



Gender and Ethnicity Pay Report 2024

Part of the family

Sainsbury's



habitat



Sainsbury's
Bank

A note from our CEO

At Sainsbury's, our colleagues are the very heart and soul of our business. We remain deeply committed to creating an environment that is inclusive and truly reflective of the diverse communities we serve – which helps us fulfil our purpose of making good food joyful, accessible, and affordable for everyone, every day.

To ensure we hold ourselves accountable for our diversity, equity, and inclusion goals, we have refreshed our representation targets for 2024 and report on these regularly and transparently. Together, we strive to create a space where our colleagues can flourish, and our customers feel welcomed whenever they shop with us.

This marks our eighth gender pay gap report and the fifth year of voluntarily reporting on our Ethnically Diverse pay gap. We remain steadfast in our commitment to transparency, including detailed reporting on our Asian, Black, Mixed Heritage, and Other ethnic colleagues.

While we are pleased to have made some progress on our Gender Pay Gap this year, there is still work to be done. Our mean gender pay gap stands at 7.5%, an improvement of 0.9% from the previous year. The median gender pay gap has also decreased by 0.6%, now at 6.1%. This gap continues to be influenced by more senior positions held by men and men occupying more hourly paid roles that attract a premium.

We are dedicated to increasing the number of women in senior roles across the business and are seeing positive results, with over 57% of our Operating Board being women in 2024. The representation of women in the top 230 positions in our business has grown by nearly 9% between March 2021 and March 2024, from 37.7% to 46.6%. We are also pleased to see the number of men in hourly paid roles increasing year on year, helping us continue to narrow the mean gender pay gap.

Our mean ethnicity pay gap has grown between 2023 and 2024 by 0.5% to -3.4%, and the median ethnicity pay gap has increased by 0.4% to -5.8%, meaning the gap favours our Ethnically Diverse colleagues. This is driven by the high proportion of hourly-paid colleagues who are Ethnically Diverse and work in London, where we pay a premium for these roles.

As the Executive Sponsor of Diversity, Equity, and Inclusion, I am passionate about ensuring every colleague feels included and heard, helping us build towards our purpose. As we work towards our business goals, diversity, equity, and inclusion will continue to play a crucial role in unlocking the Next Level Sainsbury's.

Simon Roberts
CEO



Driving our inclusive culture

We remain committed to our goal of being a truly inclusive retailer. Below are some of our achievements since our last pay gap report.

Colleagues

As a result of feedback from our colleagues, we have reviewed and altered our workplace adjustments process to support colleagues with disabilities and long-term health conditions to receive the support they need faster so that they can be at their best at work. As a result of our ongoing commitment to disability inclusion we have been reaccredited as a Disability Confident Leader.

Representation

In order to continue our momentum of increasing diversity at the more senior levels of our organisation we have renewed our commitment to representation targets for the next four years (2024 -2028).

Recognition

We featured on the Times Top 50 list for gender equality – for the third consecutive year. We have also reached tier one of the CCLA Mental Health Benchmark, the only retailer to reach the highest tier. Finally, we were the only retailer to be recognised as a Carer Confident Accomplished employer.

Customers

We have worked in partnership with the Business Disability Forum to ensure that our new store format is accessible to all our customers.

Leaders

Our Leadership Performance Expectations set the behaviours we require of leaders to achieve our Next Level Sainsbury's strategy. Designed with inclusion at their heart, over the coming year we will continue to embed them with our leaders.

Celebration

We continue to recognise and celebrate moments that matter to our colleagues, with over 30 events marked in the last year with a particular focus on Race Equality week, Carers' Week, Disability Week, International Women's Day, Pride Month and Mental Health Awareness Week.

All of these achievements were made possible by our amazing colleagues, and the ongoing support of our incredible networks.



What is the pay gap?

The pay gap shows the difference in average earnings between groups of colleagues across our business, regardless of their roles. Our report shares the differences for gender and ethnicity, which means the difference between men and women as well as between colleagues in each ethnic group and White colleagues. The government sets out calculations to use to generate the pay gap figures which we have used to calculate both our gender and ethnicity pay gaps.

Equal Pay is different from the pay gaps that we are reporting here. Equal pay is about how much colleagues are paid for doing the same or similar role or work that's considered of equal value. We pay our colleagues according to their role, regardless of their gender or ethnicity, for example, all retail assistants in stores are paid the same hourly base rate. It's important to know that the way the government asks us to report, means that even when pay is equal, there may still be a gap.

