



Gender Pay Report 2019

Sainsbury's

Gender pay report 2019

We want to be the most inclusive retailer where every single one of our colleagues can fulfil their potential and where all of our customers feel welcome when they shop with us. We are committed to addressing the gender pay gap and to attracting, retaining and developing the very best diverse talent.

Over the last 12 months we have continued to work hard to improve gender balance across the business, and I am pleased to share a further reduction in the mean gender pay gap. We continue to focus on colleagues' pay and in 2018/19 invested in over £100 million in our Sainsbury's store colleagues' pay, which saw pay rise from £8 to £9.20 an hour.

We pay our colleagues according to their role not their gender. For example men and women doing the same job in our stores are paid the same hourly rate. Our gender pay gap is caused by the factors we have previously outlined; we have more men than women in our most senior roles, more women than men in our hourly paid roles, and more men in hourly paid specialist roles that attract premiums, such as our online delivery drivers.

We recognise that we have more to do to improve female representation at all levels of our business and we continue to look at focused initiatives, organisation culture and greater accountability through aspirational targets, to support sustained improvement. You can read more about our strategies for creating a truly inclusive organisation within this report.

In previous years we have also reported our adjusted pay gap, which looks at the difference between men and women across each grade and removes premiums from specialist hourly paid roles, and I am pleased that this number remains less than 1%.

A picture of how we're doing overall, along with the mandatory gender pay gap reports for Sainsbury's Supermarkets Ltd, Argos Ltd and Sainsbury's Bank plc, are set out in the report that follows.


Mike Coupe
CEO



Mike Coupe
CEO



10.5%
Mean Gender
Pay Gap
Reduced by

1.6%
points

3.8%
Median Gender
Pay Gap
Same as

2018

What is the gender pay gap?

The gender pay gap is the difference in average earnings between all men and women in an organisation, regardless of their roles.

It is based on a series of calculations set out by the government and is significantly influenced by the difference in the number of men and women at various levels.

Equal pay is different

Equal pay is different from the gender pay gap. Equal pay deals with the pay men and women receive for doing the same or similar roles, or work of equal value.

The way the government has asked companies to report means that even when pay is equal, there may still be a gender pay gap.

Calculating the bonus gap

Under the regulations the way we are asked to calculate the bonus gap uses actual bonus paid across all men and all women. It does not take into account where bonus is pro-rated for part-time hours. We are required to provide both median and mean figures.

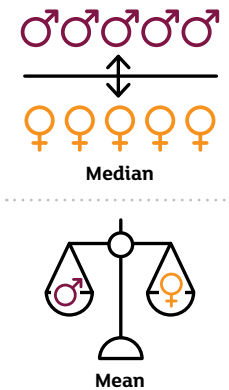


How is the gender pay gap calculated?

The government asks us to do this in certain ways.

1. If we were to rank our male and female colleagues separately, from the lowest to the highest paid, the middle paid colleague is the median. **The median pay gap** is the difference between the male median and female median. The difference is expressed as a percentage and a positive figure indicates there is a pay gap with men earning more than women.

2. **The mean gender pay gap** shows the difference between the mean or average hourly pay for all men compared with all women across an organisation. Like the median, it is expressed as a percentage.



Gender Identity

We recognise that although the gender pay gap regulations ask us to identify our colleagues as men and women, we know that some of our colleagues may not identify with either gender. We continue to actively support our colleagues and customers of all gender identities, working closely with our Proud LGBTQIA+ network.



Our results - Sainsbury's Group

Below are our Group results. These figures include all eligible colleagues employed by Sainsbury's Supermarkets Ltd, Sainsbury's Bank plc, Argos Ltd, Nectar 360 and J Sainsbury plc. We employ over 178,000 colleagues.

Our adjusted pay gap

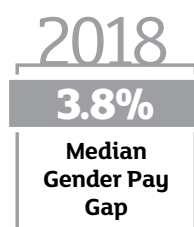
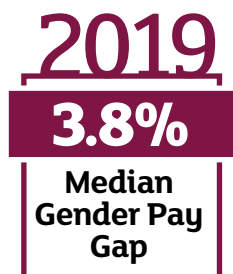
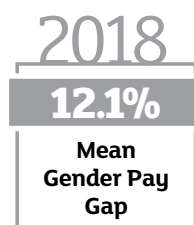
When we look at the difference in pay between men and women across each pay grade and remove premiums for hourly paid roles, our gap is 0.9%.

