

# Tesco Bank Gender Pay Report 2021.

Celebrating diversity across  
our business.





“

**We are all different, we bring different perspectives, and that’s what will help us build a diverse and inclusive bank which is a great place for all colleagues to work.**

Our vision is to create a workplace where everyone is welcome, where colleagues feel they can be themselves at work, to be their best self. We are all different, we bring different perspectives, and that’s what will help us build a diverse and inclusive business which is a great place for all colleagues to work. Gender pay gap reporting plays a key role in this by supporting our drive to improve gender diversity across every level of our business.

We are now in the fifth year of publishing our Tesco Bank Gender Pay Gap Report, and I can confirm that the data included within this report is calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

In this reporting period, a one-off thank you payment was paid to colleagues which has had a positive impact on the median gender pay gap which has decreased to 12.4% in 2021 from 18.4% in 2020. This compares favourably with both the financial services industry as a whole (32.2%), and the UK average (15.4%).\*

We know from our analysis that our gender pay gap continues to be driven by the higher proportion of men we have in our most senior roles. That’s why being a signatory of the Women in Finance (WiF) Charter is so important in helping us improve our gender balance, particularly at the most senior levels of our business.

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 recognise that we need to work harder to remove the gender pay gap from our business.

We are committed to setting clear actions to help us improve through a continued focus on three core areas: supporting and attracting talented women; equipping and empowering our leaders; and sustaining an inclusive culture.

**Gerry Mallon**  
Chief Executive, Tesco Bank

# 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 3,554 Tesco Bank colleagues.

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

Both our median and mean gender pay gap have decreased this year, to 12.4% and 20.3% respectively. These are our lowest figures since Tesco Bank started reported in 2017.

Through our analysis, we know that our gender pay gap is driven primarily by a higher proportion of men in senior roles, as shown in our quartile pay bands opposite.

## Gender Pay Gap - Median

**12.4%**  
2021

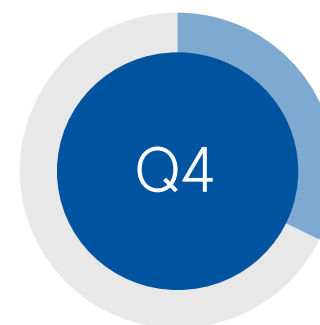
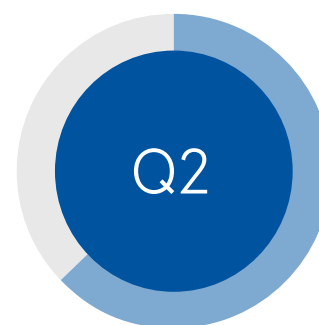
**18.4%**  
2020

## Gender Pay Gap - Mean

**20.3%**  
2021

**27.8%**  
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.

This is related to one-off Covid related payments such as the Christmas Gift Card.

Both the median and mean bonus gaps have decreased this year, to 17.4% and 50.2% respectively. This is primarily driven by a higher proportion of men in more senior roles, which typically have a higher bonus opportunity.