How is the pay gap calculated?

- Imagine our male and female colleagues lined up in a row from the lowest to the highest paid, the pay of the colleague in the middle is the median. The median pay gap is the difference between the middle male colleague and middle female colleague, and the middle Ethnically Diverse and middle White colleague for each ethnic group.
- With the mean pay gap we take the average pay of all our male colleagues and compare this to the average pay of all our female colleagues. We do the same with Ethnically Diverse and White colleagues.



How is the bonus pay gap calculated?

We operate a business-wide recognition scheme for all colleagues which is included in the definition of bonus pay, alongside management bonus/incentive plans.

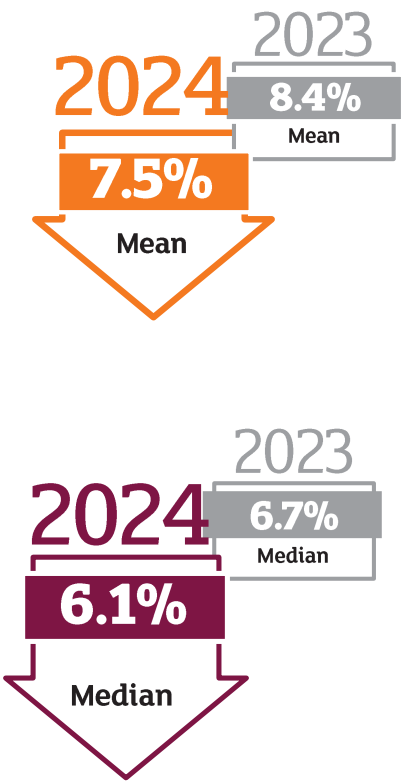
We are required to calculate the bonus gap by using the actual amount of bonus pay received by colleagues which means that this doesn't consider where bonus payments have been pro-rated for colleagues working part-time hours.



Our results: Gender Pay Gap

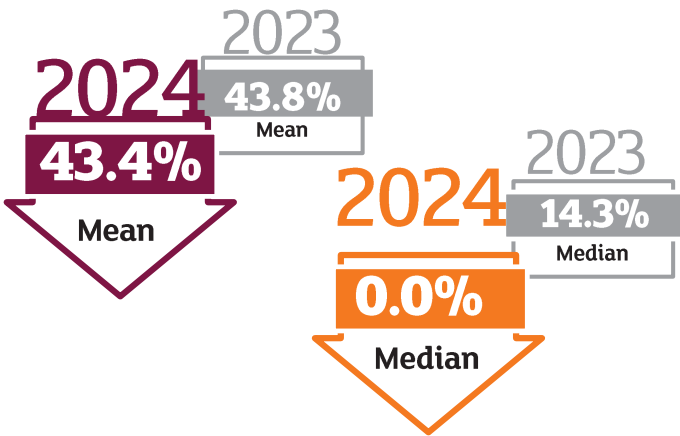
The figures below relate to colleagues across all of the group businesses.

Gender pay gap

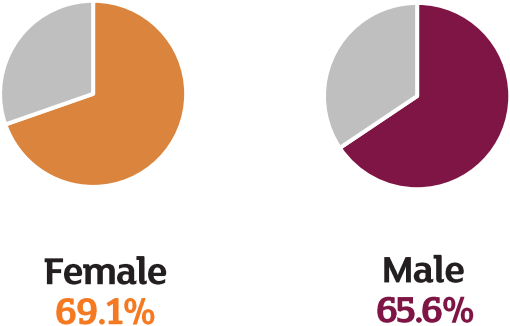


Mean Gender Pay Gap: Retail Industry 13.4%; UK 13.8%
Median Gender Pay Gap: Retail Industry 7.4%; UK 13.1%
(Source: ASHE Survey 2024 Provisional)

