

Diversity & Inclusion - Gender and Ethnicity.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPIs
Continue to build an inclusive culture with a sense of belonging and where everyone has the opportunity to get on.	Percentage of top global leaders that are female.
Continue to build an inclusive culture with a sense of belonging and where everyone has the opportunity to get on.	Percentage of top global leaders that are ethnically diverse.

Definitions

Gender

We have used the legal gender of the colleague which is stored in our payroll systems for tax purposes. For the purpose of this KPI, gender may only be male or female.

Ethnicity

Ethnicity is considered to be a combination of factors, including country of birth, nationality, language, skin colour and religion. For the purpose of this report – colleagues will self-identify as any of the following options:

A) White	B) Mixed/ Multiple Ethnic Group	C) Asian/ Asian British/ Asian Irish
<ul style="list-style-type: none">English/ Welsh/ Scottish / Northern Irish / BritishIrishMember of the Traveller CommunityOther White	<ul style="list-style-type: none">White and Black CaribbeanWhite and Black AfricanWhite and AsianOther Mixed	<ul style="list-style-type: none">IndianPakistaniBangladeshiChineseOther Asian
D) Black/ African/ Caribbean/ Black British/ Black Irish	E) Other Ethnic Group	F) Prefer Not to Say / Don't Identify
<ul style="list-style-type: none">AfricanCaribbeanBlack BritishBlack IrishOther Black	<ul style="list-style-type: none">ArabOther Ethnic Group	<ul style="list-style-type: none">Prefer Not to SayDon't IdentifyOther

If someone identifies as one of the groups in B-E above (or one that can be included within one of the groups above) they will be classed as ethnically diverse.

Top Global Leaders

We are including all of our WL4, WL5 and WL6 colleagues (Directors, Business Leaders and Executive Directors) and describing them collectively as 'top global leaders' (WL: Work Level).

Why are we reporting this?

- We're committed to ensuring everyone is welcome at Tesco, improving the gender and ethnicity of our leaders to better reflect our employee base and the communities we serve will help us achieve our diversity and inclusion ambition of "Building an inclusive workplace that reflects the communities we serve".
- We believe that the presence of diversity in an organisation, coupled with an inclusive environment, can foster innovation, drive better problem-solving capabilities and lead to stronger financial performance.
- Improving gender and ethnicity across our leadership will help to attract, develop, and retain talent. Research shows that having both diverse representation and diversity in role models to be an important factor in a candidate's choice of organisation.
- It supports external submissions such as: Hampton Alexander (33% females for Exec and direct reports by 2021), Parker Review (diversifying boards), Dow Jones Sustainability Index (DJSI) and Workforce Disclosure Initiative.
- It supports external commitments we have signed around setting targets: Race at Work Charter, If not now, when? Campaign, Stonewall Equality Index and Times Top 50 for Women.

Timeframe

Data is recorded as at the last Friday of the financial year to ensure consistency, is reflective of a single point in time and cannot be retrospectively retrieved. The date this data was retrieved is:

- On 25 February 2022 for 2021/22.
- On 24 February 2023 for 2022/23.

Scope

The scope of this data covers the following areas:

Markets	Country
UK&ROI	UK (Including Booker, One Stop, Tesco Bank, Tesco Mobile and dunnhumby) ROI India (TBS) Tesco Pensions Investments
Central Europe	Czech Republic Hungary Slovakia
International Sourcing	Hong Kong, China, Sri Lanka, India.

Scope exclusions:

- We will treat each KPI individually and report on the number of colleagues whose data is available. For example, if we have gender data for 287 colleagues, then we will take the number of females as a percentage of 287.
- If we have a different number of colleagues who respond to gender in comparison to ethnicity, then we will accept different denominators for each.
- This approach also recognises that our denominator could change throughout the timeframe e.g., if we reduce/increase the number of roles.

Data sources and process

Gender data:

The People Data Team export this data as legal gender from Work & Pay and our legacy payroll systems where Work & Pay is not implemented. The master tracker held by the People Data Team is then updated with this information.

Where the People Data team do not have direct access to the market data source, they will email the appropriate contact in the market and request the data is securely shared directly with the People Data team. This will then be updated in the master tracker.

Ethnicity data:

We used our voluntary, internal 'This Is Me' diversity survey, for those parts of the business which have access to the survey, as the data source. The survey is hosted on an external platform by IK&B. The People Data Team take a complete download of the data available from This Is Me and use the employee number as the unique identifier to match colleague responses to colleagues in the master tracker. Our 'This Is Me' survey is always on and colleagues are able to make changes to their responses at any given time. We do not ask colleagues to submit a refreshed response to the survey on an annual basis.

Colleagues who do not have access to the 'This Is Me' survey are asked to provide their responses via email to the relevant People Team colleague, who in turn share the employee number and ethnicity data with the People Data Team. The People Data Team update the data in the master tracker for the relevant colleagues.

Data calculation:

For each KPI the number of colleagues who have identified themselves as female or ethnically diverse will be divided by the total number of colleagues who have responded for each. We exclude Prefer Not to say and those who have chosen not to answer from the denominator. This will result in a percentage. We will round the result to the nearest whole percentage number (34.4% = 34%; 34.6% = 35%).

Visibility of data

Access to gender and ethnicity data is strictly limited to the People Data team.

Data requests go through the People Data Team who follow the data privacy guidelines in place for the 'This is Me' diversity survey. Reports are only produced at an aggregated level.

Baseline

Baseline as of 25th February 2022 for top global leaders:

- Female representation 26%.
- Ethnically diverse representation 11%.

Data gaps

In 2021/22, we had 23 top global leaders who did not disclose their ethnicity and they were excluded from the ethnicity baseline. In 2022/23 15 did not disclose their ethnicity; even without those submissions we have coverage on 94% of our top global leader population (92% in 2021/22).

These can be included in future if they choose to disclose (as per above).

Data format

Excel, confirmation emails and data extracts from people systems (e.g., Work and Pay).

Assurance

Deloitte LLP was engaged to provide independent limited assurance over selected diversity and inclusion data highlighted with ♦ in our yearend publications using the assurance standard ISAE (UK) 3000 and 3410. Deloitte's full assurance statement is available at: [Reporting hub \(tescoplc.com\)](https://www.tesco.com/reporting-hub)