



Everyone's Welcome



Pay gap report 2025

Foreword



For the fifth consecutive year we've been included in The Times Top 50 Employers for Gender Equality

Won the Inclusive Recruitment Award at the TIARA Awards Europe for our Early Careers 2024/25 recruitment campaign for Stronger Starts

Recognised by the wider industry:

- Stonewall Equality Index's Top 50 Employers
- Disability Confident Level 3 employer (Tesco Stores Ltd (Inc Tesco Mobile) & One Stop Ltd)
- Investing in Ethnicity exemplary employer

At Tesco, we celebrate the diverse backgrounds and identities of all our colleagues. Through our Everyone's Welcome strategy we are doing everything we can to ensure Tesco truly represents the communities we serve, while creating an environment where our colleagues can always be themselves.

Our 2025 Everyone's Welcome Report provides an update on our progress to make Tesco a more inclusive and supportive workplace for our colleagues.

In recognition of the hard work of our colleagues and their critical role in our success, we have continued to make significant investments in pay and the wider benefits package.

Meanwhile, our gender pay gap is continuing to decline and stands at 4.7% by median earnings, which is a decrease of 0.4%, and 7.8% by mean earnings, a decrease of 1.3%.

For the third time, we are reporting our ethnicity pay gap for Tesco Stores Limited. In 2025, our ethnicity pay gap was -5% by median earnings and -3.6% by mean earnings.

Over the past year we've made good progress on improving gender representation at the most senior levels of our business.

We have expanded our Stronger Starts retail apprenticeship, offering opportunities to over 450 apprentices across Tesco Stores Ltd and One Stop Ltd, and supported over 215,000 young people from disadvantaged backgrounds over the last four years, in partnership with the King's Trust and our other youth partners.

Our new contract types in our distribution centres have supported parents and carers with flexible shifts, leading to the doubling of the number of colleagues choosing to work part-time, with near equal uptake from both men and women.

We have also provided new practical guidance in our digital Flexible Working Zone, making it easier for colleagues and managers to find the flexible working options available to them.

On top of more flexible working arrangements, we've continued to support our vibrant colleague networks who play a vital role in championing people from all parts of the business.

Over the past year, these networks have continued to grow and helped us hold ourselves to account. Our LGBTQ+ Network has worked with colleagues to improve our Employee Assistance Programme, and our Armed Forces Network has helped align Tesco with the commitments of the Armed Forces Covenant.

We are proud of our achievements this year and in everything we've done to live up to our values. In the next year we are going to build on that momentum, working with all our colleagues to make sure Tesco is a place where they know they can be themselves, are valued, and see themselves represented at every level.

Ashwin Prasad
UK Chief Executive Officer, Tesco

We confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap information) Regulations 2017.

Our gender pay gap

In March 2025, we announced a two-stage increase in colleague pay, representing a £180m investment which builds on the significant investment in colleague pay and benefits in recent years.

The gender pay gap information within this report has been calculated using a snapshot of pay data on 5 April 2025, comprising 257,588 Tesco UK retail colleagues.

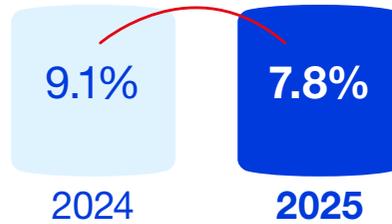
We have been making consistent progress to reduce the gender pay gap and this year both our mean and median gender pay gap decreased - with a 1.3% decrease on the mean and a 0.4% decrease in the median since 2024.

This has been driven firstly by an increase of 13% over the last two years in the core hourly rate for colleagues in stores and our customer fulfilment centres, where there is a larger proportion of female colleagues.

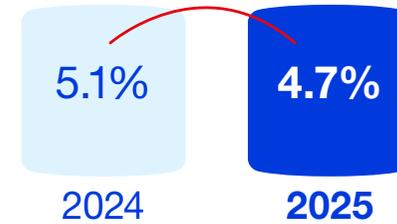
Secondly, the reduction in Sunday premium payments from 17% to 10% has also contributed to a reduction in the pay gap, as a larger proportion of male colleagues work those premium shifts.

We recognise that some colleagues identify as non-binary or transgender and we always do everything we can to foster an environment where all colleagues feel they can be themselves. This report aligns and complies with regulations which require us to report our data as male and female.

