

Job creation, skills and reward.

Why It Matters.

Long and lasting employment opportunities and skill development is vital to long-term socio-economic sustainability and growth. As one of the UK’s largest employers we are committed to helping develop the next generation of talent and equipping our colleagues with the skills they need to thrive. At the heart of our business, colleagues enable us to deliver for our customers and our commitment to them has never been stronger.

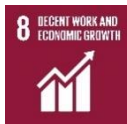
Relevant Sustainable Development Goals (SDGs).



SDG 1 No Poverty aims to end all forms of poverty. Our reward principles focus on being simple, fair, competitive and sustainable and all Tesco colleagues are paid above the minimum wage. At the same time, we are committed to ensuring young people, especially those in long term unemployment, are given access to work experience and skills training, helping to alleviate the potential of falling into poverty.



SDG 4 Quality Education aims to ensure inclusive and equitable, quality education and lifelong learning opportunities for all. Our training and skill development programmes ensure all colleagues have the opportunity to get on and we are committed to providing opportunities to help young people develop their employability skills.



SDG 8 Decent Work and Economic Growth promotes inclusive and sustainable economic growth, employment and decent work for all. We make a valuable contribution to the communities in which we operate, providing decent jobs directly and by supporting employment through our supply chain.



SDG 17 Partnership for the Goals recognises the importance of collaboration. We have developed our training and skills opportunities and offer a competitive and fair reward package based on essential inputs from colleagues, our partnership with USDAW union and our ongoing collaboration with experts.

Highlights.

Committed to help 45,000 young people over the next year build employability skills and jumpstart their career.

Made the largest single-year investment, of £200m, to hourly store and customer fulfillment centre colleagues, in at least a decade.

Since 2020, we have offered six-month work placements to over 1,000 young people in areas of medium to high unemployment.

Our Approach.

As our business evolves, we want to ensure our colleagues have the skills they need to succeed and to better serve our customers. This means reskilling and upskilling our workforce to meet current and new demands and helping young people to gain valuable experience to kick-start their career.

We want to be a great place to work and are committed to offering a fair and decent reward package that recognises the incredible contribution our colleagues make. We want colleagues to have the opportunity to get on in ways that are meaningful, this could be through building new skills, upskilling or accessing employment opportunities.

Supporting communities through job creation

Across the Group we employ around 345,000 colleagues, helping to serve our customers, communities and planet a little better every day. We take an agile and innovative approach to recruitment, offering incentives to attract talent where demand for roles is greatest to ensure we meet our business needs whilst also supporting the communities in which we operate:

- To help address the driver shortage, in 2021 we hired **960 HGV drivers** in the UK, via recruitment, conversion courses and apprenticeships and offered new joiner incentives in the UK to stimulate more interest.
- We welcomed around **7,000 new home delivery drivers** in response to increased demand for home shopping during COVID-19 restrictions and provided colleagues in the UK with upskilling opportunities to bolster our home delivery service.
- Over the Christmas period in 2021, **35,000 temporary colleagues** were hired in the UK. Across Tesco Ireland and Central Europe, we recruited almost 10,000 colleagues into the business during 2021/22.
- We have taken steps to **support Ukrainian colleagues** in Central Europe affected by the war, including holding roles open and continuing to pay salaries for the small number of Ukrainian colleagues who decided to return to Ukraine. We have also created job opportunities and supported applications from Ukrainian refugees including providing language support through the application process and beyond.



Read more about the opportunities we are creating for our workforce [here](#).

The right tools and skills to support learning and development

Across the Group, our learning tools support colleagues in their current role and offer opportunities to develop skills for the future. More recently, we have announced plans for significant investment in colleague skills and training, across a range of growth areas within our business and support the workforce of the future. Our capability building programmes include:

