

Tesco Gender Pay Report 2018/19.

We're committed to creating a truly inclusive workplace where everyone's welcome.





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I am proud that everyone has the opportunity to develop and ‘get on’ at Tesco, whatever they want to achieve.

Everyone is welcome at Tesco. Our colleagues make our business and it’s important that we support them in reaching their potential. With nearly 250,000 colleagues in the UK, I am proud that everyone has the opportunity to develop and ‘get on’ at Tesco, whatever they want to achieve.

We have been monitoring our gender pay gap since 2002, and in 2017 were one of the first companies to voluntarily publish our data. Our third gender pay gap report shows that our median gender pay gap is 8.0%, which is below the UK national average of 17.3%.*

We know we still have work to do and remain committed to removing the gender pay gap within our business.

All our hourly paid colleagues, both male and female, are paid the same for the same role, and we can identify two clear drivers of our gender pay gap:

- We are proud to support colleagues with flexible working options. Personal career and lifestyle choices mean that **more male colleagues are working shifts at time that pay premiums**, including nights, Sundays and bank holidays.

- Additionally, a **higher proportion of men are in more senior roles**. As members of the 30% Club, we are committed to achieving a minimum of 30% of women in our senior roles, with 31% of our Board and Executive Committee currently female.

As a business we champion gender diversity at every level. Over the past year we have started to address some of our challenges, and are confident in the actions we are taking to help reduce our gender pay gap.

Inclusion at Tesco is about more than just diversity. It’s about treating everyone fairly, recognising the contributions we all make, and giving colleagues the confidence to be themselves at work.

Jason Tarry

Chief Executive, UK & ROI

Our gender pay figures for Tesco UK businesses.

The table opposite shows our gender pay figures for our Tesco UK Retail business which includes Tesco Stores Limited (TSL), One Stop Convenience Stores Limited, Tesco Family Dining Limited (TFDL), Oakwood Distribution Limited and Tesco Maintenance Limited.

It excludes Tesco Bank, Booker Group and dunnhumby Employment Company Limited who have reported their gender pay figures separately. Jack's is included as part of Tesco Stores Limited (TSL) data.

I confirm that our data has been collected according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Jason Tarry,
Chief Executive, UK and ROI

	Tesco UK Retail	TSL	One Stop	TFDL	Oakwood	Maintenance
Gender pay gap: median	8.0%	7.6%	4.1%	0.0%	4.2%	0.5%
Gender pay gap: mean	12.6%	12.2%	7.4%	3.6%	18.7%	-2.4%
Proportion of men/women in lower quartile pay band (M% / F%)	31.5% / 68.5%	32.5% / 67.5%	38.4% / 61.6%	20.1% / 79.9%	12.7% / 87.3%	97.2% / 2.8%
Proportion of men/ women in lower middle quartile pay band (M% / F%)	39.7% / 60.3%	40.0% / 60.0%	30.8% / 69.2%	20.1% / 79.9%	13.0% / 87.0%	96.6% / 3.4%
Proportion of men/ women in upper middle quartile pay band (M% / F%)	50.1% / 49.9%	50.3% / 49.7%	36.9% / 63.1%	21.9% / 78.1%	22.0% / 78.0%	97.4% / 2.6%
Proportion of men/ women in upper quartile pay band (M% / F%)	62.9% / 37.1%	62.6% / 37.4%	51.1% / 48.9%	29.1% / 70.9%	48.9% / 51.1%	96.6% / 3.4%
Proportion of men who received a bonus	74.7%	77.2%	7.1%	12.5%	84.5%	71.9%
Proportion of women who received a bonus	79.7%	84.1%	5.9%	9.0%	83.5%	66.0%
Bonus: median	25.4%	24.4%	-11.1%	12.7%	51.9%	-3.8%
Bonus: mean	48.1%	48.1%	64.5%	22.2%	70.9%	-30.2%

Our Gender Pay Gap.

This report shares our gender pay gap data for the 12 months to April 2019, calculated using the pay data for 249,216 Tesco UK 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

Our median has decreased 0.9% to 8.0% in 2019, the lowest figure since we started reporting and less than half the UK national average of 17.3%.

When we remove premium payments from the gender pay gap calculation, the median pay gap reduces significantly to 3.6%.

Our mean has a relatively small increase to 12.6%

Gender Pay Gap - Median

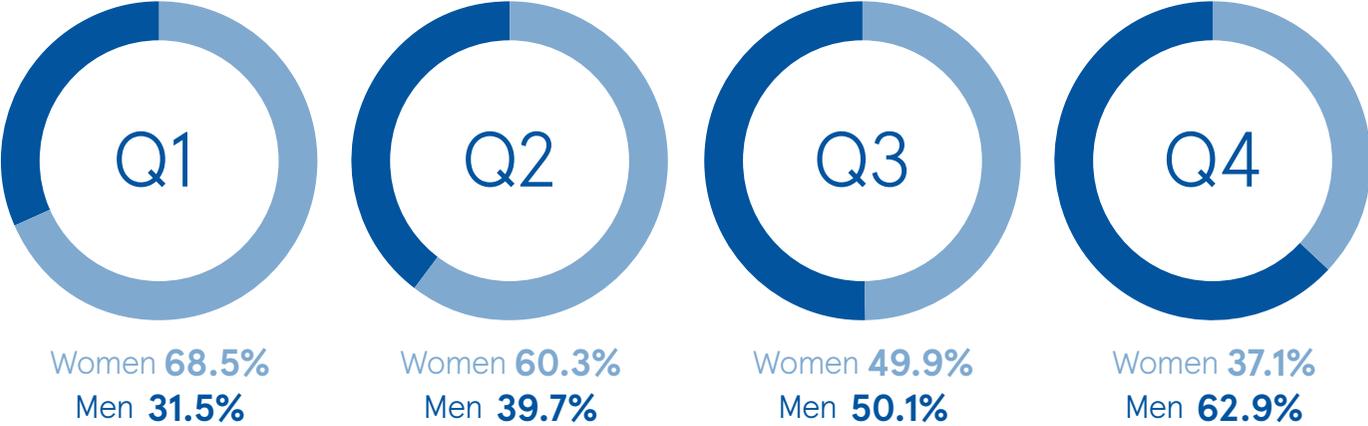


3.6% (without premium payments)

