support our drive to improve gender diversity across every level of our business.

Since we first reported our gender pay gap data in March 2018, we have made real progress in our journey to creating a more inclusive workplace that reflects the customers we serve.

The pay gap referenced in this report reflects the gender balance within Tesco Underwriting as of April 2021. It measures the difference between the average earnings of all male and female colleagues, irrespective of their role, length of service or seniority.

I’m pleased that in this reporting period, we have made some progress with both our median and mean gender pay gap having decreased this year, to 8.1% and 37.6% respectively. This compares favourably with both the financial services industry as a whole (32.2%), and the UK average (15.4%).* However, in common with the UK financial services sector, Tesco Underwriting continues to have a gender pay gap driven by the higher proportion of men we have in senior roles within the company.

We remain committed to improving our gender balance, particularly at the most senior levels of our business, and that’s why being a signatory of the Women in Finance (WiF) Charter is so important. As part of Tesco Bank, our biggest success story from 2021 is the progress we have made on creating a more diverse leadership group with gender balance improving across all levels from 2020 to 2021:

- **Board** from 18% to 42%
- **Executive Committee** level from 28% to 37%
- **Directors** from 15% to 21%

I am pleased by the improvements we have made in the last year, but we must continue to challenge and drive positive actions that will reduce our gender pay gap through a continued focus on three core areas: supporting and attracting talented women; equipping and empowering our leaders; and sustaining an inclusive culture.

Gary Duggan
Chief Executive, Tesco Underwriting

Our Gender Pay Gap.

This report shares our gender pay gap data for the 12 months to 5 April 2021 and is calculated using the pay data for 338 Tesco Underwriting colleagues.

What is the gender pay gap?

The gender pay gap measures the difference between men and women’s average pay within an organisation, regardless of their role or work level. Gender pay is different to equal pay, which compares the pay of men and women who perform the same role, or roles of equal value.

Our gender pay gap

The figures opposite show our gender pay gap as a percentage in both median and mean pay for the 12-month reporting period to 5 April 2021.

Our pay quartiles

The figures opposite show the gender balance within each of our pay quartiles for 2021. Within each of the quartiles there is an equal number of colleagues - ranging from Quartile 1 which includes the lowest paid colleagues to Quartile 4 which includes the highest paid colleagues.

Gender Pay Gap - Median

8.1%
2021

12.7%
2020

Gender Pay Gap - Mean

37.6%
2021

40.2%
2020

Proportion of men and women in each quartile pay band



Our Gender Bonus Gap.

We believe that every colleague should be recognised and rewarded for the success of our business.

The figures opposite show the percentage of men and women who received a bonus payment for the year ending 5 April 2021, as well as the percentage difference in bonus amount. Our mean bonus pay gap has improved slightly from 68.5% to 66.7%, and our median bonus pay gap has increased from 14.5% to 16.9%.

Our data shows that a slightly higher proportion of women compared with men received a bonus in 2021, at 92.9% and 85.7% respectively.

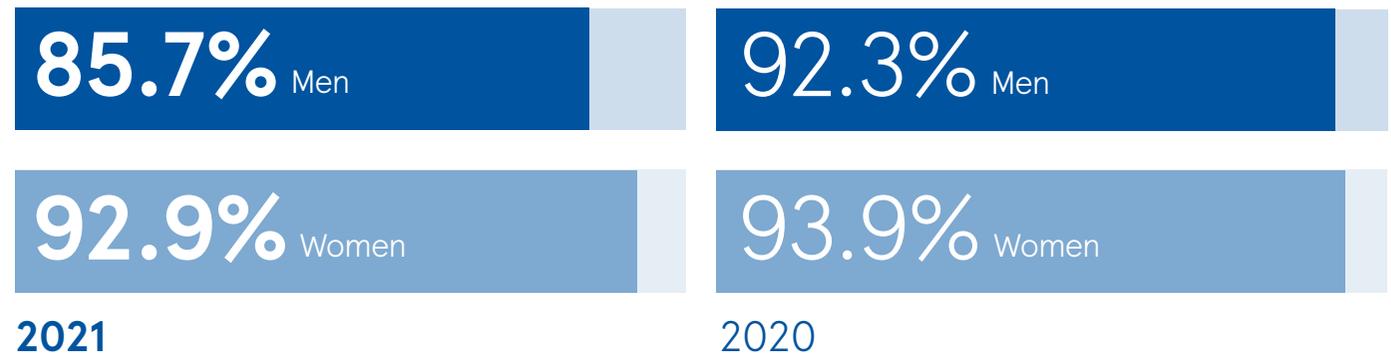
Gender Bonus Gap - Median



Gender Bonus Gap - Mean



Men and Women who received a bonus



Our Actions.

At Tesco Underwriting, we're committed to creating a truly inclusive workplace where everyone is welcome.

In May 2021, Tesco Underwriting became wholly owned by Tesco Bank and this has provided more opportunities to accelerate our progress in addressing our gender pay gap. We're continuing to focus our efforts across three core pillars: support and attract talented women, equip and empower our leaders, and sustain an inclusive culture.



