

Tesco Underwriting 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 Underwriting. Our colleagues make our business what it is, and we value the full contribution of everyone. To help achieve this, we have a clear focus on colleague inclusion, and we continue to empower all of our people to be their very best at work and reach their full potential.

We reported our gender pay gap data for the first time in March 2018, and I am pleased with the progress we are making in our journey towards creating a truly inclusive workplace across Tesco Underwriting.

Our third gender pay gap report shows an improvement on last year for the mean and the median. Our median gender pay gap improved from 13.8% to 10.3%, which is below the UK national average of 17.3%.* The mean improved from 38.5% to 38.1%.

The pay gap referenced in this report reflects the gender balance within Tesco Underwriting as at April 2019. It measures the difference between the average earnings of all male and female colleagues, irrespective of their role, length of service or seniority.

Regardless of gender, our colleagues are paid the same for equivalent roles. We are pleased to have seen an improvement in the mean and median figures as a result of the actions we have put in place. In common with the UK financial services sector, Tesco Underwriting’s gender pay gap continues to be driven by the higher proportion of men we have in senior roles within the company.

We have made encouraging progress in the past year to address the proportion of women in senior roles across Tesco Underwriting.

- In 2018 we became signatory to HM Treasury’s Women in Finance Charter, and at the end of 2019 we announced that we had achieved our goal of achieving 40% of women in senior roles ahead of the 2020 target.
- Our approach to talent management has enabled us to attract talented women in senior professional roles, and we have improved internal career progression through personal development and effective succession planning.
- We have brought greater clarity and access to flexible working for all colleagues across Tesco Underwriting, regardless of role or gender.
- We celebrated our talented women, by taking part in the UK’s inaugural Women in Insurance awards, and four of our colleagues were shortlisted for awards.

Inclusion at Tesco Underwriting is about more than just diversity. It’s about treating everyone fairly, recognising the contributions made by all of our colleagues, and giving them the confidence to be themselves at work. We are confident that the actions we are taking will reduce our gender pay gap, and we are committed to making sure we see further improvements in 2020.

Steve Kingshott

Steve Kingshott
 Chief Executive, Tesco Underwriting



*Office of National Statistics

Our Gender Pay Gap.

This report shares our gender pay gap data for the 12 months to April 2019, calculated using the pay data for 366 Tesco Underwriting 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 changed slightly in 2019 to 10.3% and 38.1% 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 Highest paid colleagues to Quartile 4 which includes the Lowest paid colleagues.

Our data in the pay quartiles shows that we have fewer women in Quartile 1, where there is a higher proportion of men in more senior roles.

Gender Pay Gap - Median

10.3%
2019

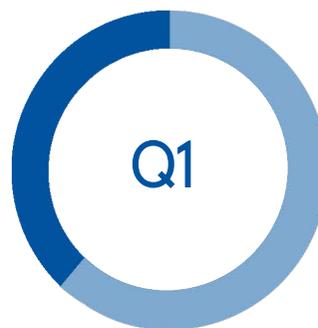
13.8%
2018

Gender Pay Gap - Mean

38.1%
2019

38.5%
2018

Proportion of men and women in each quartile pay band



Gender Bonus Gap.

We believe that every colleague should be recognised and rewarded for the success of our business.

In 2019, all eligible colleagues who were part of Tesco Underwriting between 1st January 2018 and 31st December 2018 received a bonus payment. 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.

Despite the progress made in appointing women to senior roles within the business in 2019, we have seen an increase in the bonus pay gap. This was due to the timing of colleague appointments during the year, and the eligibility for bonus payments which were applicable during the reporting period.