Gender pay gap - Mean



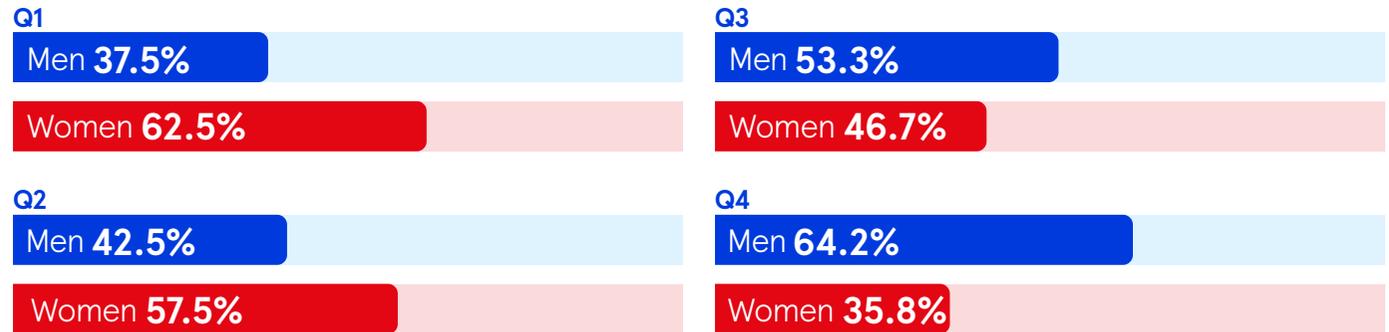
Gender pay gap - Median



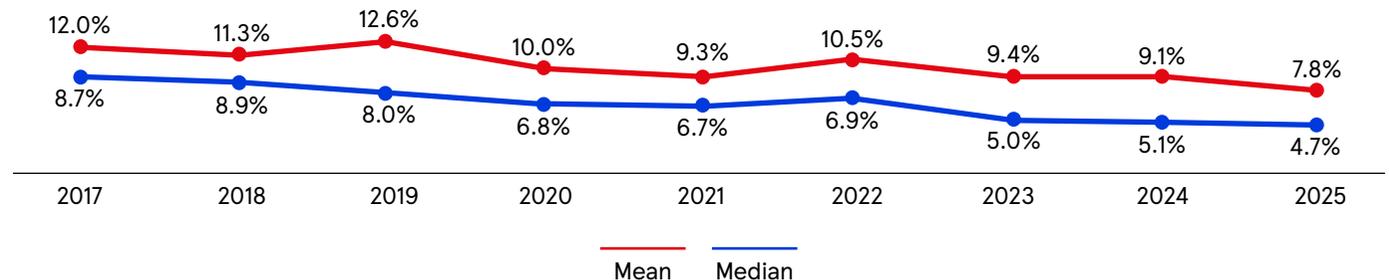
6.2% (without premium payments)

2.4% (without premium payments)

Proportion of men and women in each quartile pay band



Our pay gap since 2017



Our gender bonus gap

Our Annual Bonus Plan rewards colleagues based on their performance and the company’s financial, operational, and strategic goals. These targets are stretching but achievable and designed to motivate colleagues to work together as one team, to deliver on our strategy.

We are required to report on our gender bonus gap based on actual bonuses paid, without considering pro-rating for part-time working. When calculating this using the full-time equivalent for part-time colleagues, our overall median bonus gap was significantly lower at 6.7% and the mean bonus reduced to 46.7%

Across Tesco UK Retail, the bonus gap figures reflect bonuses paid in the year to April 2025. There tends to be less year-to-year consistency in the bonus figures due to varying performance outcomes.

In this reporting period, we made a 1.5% ‘Thank You’ payment to all hourly paid colleagues working across our stores, distribution and our CECs.

Therefore, to make a more appropriate comparison, the bonus gap is being compared to 2023, when a thank you payment was last awarded to hourly-paid colleagues.

In this context, the mean gap decreased by 4.4%, and the median gap reduced by 2.3%.

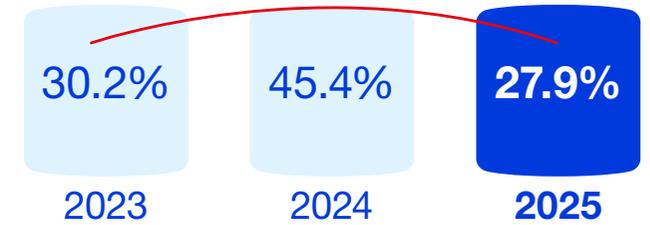
The mean bonus gap is a result of there being a higher proportion of male colleagues in the upper quartiles who receive a larger bonus. Female colleagues are also more likely to work part time, and this increases the bonus gap as this figure is calculated on the bonus received.