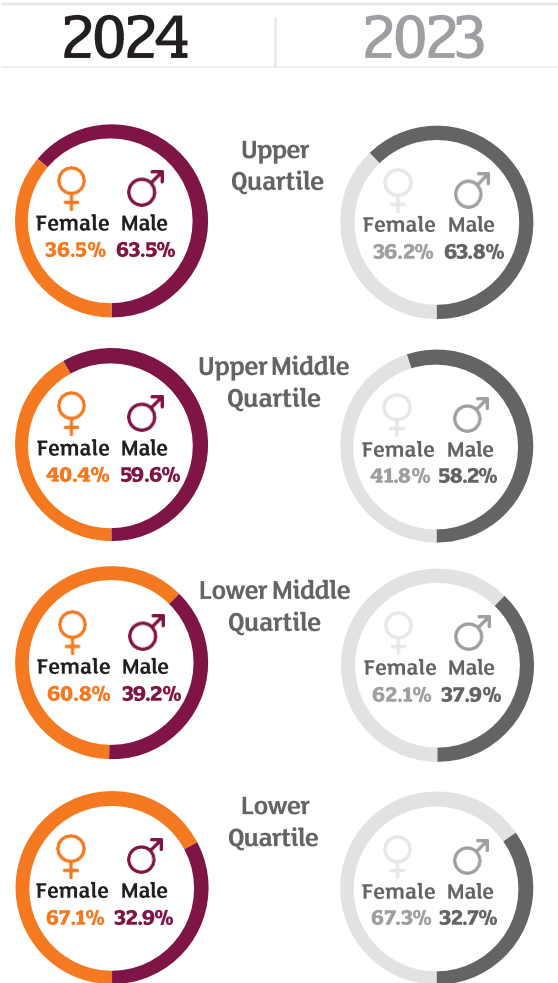
Gender bonus gap



Colleagues receiving a bonus



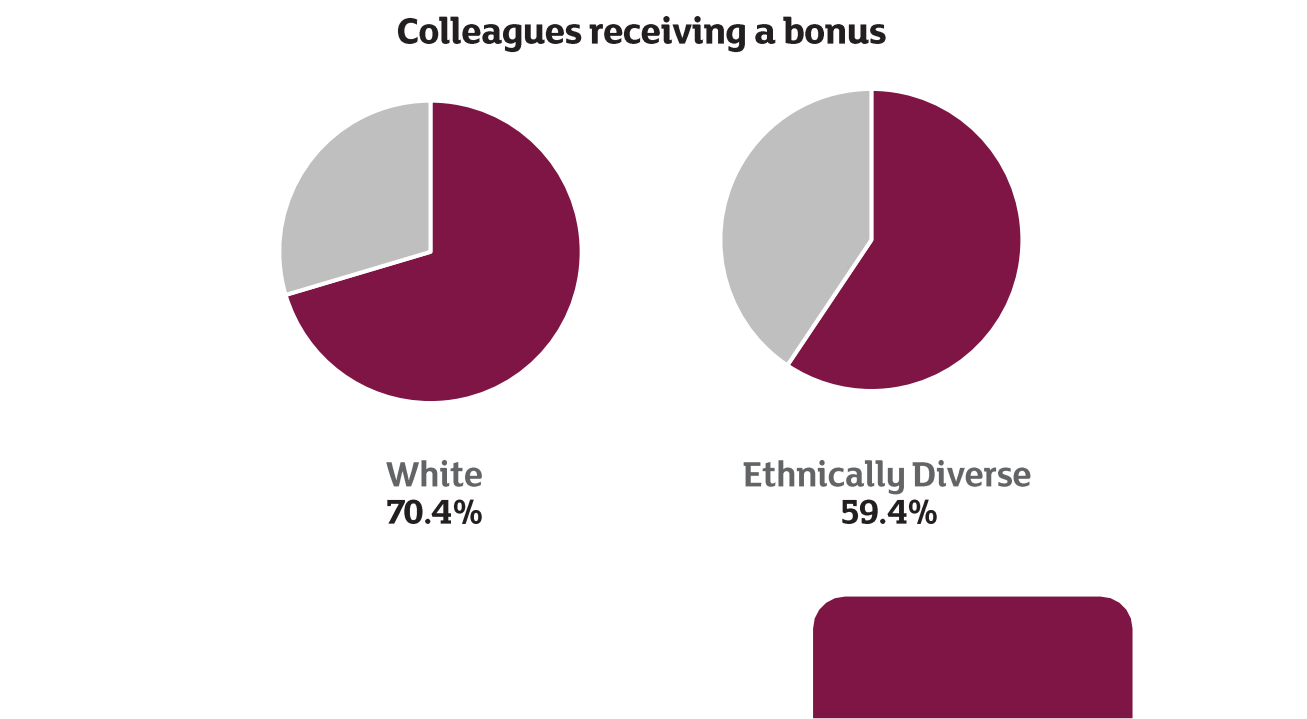
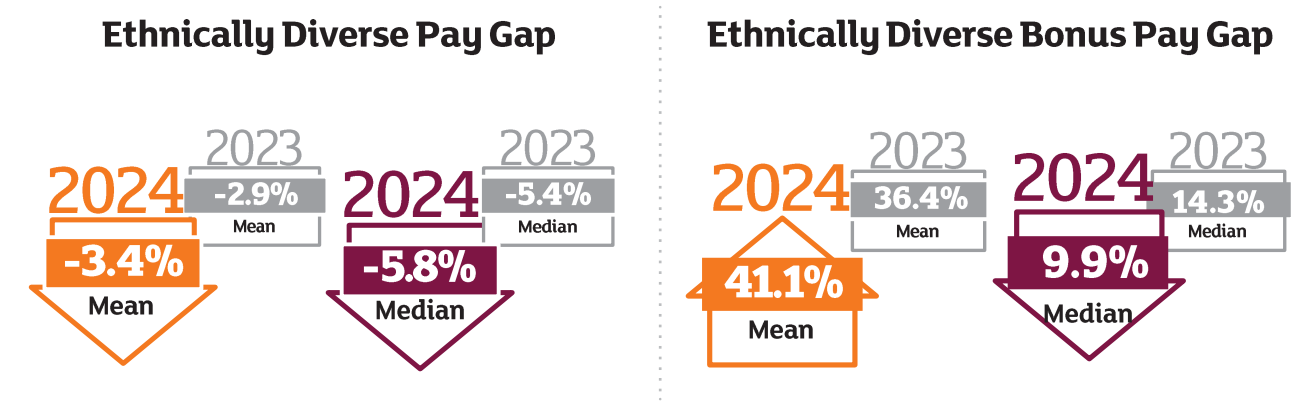
Proportion of females and males in each pay quartile