0.9%

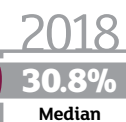
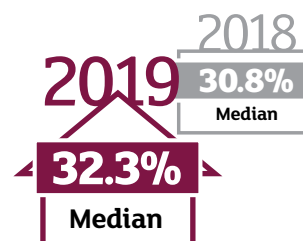
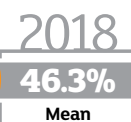
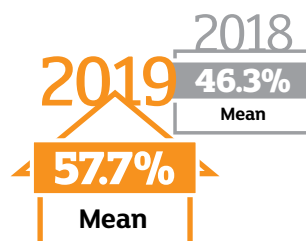
Our adjusted bonus gap

When we look at the difference in bonus between men and women across each grade, and adjust for part-time hours, the bonus gap is 2.7%.

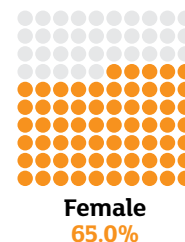
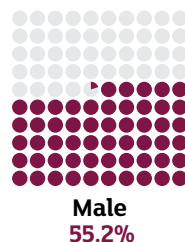
2.7%



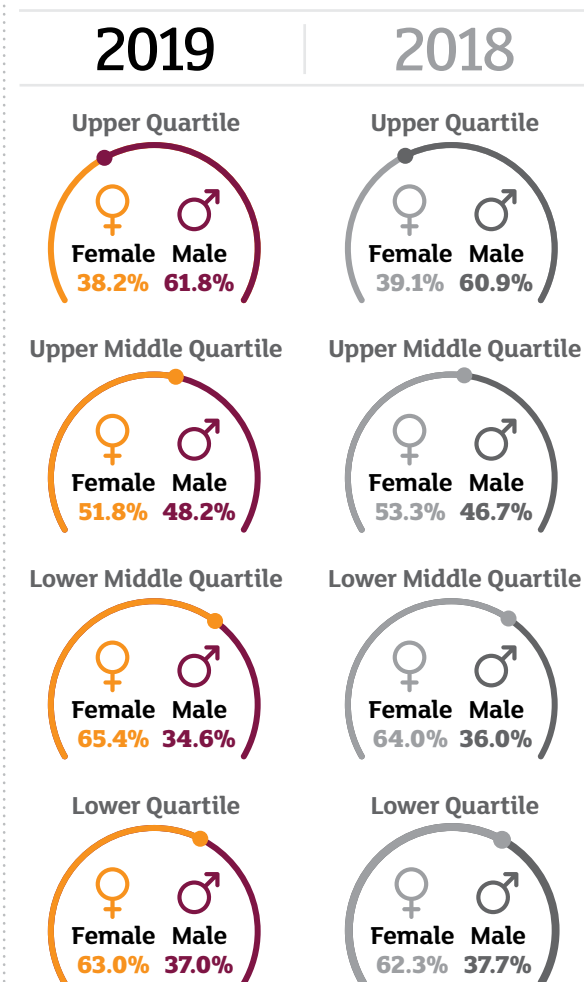
Gender bonus gap



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 men and women in each group.

Mean gender pay gap: retail industry 17.3%, UK 16.2%.
 Median gender pay gap: retail industry 9.5%, UK 17.3% (Source: ASHE survey 2019)

Understanding our gap

Whilst we work hard to create greater gender balance at all levels of the organisation, there are a number of factors that influence our gender pay gap:

More men than women are in senior roles

We are pleased that we continue to see an improvement in female representation at senior levels, which has increased to 33.1%. However, we still have more men than women in our most senior and well paid roles and more women in our hourly paid positions. We are committed to achieving our aspirational target of 40% female representation in our senior positions by 2021.

Senior roles also have a higher bonus potential and more senior colleagues participate in our long-term share incentive plan, which is reflected in the bonus figures and affects our bonus pay gap.