- **Developing skills for retail colleagues**, allowing for greater flexibility and enabling colleagues to fulfil roles where demand is greatest, e.g. serving on a checkout or a self-service area, picking an online order or replenishing the shelves in their local store or Customer Fulfilment Centre.
- **Apprenticeships:** In the UK, more than 300 colleagues within our distribution centres and stores have joined the Warehouse to Wheels Level 2 HGV apprenticeship programme to become drivers. In Scotland and Wales, we have also accelerated this upskilling programme. Our Central Europe business supported over 2,300 apprentices with in-store work experience. In the UK, our first cohort of new Business Management Degree students joined this apprenticeship in 2021. The programme offers students invaluable skills along with the opportunity to earn an income while studying.
- **Line manager training:** Across the Group we offer Inclusive line manager training. This training helps to build awareness and skills on recognising individual biases and valuing the uniqueness of team members. Over 3,500 colleagues across the Group have completed the training since its launch in 2020.
- **Building digital skills:** As the needs of the workplace evolve the importance of developing digital skills is ever more important. In the UK, we have run Future Skills Partners, digital skills sessions in stores to help build digital confidence. Since October 2020, we have invested in Future Skills Partners tasking them with coaching and supporting colleagues on using digital systems and tools including our Work & Pay colleague platform to view payslips and access work schedules. We will continue to use the Future Skills Partners to deliver our new digital capabilities in 2022/23.
- **General Assistant to Deputy Manager programme:** We have supported nearly 300 store colleagues in Central Europe with their future career aspirations by helping to develop key skills that enable progression onto future roles.
- **Great Manager Programme:** In Tesco Business Services (TBS) and our Technology business (Bengaluru, Central Europe and the UK), we are building the skills and capabilities of our colleagues in partnership with the Great Manager Institute (GMI) with bespoke, certified training.

- **Interns:** We have successfully completed the first cohort of our new Business Diversity Internships, a programme that supports external candidates identifying as disabled; ethnic minority; LGBTQ+; or from a socially, economically disadvantaged background. From the first cohort, the programme achieved a 94% satisfaction rate and of the 36 young people who completed this programme, 26 were offered a place on our Business Graduate programme.



Read more about how we are supporting young people into work [here](#).

Helping young people get into work

We know that transitioning to the world of work can be challenging for young people, especially when faced with a volatile and changing job market that requires new skills for the future. We are committed to providing opportunities to help young people develop their employability skills and start their careers, including:

- **Skills Development:** Our 3-year partnership with the Prince's Trust and the training charity Institute of Grocery Distribution (IGD) resulted in us exceeding our target to reach 50,000 young people to develop employability and life skills through activity such as volunteering. In July 2021, we announced the extension of our partnership with the Prince's Trust for a further five years with an ambition to reach an additional 200,000 young people most in need of support in developing life-long skills.
- **Kickstart:** Supports 16-24 year olds claiming Universal Credit and at risk of long-term unemployment. Since announcing our commitment in 2020, we have offered six-month work placements to over 1,000 young people in areas of medium to high unemployment. The first cohort of Kickstart colleagues who finished their placements in May 2021 provided feedback and rated the experience of the programme as 96% satisfaction. Of this cohort, 47% of young people who completed the programme gained employment at Tesco.
- **Movement to work:** In 2021, through our cross-sector business collaboration, nearly 300 young people in the UK aged 16-30 not in education, employment or training (NEETs) started work placements, with 45% offered employment. For 2022, we have pledged to make 300 work placements available to young people in the UK.
- **Graduates:** Our graduates are given responsibility from day one to gain knowledge through hands-on experience, learning and development. In the UK we introduced the Business Graduate programme which provides experience in different parts of the business. This year, 56 graduates started with us in the UK and we have taken on 100 graduates across the Group.

Colleague reward and benefits

Our Reward principles focus on being simple, fair, competitive and sustainable and we apply this across the Group. All Tesco colleagues are paid above the minimum wage, and we have fully established recognition and collective bargaining agreements with independent unions, USDAW, Unite and URTU for all our hourly-paid colleagues across the UK. As such, decisions on reward are negotiated and agreed with colleagues and union representatives.

- In April 2022 we announced a **£200m investment in colleague pay, benefits and skills** for our UK hourly-paid store and Customer Fulfilment Centres (CFC) colleagues. This new pay deal will see the hourly rates increase by 5.8% from £9.55 to £10.10 from July 2022. Our agreement with USDAW includes investment in a number of benefits and enhancements that colleagues asked us to prioritise such as offering more contractual hours for part time colleagues in stores. We will also be launching a new online platform later this year where colleagues will be able to view their schedules, access training and development, and sign up to extra hours if they wish.
- As part of our new pay deal for retail and distribution centre colleagues in the UK, **we have committed to offering vacant hours to colleagues who have less than 16 hours** of work, per week, before seeking candidates externally. When recruiting externally all contracts will be based on a minimum 16-hour week.
- **Discretionary payment:** Across our markets we have made a number of discretionary payments in recognition of our colleagues' contribution during 2021/22. In the UK, in June 2021 we recognised the efforts of all our hourly in store retail colleagues with a thank you payment. In addition, we also announced a one-off thank you payment in 2022 of 1.25% annual earnings to hourly paid store, CFC and Customer Engagement Centre (CEC) colleagues. In Ireland, we awarded a one-off 2% Thank You Bonus to our store and distribution colleagues for the way they served customers over the last 12 months.