Gender bonus gap – Mean



46.7% (adjusted according to FTE)

Gender bonus gap – Median



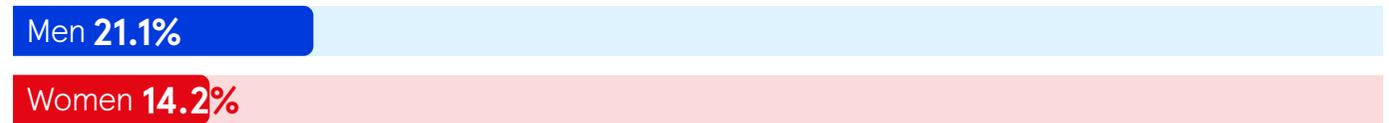
6.7% (adjusted according to FTE)

Men and women who received a bonus

2025



2024



2023



More female than male colleagues received the Thank You payment to hourly paid colleagues. This reduced the mean bonus received by colleagues overall, and reduced the mean bonus received by female colleagues to a larger degree. This accounts for the increase to the bonus gap compared to 2024.

Our gender pay gap for Tesco UK businesses

Our gender pay data has been collected according to the requirements of the Equality Act 2010 (Gender Pay Gap information) Regulations 2017.

The table shows our latest gender pay figures for our Tesco UK businesses referred to as Tesco UK Retail, which include Tesco Stores Limited (TSL), One Stop Ltd, Tesco Family Dining Limited (TFDL) and Oakwood Distribution Limited.

It excludes Tesco Personal Finance Ltd, Tesco Underwriting Ltd, Booker Ltd and dunnhumby Employment Company Limited, which have reported their gender pay gap figures separately.



	Tesco UK Retail	TSL	One Stop	TFDL
Gender pay gap: median	4.7%	4.8%	3.9%	0.9%
Gender pay gap: mean	7.8%	7.7%	6.6%	1.0%
Proportion of men/women in lower quartile pay band (M% / F%)	37.5%/62.5%	38.1%/61.9%	32.6%/67.4%	20.3%/79.7%
Proportion of men/ women in lower middle quartile pay band (M% / F%)	42.5%/57.5%	43.0%/57.0%	36.2%/63.8%	23.5%/76.5%
Proportion of men/ women in upper middle quartile pay band (M% / F%)	53.3%/46.7%	54.2%/45.8%	39.8%/60.2%	24.3%/75.7%
Proportion of men/ women in upper quartile pay band (M% / F%)	64.2%/35.8%	64.6%/35.4%	52.4%/47.6%	28.4%/71.6%
Gender bonus gap: median	27.9%	28.1%	17.9%	5.3%
Gender bonus gap: mean	53.9%	53.6%	52.6%	-8.0%
Proportion of men who received a bonus	77.9%	78.6%	71.1%	13.7%
Proportion of women who received a bonus	83.9%	85.6%	78.2%	10.5%

Our ethnicity pay gap

This is the third year we are publishing our ethnicity pay gap and this data helps us hold ourselves accountable on our efforts to make Tesco a more inclusive place to work.

To produce these figures, we have used our gender pay gap data set and considered ethnicity information shared by colleagues as part of our voluntary 'This is Me' questionnaire.

The ethnicity pay gap information has been calculated using a snapshot of pay data on 5 April 2025, comprising 165,420 Tesco Stores Limited colleagues, and relates to the 67.2% of TSL colleagues who provided ethnicity information.

Overall, there has been little movement in the pay gap compared to last year. The mean pay gap is -3.6%, a decrease of 0.2%, and the median is unchanged, at -5%.

Comparing the bonus gap to 2023, when 'Thank You' payments were last made to all hourly paid colleagues working across stores, the mean bonus gap has reduced by 8.9% and the median has reduced by 2.9%.

Our Race & Ethnicity at Tesco network aims to make a difference by raising awareness of diversity, culture and inclusion within Tesco, helping us to serve customers from all backgrounds and communities a little better every day, and ensure Tesco is recognised as a great place to work.

Ethnicity pay gap - Mean



Ethnicity pay gap - Median



Ethnicity bonus gap - Mean



Ethnicity bonus gap - Median



Appendix

Understanding how we calculate our gender and ethnicity 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.

What is 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.

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.

Calculating the median and mean

We must report both our gender pay gap and gender bonus gap as a median percentage and as a mean percentage. We also must report the proportion of men and women who received a bonus payment. To calculate the median, we look at the figure that falls in the middle of a range when all hourly pay or bonus payments are stacked from lowest to highest.

The median is the difference between the middle figure for all women's hourly pay or bonus payments, and the middle figure for all men's hourly pay or bonus payments. The mean is the average figure when you consider the hourly pay or

bonus payments for all men and all women. The mean gender pay gap is the difference between the average hourly pay or bonus payments for all women and the average hourly pay or bonus payments 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 our ethnicity pay and bonus gap

The methodology for calculating our ethnicity pay and bonus gap mirrors the approach set out in the guidance for gender pay gap reporting. However, rather than reporting on the difference between men and women, the ethnicity pay gap and bonus gap measures the difference between ethnic groups' average earnings across the business or organisation, regardless of their role or work level.



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