More women are working part-time

Across the business 63% of all roles are part-time and of these, 63% are held by women. The bonus gap calculation does not account for part-time hours. Therefore, a bonus for a part-time female colleague is compared to that of a full-time male colleague. This results in a bonus gap even if our colleagues were paid the same hourly rate and received the same bonus as a percentage of salary.

Bonus levels

As highlighted above, the bonus gap is impacted by a number of factors. In addition, our bonus gap will fluctuate year on year depending on our level of bonus pay out. The change in the bonus gap this year is partly due to this.



Directly employing Travel Money colleagues

Sainsbury's Bank is structurally unique in the Financial Services industry. We directly employ our in-store Travel Money Bureaux colleagues rather than filling our positions through a third party agency. Around 43% of Sainsbury's Bank colleagues work in these roles on hourly rates of pay and almost three quarters of these roles are held by women. This impacts our gender pay gap in this part of our business.

Colleague data by level

Senior Managers and Directors



Full-time



Part-time



Addressing the gap

We have continued to work hard to be an inclusive organisation where everyone can fulfil their potential, and we are working in a focused way to ensure we tackle the gender pay gap, building on the actions and initiatives we outlined in previous reports.

Making inclusive recruitment decisions

This year we published a new guide to inclusive recruitment to equip our line managers to take active steps to increase the inclusivity of our recruitment processes. As part of this we explored how to create inclusive job descriptions, how to set-up job shares or consider part-time roles, and the effects of both conscious and unconscious bias on decision-making. At a more senior level, our in-house executive recruitment team works hard to provide diverse shortlists for all roles.



Targeted development programmes

Our award-winning development programmes are designed to support retail colleagues looking to move into first line management and leadership roles. We launched these Leading@Sainsbury's programmes 12 months ago, blending face-to-face and digital learning. Cohorts aim to be gender balanced with a further focus on diversity to reflect the demographics of the region.

We also run women's development programmes across the business, looking at the specific challenges that women may face when looking at progression. These play an important part in building the diversity of our talent pipeline.

Women's one-to-one mentoring and mentoring circles are also well-established, and along with bespoke development plans for our highest potential women, are a key feature of our wide-ranging development offer.

Gender balance network

Our gender balance network, sponsored at Board level, continues to play a key role in highlighting great role models and providing honest colleague feedback that helps to shape our inclusion plans. In dialogue with the gender balance network, we recently improved our provision around the menopause to ensure that we educate our colleagues and equip our line managers, so they can have conversations that fully support our female colleagues.

Creating an inclusive culture

Embrace the difference

We continue to focus on creating an environment where colleagues can be themselves and where we both celebrate and respect differences. Whilst we ensure that there is an ongoing dialogue about being inclusive, our Inclusion Weeks are a great opportunity for us to shine a spotlight on this. This year we highlighted the smaller actions that can really make a difference to creating an inclusive culture when we all 'stand together'.

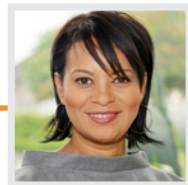


We believe that diverse role models play a significant part in empowering and inspiring our colleagues. In March, as part of our ongoing calendar of live talks and personal development, we recognised International Women's Day across the business.

“It is absolutely vital that we champion gender balance at all levels in retail and actively encourage women to achieve their aspirations when it comes to their careers. Since joining Sainsbury's last year, it has been great to see the corporate focus on inclusion events such as International Women's Day, where thousands of colleagues took to Yammer to share their stories of the inspirational women in their lives.

My team are committed to holding inclusive mentoring circles to help create a culture of confidence and inspire our colleagues to network, learn and support one another through their career journeys, as well as addressing any blockers. Whilst we still have a way to go, we are starting to see positive traction on our female management headcount.

Bridget Lea
Zone Managing Director North



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Women in Finance Charter

We have made excellent progress towards our commitment to reach 30% female representation at a senior management level and above across our Bank. Through gender focussed initiatives from recruitment, talent spotting and development opportunities we have increased our female representation to 29%. We continue to focus on gender balance at senior leadership levels as part of our commitment to the Women in Finance Charter, created by HM Treasury.

“At Sainsbury's Bank we are committed to being an inclusive employer and having diverse representation at all levels. A key part of this is our recruitment and talent development practices, which have been structured to support this goal. Through a combination of succession planning and our talent spotting and development practices we have made a number of senior female appointments.