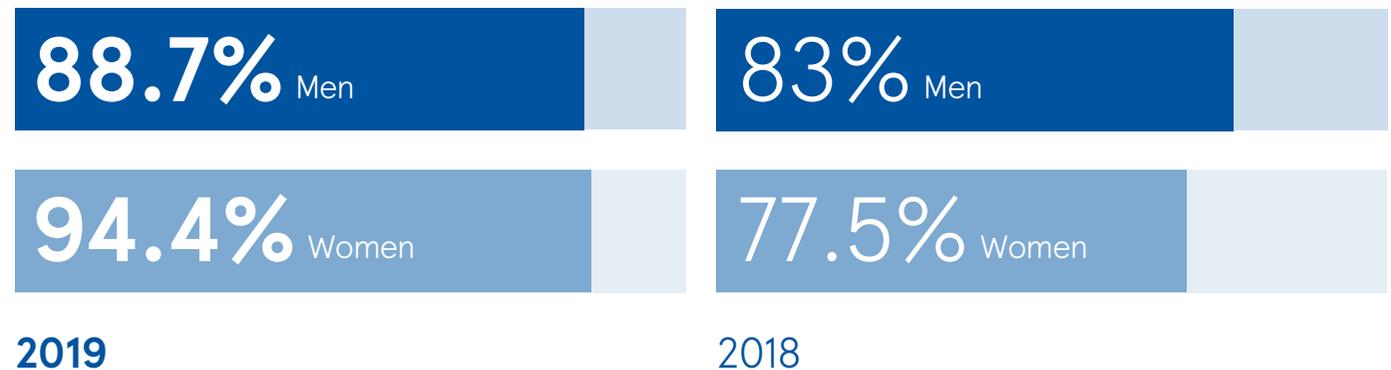
Gender Bonus Gap - Median



Gender Bonus Gap - Mean



Men and Women who received a bonus



Our Actions.

Our intention is to make Tesco Underwriting a business in which colleagues can develop their careers, regardless of who they are.

To achieve this, we have focussed our work on those areas we feel will help us make the greatest progress for colleagues.

We've developed plans across our three core pillars of inclusion: attracting and retaining an inclusive workforce, celebrating the inclusive culture that we have in the business and, importantly, identifying and addressing any barriers to inclusion.

We intend to sustain the progress we've made so far, and to accelerate our activity to make Tesco Underwriting a fully inclusive workplace, where everyone is welcome, and which reflects the customers we serve.





Attracting and retaining an inclusive workforce

- We are continuing to invest in developing talented women through the Women in Insurance development programme and will be launching three new talent programmes to give opportunities to colleagues at all levels of the organisation.
- We will continue to strive for gender balance in our succession plans, with tailored support to help talented women progress through our business.
- We will focus on attracting women to careers in Tesco Underwriting and insurance, by promoting our inclusive culture and policies in our recruitment practices and on social media. This will help improve the gender balance in our application pool.

Celebrate our inclusive culture

- In 2019 we achieved our Women in Finance Charter goal of 40% women in senior roles. Our aim is to, at least maintain, if not exceed that target to move towards a more balanced management team in 2020.
- We take an active role in the Tesco Inclusion Council, which gives our people access to all five of the established Tesco colleague networks, including Women at Tesco. We will be asking our Women at Tesco Underwriting group alumni to lead the development and support of their colleagues regarding gender parity, and to share their experiences within the programme.

- We will be supporting the ABI initiative for businesses to be transparent about parental leave policies to promote and attract colleagues returning to work.
- In 2020, Tesco Underwriting are sponsoring the Girls Network. We are working with our colleagues in Tesco Bank, to give our people the opportunity to mentor teenage girls. The programme promotes visibility and guidance for young women in our local community, supporting and inspiring the next generation of women.

Address barriers to inclusion

- In 2019, we launched an updated suite of flexible working policies giving colleagues greater flexibility to make ad hoc or informal small changes to their working hours. We will continue to work with our people to explore how we can give more colleagues flexibility and an enhanced work / life balance.
- We delivered Mental Health training for Managers in 2019 to help them support colleagues better. We will continue to equip and empower our leaders, and introduce team-based approaches to flexible working, which will give more colleagues more flexibility.
- We intend to sign the Insurance Inclusion Pledge which will help our leaders fully understand inclusion, and how to create an inclusive environment in their teams. Our Director of Claims, Dave Thompson continues to represent our executive team in championing our inclusion strategy.

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.

All figures are calculated using salaries after the impact of salary sacrifice benefits

More information on these calculations can be found on the [government website](#).