Support and attract talented women

- **Supporting our senior women**

As part of their personal development plans, we continue to support our senior women in securing external appointments, mentoring opportunities and external networks including Women in Finance & Banking.

- **A new inclusive Talent Toolkit**

Tesco Underwriting colleagues have access to a new suite of resources and guidance focused on talent acquisition, identification of talent, talent development and retention. This toolkit will be used across the business to ensure a consistent and inclusive approach to talent.

- **Women in Finance Charter**

As part of Tesco Bank, under the HM Treasury Women in Finance Charter, we've committed to have one third female representation on Tesco Bank Board and Executive Committee, by the end of 2022, and Senior Management by the end of 2024. Debbie Walker has been appointed interim Chief Risk Officer and while we have met our Executive Committee target early, we realise we have more to do.

- **Recruitment policies**

Our ambition is to have 50/50 gender-balanced shortlists and we work with our recruitment partners to ensure we receive a more diverse range of candidates, from all backgrounds and abilities. We continue to advertise our vacancies on job boards that attract more women, including the Women in Banking and Finance website and Vercida.

Equip and empower our leaders

- **External partnerships**

Through Tesco Bank's partnership with Black Professional Scotland, we are helping embed race inclusivity which includes talented black women. joining learning sessions on how to improve black career outcomes and demonstrating how to drive positive change from within.

- **Inclusive leadership behaviours**

We have introduced the Tesco Bank inclusive leadership behaviours, helping our leaders to value the diverse talent in their teams and help us build a workplace where colleagues feel supported and comfortable to be themselves. In addition to this, our leadership populations have been participating in masterclasses focusing on the subjects of race, intersectionality and privilege.

- **Executive sponsorship for inclusion**

Dave Thompson, our Claims Director, continues to be the Executive sponsor for inclusion, supported by the Tesco Underwriting Executive team. We have brought our inclusion plans together with Tesco Bank, where Gerry Mallon, Chief Executive, sponsors the inclusion agenda, ensuring advocacy for the inclusion networks is overseen and conducted at the highest level of the business.

Sustaining an inclusive culture

- **Embracing more flexible ways of working**

As we embrace and support hybrid ways of working, and reposition our employer brand as part of Tesco Bank, there are opportunities to attract a more diverse workforce through flexibility of hours and location.

Our open approach to flexible working arrangements is now included in all our recruitment advertisements. We have also enhanced our flexible working policy so all colleagues can apply for flexible working from their first day.

- **Established colleague networks**

Tesco Underwriting colleagues have access to and are represented in Tesco Bank's five colleague networks including the Women at Tesco network. Together, we aim to educate and raise awareness of different backgrounds, share voices and stories, and celebrate key cultural dates, with both our colleagues and customers.

- **Diversity and inclusion training for all colleagues**

As part of our commitment to developing our colleague and line manager inclusion capability, all our line managers are encouraged to learn more through our dedicated training module, 'Being an Inclusive Manager'. Alongside this, new colleagues complete a Diversity and Inclusion training module online. All colleagues have access to Tesco Bank's suite of learning resources to build diversity and inclusion capability at all levels of our business.



Appendix.

Understanding how we calculate our gender pay and bonus gap

What is the gender pay gap?

The gender pay gap measures the difference between men and women's average pay within a business or organisation, regardless of their role or work level. This is different to equal pay, which compares the pay of men and women who perform the same role or roles of equal value.

There are two ways we must report and calculate our gender pay gap - as a median percentage and as a mean percentage.

Median:

The median is the figure that falls in the middle of a range when all hourly pay is stacked from lowest to highest. The median gender gap is the difference between the middle figure for all women's hourly pay and the middle figure for all men's hourly pay.

Mean:

The mean is the average figure when you consider the hourly pay for all men and all women. The mean gender pay gap is the difference between the average hourly pay for all women and the average hourly pay for all men.

Calculating our pay quartiles

The pay quartiles measure how many men and women are represented in each quarter of the business when all men and women's hourly pay is stacked from lowest in Quartile 1 to highest in Quartile 4. Each quartile shown contains an equal number of colleagues.

Calculating the gender bonus gap

The gender bonus gap measures the difference in total bonus payments between all women in a business and all men in a business. There are two ways we must report this, as a median percentage and a mean percentage. We also must report the proportion of men and women who received a bonus payment.

Proportion of colleagues to receive a bonus:

The proportion of women who received a bonus is shown as a percentage of all women in the business and the proportion of men who received a bonus is shown as a percentage of all men in the business.

Median:

The median is the figure that falls in the middle of a range when all bonus payments are stacked from lowest to highest. The median gender bonus gap is the difference between the middle figure for all women's bonus payments and the middle figure for all men's bonus payments.

Mean:

The mean is the average figure when you consider the bonus payments for all men and all women. The mean gender bonus gap is the difference between the average bonus payment for all women and the average bonus payment for all men.

It is important to note that colleagues who work part-time receive their bonus on a pro-rata basis, but we are required to report our gender bonus gap calculation without adjusting these to the full time equivalent payment.

[More information on these calculations can be found on the government website.](#)