Gender Pay Gap - Mean



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.

In 2019, all eligible colleagues with three months continuous service received a bonus payment.

The figures opposite show the percentage of men and women who received a bonus payment for the year ending 5 April 2019, as well as the percentage difference in bonus amount.

Our data shows a higher proportion of women compared to men received a bonus in 2019 (79.7% and 74.7% respectively).

Our median bonus gap has decreased from 31.1% in 2018 to 25.4% in 2019, and our mean bonus gap also decreased from 49.1% in 2018 to 48.1% in 2019.

Regulations require us to calculate our gender bonus gap based on the actual hours worked, without taking into account pro-rating for part-time working. However, when we calculated our bonus pay gap using the full-time equivalent for part-time colleagues, our overall bonus gap was significantly lower at 2.0%.

Gender Bonus Gap - Median



Gender Bonus Gap - Mean



2.0% (adjusted according to FTE)

Men and Women who received a bonus



Our Actions.

Tesco is a place where people can get on, whoever they are and whatever they do – this will mean different things to different people, but we try hard to support colleagues in what they want to achieve.

We will continue to focus our efforts across our three core pillars – support and attract talented women, equip and empower our leaders, and sustaining an inclusive culture – to help us create a diverse, inclusive workplace where everyone is welcome.





Support and attract talented women

- **Women at Tesco network**

Championed by Chief People Officer, Natasha Adams, the network provides female colleagues with advice and inspiration to drive their careers forward and shares how they add value to our business.

- **The Times Top 50 Employers for Women**

We entered our submission in November 2019, with details of how we are working towards gender equality across our business. The top 50 employers will be announced in April 2020.

- **Own your Career programme**

A number of our colleagues are taking part in an Own your Career learning programme, giving them the tools they need to drive their career forwards. This year's intake is made up of a mix of colleagues from under-represented groups, with around 40% being female. Learning materials are also available online for all colleagues.

- **Recruitment practices**

As a business, we insist on gender balanced shortlists for senior roles and insist our recruitment agencies do the same - leading to 50% of new recruits this year being female. We record how we are doing against this at every stage of the recruitment process so that we can continue to improve. Through career stories on our website, we aim to encourage female representation across all roles in our business.

Equip and empower our leaders

- **Diversity and inclusion training**

To support their role in building an inclusive culture, all our business leaders, directors and managers have completed diversity and inclusion training modules, which are planned to launch to all colleagues from April 2020.

- **Executive sponsorship for diversity and inclusion**

Our Chief Customer Officer, Alessandra Bellini, continues to champion our diversity and inclusion strategy.

Sustaining an inclusive culture

- **Our UK colleague networks**

All five of our networks have a clear purpose, strong plans and Executive sponsorship to support colleagues.

- **Our commitment to the 30% Club**

We are part of the 30% Club and are committed to increasing gender diversity on boards and senior management teams. We are making strong progress towards our targets – 31% of our Board and Executive Committee are female and we’ve increased female representation at UK Senior Director level to 30%.

- **Bringing conscious inclusion to our policies, practices and recruitment**

We review our policies and practices against external best practice, to ensure a truly inclusive colleague experience. A number of our policies are already considered best practice, including our Family Leave policies which use gender neutral language throughout. We’re also refreshing our recruitment processes to ensure every candidate experience is consistent and non-biased, and have partnered with a smaller number of recruitment agencies who share our focus on creating an inclusive workplace.

- **Women in Finance Charter**

Under the HM Treasury, we’ve committed to have one third female representation on Tesco Bank Board and Executive Committee by the end of 2020, and Director level by the end of 2022.

- **Greater flexibility for colleagues**

In stores, we’ve introduced a new scheduling tool to support preferred working patterns, and are planning a new cross-skilling initiative to help allow colleagues to work a wider variety of shifts.

- **Showing our support for gender diversity and women in the workplace**

In October 2019 we became a founding signatory to the Eve Appeal’s EveryWoman pledge, supporting women in the workplace with health conditions like the menopause.

In partnership with Grocery Aid we are a founding member of the Diversity in Grocery initiative, focused on making the grocery industry more inclusive and sharing the importance of gender diversity.

We have signed up to ‘Tech She Can’, an initiative which aims to encourage women to consider careers in Technology. We regularly share stories of women in technology via LinkedIn recruitment.

- **Human rights across our supply chains**

Across the Group, we are looking at human rights throughout our supply chains, with a particular focus on women’s rights, empowerment and safety across the globe – a recent impartial survey scored us the highest amongst our competitors on a number of human rights and women’s rights measures.



Appendix.

Understanding how we calculate our gender pay and bonus gap

Calculating the gender pay gap

The gender pay gap measures the difference in total hourly pay 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 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.](#)



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