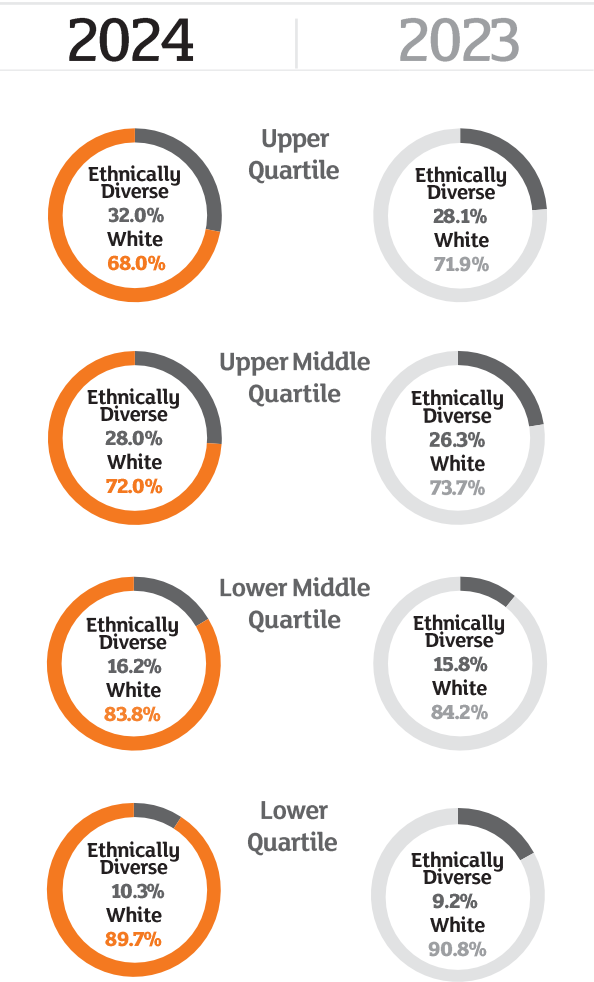
Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of males and females in each group. Our retail hourly colleagues represent over 80% of our total workforce therefore span all four pay quartiles.

Our results: Ethnically Diverse Pay Gap

The figures below relate to all ethnicities combined across all of the group businesses.



Proportion of Ethnically Diverse and White colleagues in each pay quartile

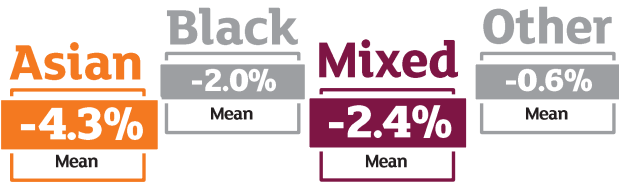


Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of Ethnically Diverse and White colleagues in each group.