Ashley McPartlin
Senior Talent Partner - Sainsbury's Bank



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Statutory gender pay gap disclosure (2019)

The gender pay gap disclosure of Sainsbury's Supermarket Ltd, Sainsbury's Bank plc and Argos Ltd as at the snapshot date of 5th April 2019.

Sainsbury's Supermarkets Ltd

Mean gender pay gap	10.3%
Median gender pay gap	4.9%

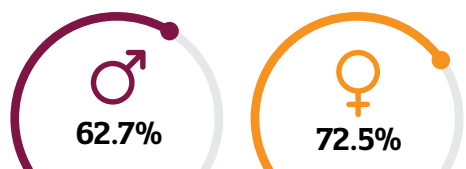
Pay quartile headcount gender %

	Male	Female
Upper	62.4%	37.6%
Upper Middle	49.2%	50.8%
Lower Middle	36.4%	63.6%
Lower	30.1%	69.9%

Mean bonus pay gap	56.3%
Median bonus pay gap	33.2%

Colleagues receiving bonus

Male	Female
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Sainsbury's Bank plc

Mean gender pay gap	35.9%
Median gender pay gap	24.9%

Pay quartile headcount gender %

	Male	Female
Upper	56.9%	43.1%
Upper Middle	33.8%	66.2%
Lower Middle	29.4%	70.6%
Lower	29.2%	70.8%

Mean bonus pay gap	69.6%
Median bonus pay gap	88.1%

Colleagues receiving bonus

Male	Female
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Argos Ltd

Mean gender pay gap	8.2%
Median gender pay gap	2.8%

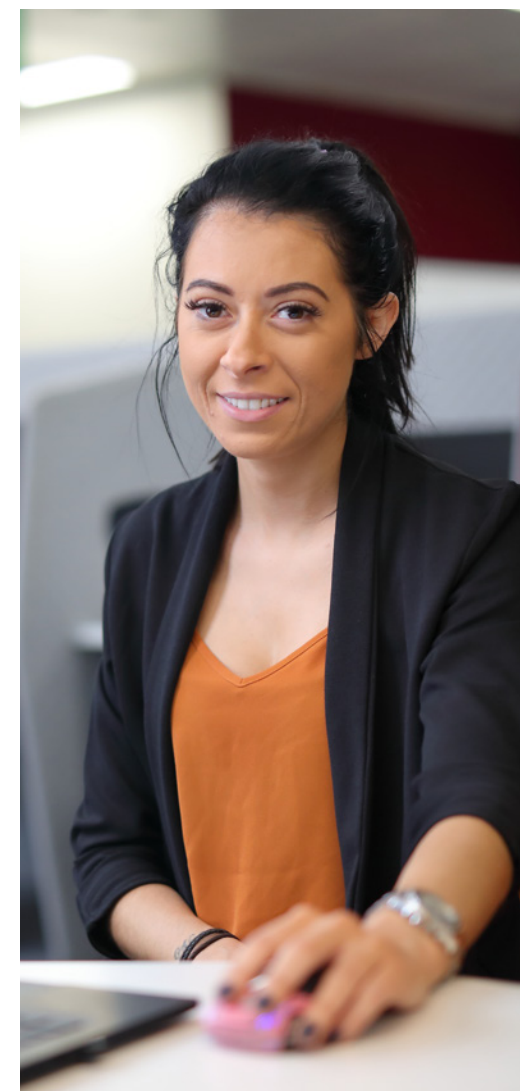
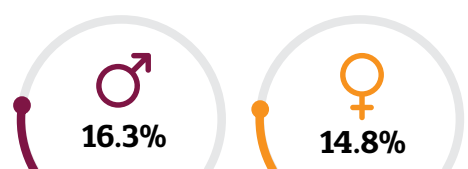
Pay quartile headcount gender %

	Male	Female
Upper	61.7%	38.3%
Upper Middle	49.5%	50.5%
Lower Middle	46.7%	53.3%
Lower	47.3%	52.7%

Mean bonus pay gap	29.5%
Median bonus pay gap	25.3%

Colleagues receiving bonus

Male	Female
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Sainsbury's