

Tesco Bank Gender Pay Report 2018/19.

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





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We’re committed to creating an inclusive workplace that reflects the customers we serve.”

Everyone is welcome at Tesco Bank and I’m extremely proud to be part of a business where colleagues can be themselves. It’s the individual characteristics that each of us bring to work which help generate the diversity of thought that drives our business forward.

It’s important that everyone has the opportunity to get on at Tesco Bank, no matter what stage of their life or career with us. However, we know that there’s more to do.

As part of Tesco, we were one of the first companies to voluntarily publish our data in 2017. This is now the third year of publishing our Tesco Bank Gender Pay 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.

Our data this year shows that our median gender pay gap has reduced slightly to 17.6%, which is just above the UK national average of 17.3%*. Through our analysis, we know that the main driver of our gender pay gap is that we have a higher proportion of men in more senior roles.

As signatories of the Treasury’s Women in Finance Charter, in 2017, we set three targets to ensure that at least:

- One third of **our Board** will be women by the end of 2020
- One third of **Executive Committee members** will be women by the end of 2020
- One third of **our Directors** will be women by the end of 2022

We are committed to improving the gender balance at the most senior levels of our business and I’m pleased that we’ve made positive progress towards all three of these targets in the last 12 months. However, we recognise that this is only the beginning of our journey.

We’re continuing to focus our efforts across three core areas; supporting and attracting talented women; equipping and empowering our leaders; and sustaining an inclusive culture.

We’re clear on the improvements that we need to make, and we remain committed to reducing our gender pay gap and creating an inclusive workplace that reflects the customers that we serve.

Gerry Mallon
 Chief Executive, Tesco Bank

Our Gender Pay Gap.

This report shares our gender pay gap data for the 12 months to April 2019 and is calculated using the pay data for 3,164 Tesco Bank 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 2018 and 2019.

Both our median and mean gender pay gap have reduced slightly in 2019 to 17.6% and 26.8% respectively. Through our analysis, we know that our gender pay gap is driven primarily by a higher proportion of men in more senior roles.

Our Pay Quartiles

The figures opposite show the gender balance within each of our pay quartiles for 2019. 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.

Our analysis of the pay quartiles shows that we have fewer women in Quartile 4 where there is a higher proportion of men in more senior roles.

Gender Pay Gap – Median

17.6%
2019

18.1%
2018

Gender Pay Gap – Mean

26.8%
2019

28.6%
2018

Proportion of men and women in each quartile pay band



Women **55.4%**
Men **44.6%**



Women **59.7%**
Men **40.3%**



Women **54.1%**
Men **45.9%**



Women **34.7%**
Men **65.3%**

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 2019, as well as the percentage difference in bonus amount.

Our data shows that a slightly higher proportion of women compared with men received a bonus in 2019 at 86.8% and 84.4% respectively.

Both our median and mean gender bonus gap have increased in 2019 to 30.1% and 58.7% respectively and our analysis shows that this is primarily driven by a higher proportion of men in more senior roles which typically have a higher bonus opportunity.

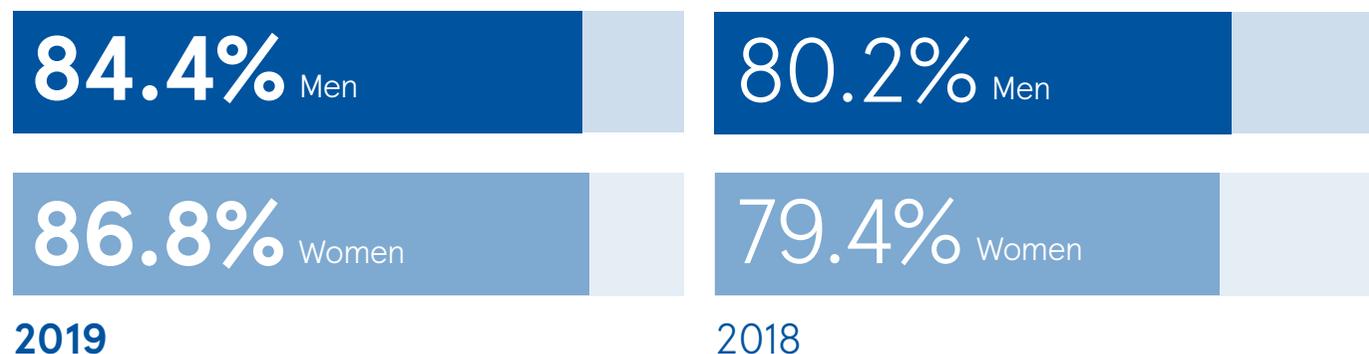
Gender Bonus Gap - Median



Gender Bonus Gap - Mean



Men and Women who received a bonus



Our Actions.

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

Through our analysis, we know that the main driver of our gender pay gap is that we have a higher proportion of men in more senior roles.

We know that it will take time to reduce our gender pay gap, and we're continuing to focus our efforts across our three core pillars – support and attract talented women, equip and empower our leaders and sustaining an inclusive culture.





Support and attract talented women

- **Women's Development Community**

Over the last year, 30 senior women in our business have participated in a comprehensive development programme that aims to enable participants to develop the skills, knowledge and experience needed to make the right career choices for them and reach their full potential. The programme focused on key areas that help women to develop their careers, and it's underpinned by active, bespoke development plans.

- **Recruitment practices**

We work closely with our recruitment agencies to ensure they share our focus on creating a truly inclusive workplace, and we insist that we receive gender balanced shortlists for all of our senior roles.

- **Supporting our senior women**

Over the past year, we have supported some of our senior women in securing external appointments as Non-Executive Directors which has been part of their ongoing personal and professional development plans.

- **Women in Banking and Finance**

We are now advertising our vacancies on job boards that attract more women, including the job opportunities page on the Women in Banking and Finance website.

- **Women's Leaders Programme**

As part of our desire to encourage external networking, we are currently supporting a few of our senior women through the Women's Leaders Programme at Edinburgh University.

Equip and empower our leaders

- **Our Extended Leadership Team**

Earlier this year, we established a new 'Extended Leadership Team' with a range of talented colleagues from across the business and a more equal gender balance. This group of colleagues are playing a crucial role in transforming our business, leading their teams and shaping the future culture of Tesco Bank.

- **Our new leadership programme**

We are currently designing a new leadership programme which will be available for all of our line managers and senior leadership teams and will be underpinned by inclusive and authentic leadership principles.

- **Inclusive leadership**

Inclusion is championed by the most senior leaders in our business. This year, each member of our Executive Committee has undergone individual assessments specifically focused on the behaviours of inclusive leadership and their feedback has been incorporated into personal development plans.

- **Executive sponsorship for inclusion**

Sandy Begbie, Chief Transformation Officer, is our Executive Sponsor for Inclusion at Tesco Bank and is a passionate advocate for our five colleague networks. Sandy holds a CBE for service to business and social inclusion and leads colleagues across all levels of our business to progress our inclusion agenda.

Sustaining an inclusive culture

- **Inclusive development**

As part of our inclusive approach to development, colleagues can now access online versions of the learning materials from the Women's Development Community following the success of this programme earlier in the year.

- **Established colleague networks**

Our five colleague networks, including our Women at Tesco Network, are now well established with a clear purpose and strong membership across the business.

- **Inclusion training**

We have created online inclusion training modules that are available for all colleagues and support them in continuing to create an inclusive culture across our business.



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](#).