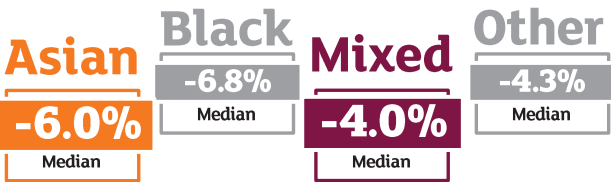
Our results: Pay Gap by Ethnicity

The figures below relate to all ethnicities represented across all the group businesses.

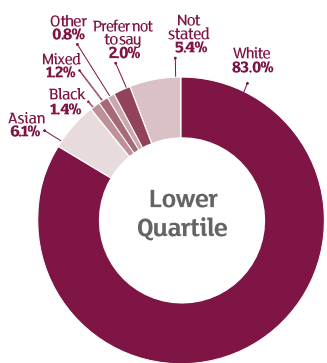
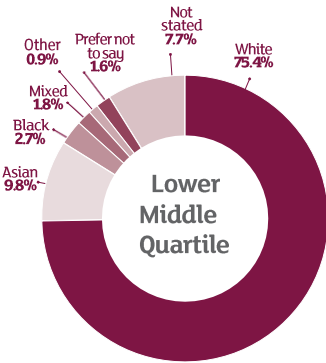
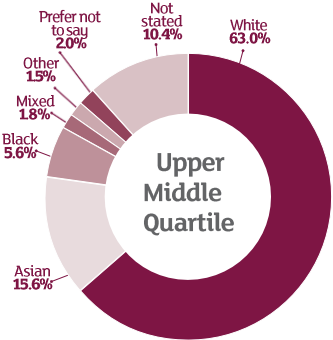
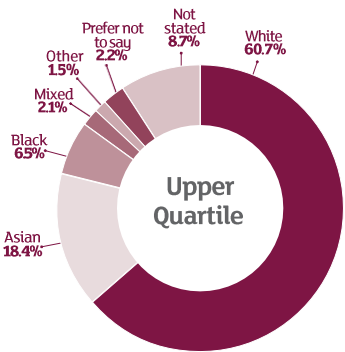
Mean Ethnicity pay gap



Median Ethnicity pay gap

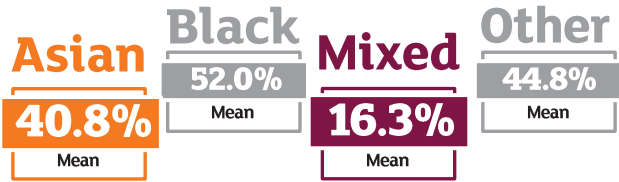


Proportion of each ethnic group in each pay quartile

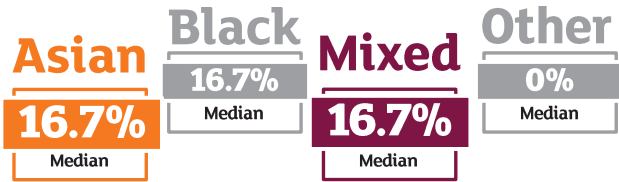


Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of colleagues in each ethnic group in each quartile.

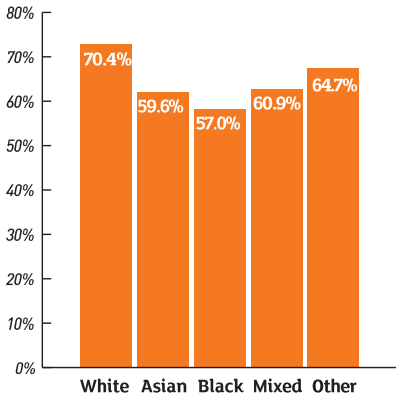
Mean Ethnicity bonus gap



Median Ethnicity bonus gap



% of colleagues receiving a bonus



Understanding our Gender and Ethnicity Pay Gap

There are more men in senior roles

Representation at senior levels has remained the same over the last year. However, the pay gap still exists as we have more men in higher paid management and senior leadership roles whilst the majority of females are in hourly paid colleague roles.

Skilled roles attracting a premium

Over the last year, we've also seen a change in the overall gender make up of our hourly paid population with a more even split. All our hourly paid retail colleagues working in the same role receive the same base pay rate, but certain roles attract a premium.

Last year, we invested in our retail hourly paid colleagues by increasing hourly rates of pay. However, the pay for roles that attract a skills premium moved at a slower rate. This has contributed to closing the pay gap further. We have outsourced part of our distribution operation, and this business decision has also contributed to the closure of the pay gap.