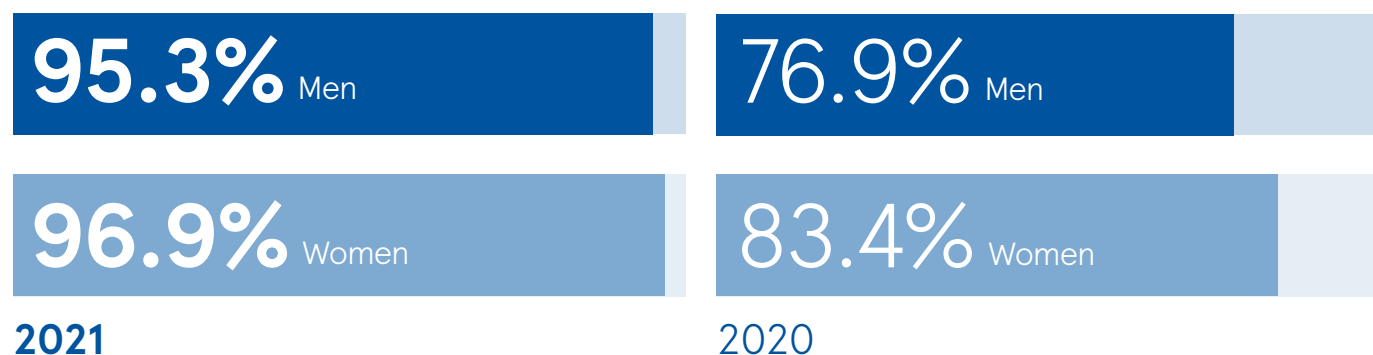
## Gender Bonus Gap - Median



## Gender Bonus Gap - Mean



## Men and Women who received a bonus



# Our Actions.

## Positive changes to build a more inclusive culture.

To help us close our gender pay gap and build a more inclusive business for everyone, we are taking tangible, sustainable actions to improve our culture and ensure everyone feels welcome. We know that this will take time, and we're continuing to focus our efforts across three core areas: 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**

In the past year, we have created a 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.

- **Talent reviews**

Talent and succession discussions continue to take place formally throughout the year, with the Executive Committee spending half a day per quarter reviewing the insights from the data to drive the talent and succession agenda forward. With all senior appointments, we seek not only capability for the role, but potential to strengthen succession and improve the diversity of talent pipelines.

- **Women in Finance Charter**

Under HM Treasury Women in Finance Charter, in the last year, we have achieved our target for having one third female representation on our Executive Committee by the end of 2022. Debbie Walker was appointed interim Chief Risk Officer, and our work continues to reach the targets for Board and Senior Management levels.

- **Recruitment policies**

Over the past year, we have continued to implement positive changes to our hiring practices, working with our recruitment partners towards our ambition of having 50/50 gender-balanced shortlists. Our vacancies are advertised on job boards that attract more women, including the Women in Banking and Finance website and Vercida.

## Equip and empower our leaders

- **External partnerships**

We've partnered with Black Professional Scotland to help us to embed race inclusivity, which includes talented black women to our organisation. Through this partnership we have delivered a session on how to improve black career outcomes white senior leaders to demonstrate how to drive positive change from within.

- **An extended leadership team**

Our Extended Leadership Team continues to provide women with the opportunity to raise their profile across their peers, directors and the Executive Committee. All senior women members of the Extended Leadership Team have participated in a 360-feedback process that has provided insights into how well they role model the behaviours required to realise our desired culture.

- **Inclusive leadership behaviours**

It's important that our organisation is led by inclusive leaders, who value diverse talent in their teams. Last year, we introduced new inclusive leadership behaviours that all our leaders are expected to display. In addition to this, our leadership populations attended regular masterclasses covering topics including race, intersectionality and privilege.



- **Executive sponsorship for inclusion**

Executive level sponsorship remains critical to nurturing an inclusive culture at Tesco Bank. Gerry Mallon, Chief Executive, is the Executive Sponsor for Inclusion at Tesco Bank and is also the accountable Executive for the Bank's Women in Finance Charter commitments.



## Sustaining an inclusive culture

- **Understanding the diversity of our colleagues**

In 2021, we launched a new campaign with colleagues, asking them to voluntarily disclose their personal diversity information, including gender. This data will help us to identify areas of improvement; enable us to make more inclusive decisions; and allow us to participate in legislative and voluntary reporting.

- **Embracing more flexible ways of working**

COVID-19 has meant that many of our colleagues have had to adapt their ways of working, and 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**

Helping us drive our strategy are our five colleague networks, made up of colleagues who share our ambition of an inclusive workplace. 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.

- **Women at Tesco**

Membership of the Women at Tesco colleague network continues to grow, providing a place where our female colleagues feel confident and empowered to share their views, and articulate how they add value to the business.

Throughout the year, they worked hard to raise awareness of important events or issues that matter to all our colleagues.

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

As part of our commitment to developing our colleague and line manager inclusion capability, we have a wide range of training, courses and self-led resources to help educate colleagues and give them the tools to drive change. All our line managers are encouraged to learn more through our dedicated training module, 'Being an Inclusive Manager', and new colleagues are asked to complete a Diversity and Inclusion training module online.



# 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.](#)