We feel a duty of care to provide our colleagues with a comprehensive balanced benefits package that supports their different needs. These include:

- **Colleague Clubcard:** Our colleagues are given a 10% colleague discount on their shopping, which is offered all year round. During the payday weekend, this offer is boosted to a 15% discount. As well as this benefit, in 2022 we increased our colleague discount allowance by £500, taking the total annual allowance to £1,500, helping our colleagues and members of their households to manage their shopping budgets. In Ireland, colleagues have enjoyed two double discount events during 2021 where a 20% discount has been applied (normally 10%).

- **Save As You Earn:** 29,000 colleagues joined the 2021 scheme. In the UK, almost 21,000 colleagues participate in Buy As You Earn. Both schemes enable colleagues to share in Tesco's success. In Ireland, colleagues have the opportunity to buy shares at a discounted option price and then sell them at the end of the saving period.



Read more about the Reward principles and our benefit package for colleagues [here](#).

Awards and Benchmarks.

Great Place to Work

Tesco Ireland and Tesco Bengaluru received the accreditation, with Tesco Ireland achieving the recognition for the fifth consecutive year.



Top Employer in the UK & US

dunnhumby achieved accreditation, showcasing our continual focus on improving process and practices for our colleagues. The Top Employers Institute recognises excellence in people practices and organisations are evaluated through fact-based HR Best Practices Survey.



Via Bona Award, Ranked Best Employer

Tesco Slovakia ranked first for the second consecutive year, recognised for our ongoing efforts to support colleagues and create an inclusive work culture.



Performance.

		Group data			
Commitment	KPIs	2018/19	2019/20	2020/21	2021/22
Being a great place to work	Percentage of colleagues that recommend Tesco as a great place to work within the “Every Voice Matters” survey	N/A Different survey	79%	82%	80% ^(a)
Developing careers, skills and leadership capability	Percentage of colleagues who feel they have the opportunity to learn and develop at Tesco within the “Every Voice Matters” survey	N/A Different survey	73%	73%	73%

(a) Our 2021/22 colleague sentiment score, as measured by our Every Voice Matters colleague survey, fell slightly as we lap the impact of the pandemic, which is consistent with the global trend across the retail industry. We performed 8 percentage points ahead of the global retail benchmark measuring colleague sentiment (K&B) and saw a 1 percentage point improvement in on our Great Place to Work score vs. pre-pandemic levels.

Methodologies.

How we measure our progress

To track our progress in supporting colleagues with employment and skills, we rely on the direct feedback we receive through our “Every Voice Matters” (EVM) colleague survey. We also conduct a weekly listening version of our EVM survey to gather more regular feedback to help us better track progress.

Percentage of colleagues that recommend Tesco as a great place to work within the “Every Voice Matters” survey

As defined by percentage of colleagues that agree with the following statement “I would recommend Tesco as a great place to work”.

“Agreement” is determined by the selection of “Agree” or “Strongly agree” in the EVM survey, which is conducted with colleagues annually. The survey is distributed across all divisions and markets.

Percentage of colleagues who feel they have the opportunity to learn and develop at Tesco within the “Every Voice Matters” survey

As defined by percentage of colleagues that agree with the following statement “I’ve had the opportunity to learn and develop at Tesco over the last year”.

“Agreement” is determined by the selection of “Agree” or “Strongly agree” in the EVM survey, which is conducted with colleagues annually. The survey is distributed across all divisions and markets.

Looking ahead.

We are committed to being a great place to work, where colleagues are rewarded with a competitive reward package and supported to be at their best, including ensuring they have the skills they need to succeed, now and in the future. We continue to work to make learning simpler, more accessible, relevant and engaging for our colleagues, providing opportunities to learn at Tesco, both virtually and face to face.

Commitments and targets

- Developing careers, future skills and leadership capability for colleagues across the Group.
- Committed to helping 45,000 young people to build employability skills and jumpstart their career over the next year through our partnership with the Prince’s Trust which aims to reach 200,000 young people most in need of support over the next five years.
- Pledged to make 300 work placements available to young people in the UK through Movement to Work in 2022.

Read more about our approach

More information

[Our approach to job creation and skills](#)

[Helping young people get into work](#)

[Our approach to pay and rewards](#)

Highlights of our journey to date.