Location drives the ethnicity pay gap

Location pay is a key element in explaining our ethnicity pay gaps. Although all hourly paid retail colleagues receive the same base hourly rate of pay, stores in London attract a location premium. Over 38% of retail hourly paid Ethnically Diverse colleagues work in a London store compared to only 4% of White hourly paid store colleagues.

There are more women than men in part-time roles

The bonus gap calculation compares the actual bonus amount colleagues receive without taking into account the number of hours they work. Out of colleagues who received a bonus, 59% of the roles are part-time and the majority of these roles, 61%, are held by women. Therefore, a bonus gap exists because we compare the bonus for a part-time female colleague to the bonus of a full-time male colleague.

Our bonus gap continues to be heavily influenced by the annual bonus that managers receive, which has remained broadly similar to last year resulting in a marginal decrease of the mean.

Representation in management roles

There are also differences that are seen between the representation of each ethnicity at Manager and Senior Management level. For example, 16% of Mixed colleagues, 16% of White colleagues and 16% of Asian colleagues are in Management or Senior Management roles compared to 11% for Black colleagues.

As annual bonuses increase with seniority, having lower Ethnically Diverse representation in more senior roles drives a higher bonus gap in favour of White colleagues.

On the spot recognition

The reduction in the median bonus gap for both gender and ethnicity is a result of the middle colleagues being recipients of fixed value recognition awards. These 'on the spot' awards are distributed in high volumes to recognise colleagues demonstrating our company values, particularly in hourly paid retail roles.

Sharing personal data

Our ethnicity declaration rate this year is 91% which is an improvement on last year. Unlike gender data, colleagues are not required to share their ethnicity data with us. Although we have seen an increase, we are continuing to actively encourage colleagues to share their diversity data to better understand our workforce.

Gender identity

We want to be a truly inclusive retailer and take our responsibility towards our non-binary and gender fluid colleagues very seriously. Gender pay gap regulations mean we must identify our colleagues as men and women; however, we actively support our colleagues of all gender identities through our inclusion strategy and our LGBT+ colleague network Proud@Sainsbury's.

Statutory Gender Pay Disclosure (2024)

The Gender Pay Gap disclosure as at the snapshot date 5th April 2024

Sainsbury's Supermarkets Ltd	
Mean Gender Pay Gap	7.4%
Median Gender Pay Gap	6.2%

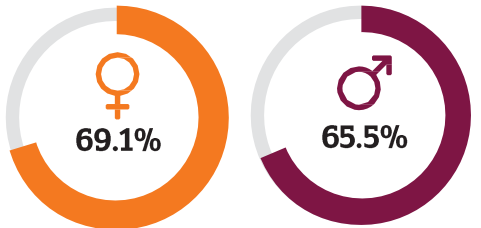
Pay quartile headcount gender %

	Female	Male
Upper	36.5%	63.5%
Upper Middle	41.4%	58.6%
Lower Middle	61.8%	38.2%
Lower	67.2%	32.8%

Mean Gender Bonus Pay Gap	44.7%
Median Gender Bonus Pay Gap	16.7%

Colleagues receiving bonus

Female	Male
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Sainsbury's Bank plc	
Mean Gender Pay Gap	31.7%
Median Gender Pay Gap	33.3%

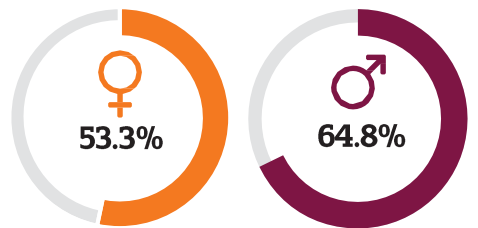
Pay quartile headcount gender %

	Female	Male
Upper	40.7%	59.3%
Upper Middle	53.9%	46.1%
Lower Middle	66.8%	33.2%
Lower	76.0%	24.0%

Mean Bonus Pay Gap	57.5%
Median Bonus Pay Gap	66.8%

Colleagues receiving bonus

Female	Male
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Argos Ltd	
Mean Gender Pay Gap	3.7%
Median Gender Pay Gap	4.5%

Pay quartile headcount gender %

	Female	Male
Upper	33.7%	66.3%
Upper Middle	32.3%	67.7%
Lower Middle	40.0%	60.0%
Lower	60.3%	39.7%

Mean Bonus Pay Gap	10.0%
Median Bonus Pay Gap	-16.7%

Colleagues receiving bonus

Female	Male
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