



Diversity & Inclusion – Gender and Ethnicity

This methodology document covers the following commitment areas and KPIs:

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
	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. Currently legal 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 our reporting colleagues will self-identify as either:

- A. White
- B. Mixed / Multiple ethnic groups
- C. Asian
- D. Black
- E. Other ethnic group

If someone identifies as one of the groups in B-E above (or a disclosed group that can be included within one of the groups above) they will be classed as ethnically diverse. The full classification is:

Ethnicity	Options (all regions)	
What is your ethnic origin?	White: - English/Welsh/Scottish/Northern Irish/British - Irish - Member of the Traveller community - Other White	Black/African/Caribbean/Black British/Black Irish: - African - Caribbean - Black British - Black Irish - Other Black
	Mixed/multiple ethnic group: - White and Black Caribbean - White and Black African - White and Asian - Other Mixed	Other ethnic group: - Arab - Any other ethnic group
	Asian / Asian British / Asian Irish: - Indian - Pakistani - Bangladeshi - Chinese - Other Asian	Prefer not to say / Don't identify: - Prefer not to say - Don't identify/Other_____

Top Global Leaders

We include all of our WL4, WL5 and WL6 colleague population (Directors, business leaders and Executive Directors) and describe them collectively as our 'top global leaders'.

TIMEFRAME

Data is recorded at the year-end and is reflective of a single point in time and cannot be retrospectively retrieved. The data for 2021/22 performance was retrieved on 25 February 2022.

SCOPE

The scope of this data covers the following areas:

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

Scope exclusions:

- We will treat each KPI individually and report on the number of colleagues who respond to the request. For example, if 287 colleagues respond to our request for gender information, 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 enables colleagues who have not responded by 25th February 2022 to add their data and not unfairly impact the data for the year 3 target result.
- In 2022, we had 23 colleagues who did not disclose their ethnicity and were excluded from the ethnicity baseline.
- This recognises that our denominator could change throughout the reporting timeframe e.g. if we reduce/increase the number of roles.

DATA SOURCES AND PROCESS

Gender data:

In order to obtain this data, the People Data Team raise a data request via our colleague data request process. This is serviced by engineering teams which operate our legacy payroll systems and our new payroll system, 'Work & Pay', which is being rolled out across parts of Tesco Stores Ltd.

Once the People Data Team have received the data from our engineering teams, it is updated in the master tracker for the relevant colleagues (WL4,5,6) provided by the Talent Team.

Ethnicity data:

We used our voluntary, internal 'This Is Me' diversity survey as the principle data source. The survey is hosted on an external platform by Conconfirm. The People Data Team took a complete download of the data available from Conconfirm and used the employee number as the unique identifier to match colleague responses to colleagues in the master tracker. The master tracker was provided by the Talent Team (it contains colleague data, including employee number and work level).

Colleagues which did not have access to the 'This Is Me' survey were asked to provide their responses via email to the relevant People Leadership Team member, who in turn shared the employee number and ethnicity data with the People Data Team. The People Data Team updated the data in the master tracker for the relevant colleagues. The master tracker is provided by the Talent Team.

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. This will result in a percentage. We will round up or down (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.

DATA FORMAT

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

Data estimations:

- Baseline performance as of 25th February 2022 for top global leaders:
 - Female representation: 26%
 - Ethnically diverse representation: 11%

Data gaps:

- The 23 leaders which we don't have ethnicity data for will be excluded from the data set, but can be included in future if they choose to disclose (as per above).

ASSURANCE

Deloitte LLP was engaged to provide independent limited assurance over both the gender and ethnicity KPIs using the assurance standard ISAE 3000. Deloitte's full assurance statement is available at: www.tescopl.com/sustainability/reporting-hub