



Gender and Ethnicity Pay Report 2023

Sainsbury's

Sainsbury's
Bank



A note from our CEO

At Sainsbury's, our colleagues are at the heart of everything we do. That's why we're committed to creating a diverse and inclusive workplace where everyone feels empowered and encouraged to be themselves. We're dedicated to holding ourselves accountable in how we achieve this by reporting regularly and transparently. Together we will continue to work to narrow the pay gap and create an environment where all of our colleagues can fulfil their true potential.

This report marks our seventh gender pay gap report, and the fourth year we have voluntarily reported on our Ethnically Diverse and Black pay gaps.

This year, demonstrating our commitment to transparency, we have expanded our disclosure on ethnicity pay gaps to include specific reporting on our Asian, Mixed and Other ethnicity colleagues.

We have moved closer towards gender balance in our business with improved representation for women at senior leadership level, and a higher percentage of men year-on-year in our hourly paid roles.

That said, we still have a mean gender pay gap of 8.4%, down from 8.5% last year, and a median pay gap of 6.7% up from 6.3% last year. The gender pay gaps remain driven by more men in the senior levels of our business and an increase in the number of men carrying out hourly paid roles that attract a premium – specifically drivers. I am proud of the progress we are making, but there is more work to do.

Our ethnicity pay gaps for all Ethnically Diverse groups have changed from -1.6% to -2.9%, meaning we pay our

Ethnically Diverse colleagues, on average, more than our White colleagues. This remains down to the fact that a high proportion of our hourly paid Ethnically Diverse colleagues work in London, where we pay a premium.

We are committed to continue to work on diversity, equity and inclusion in our business, and I am particularly passionate about making sure that every one of our colleagues has a voice and is heard. This is key to delivering on our goal of being a truly inclusive retailer.

Simon Roberts
CEO



Driving our inclusive culture

We remain committed to our goal of being a truly inclusive retailer. Below are some of the initiatives we have implemented since our last pay gap report to work towards that goal.

Colleagues

We introduced pronouns and phonetic spelling options onto our name badges. We provide free period products in all colleague bathrooms across our estate. We offer paid leave to all colleagues having gender reassignment surgery.

Development

We launched a new acceleration scheme for our Ethnically Diverse talent to drive representation in our talent pipeline.

Recognition

We featured on the Times Top 50 list for gender equality – one of only two retailers on the list. We were also third place on the FTSE 100 Leaders' review on gender equality.

Customer

We introduced Black owned brands into our stores as an output of our £1M Thrive scheme run last year. Three brands are already in store, with more to come.

External

We took on the role of Steerco chair for Diversity and Inclusion in Grocery, part of Grocery Aid, and drove the creation of the first maturity model in the grocery industry, now completed by nearly 100 businesses.

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 Black History Month, Carers' Week, Disability Week, International Women's Day and Pride Month.

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.
- 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.

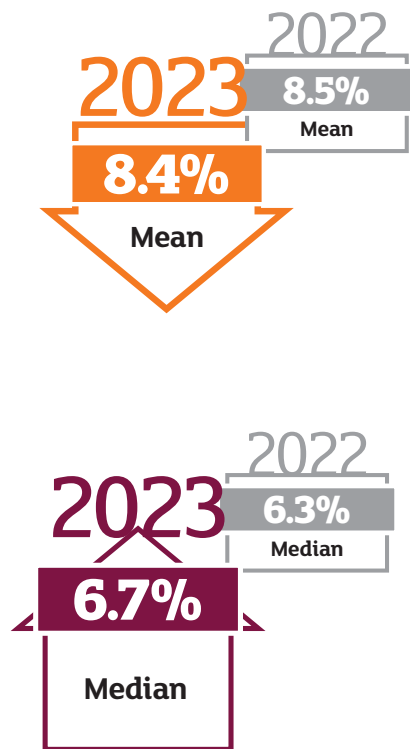
We are required to calculate the bonus gap by using the actual amount of bonus pay received by colleagues which means that this doesn't consider where bonus payments have been pro-rated for colleagues working part-time hours.



Our results: Gender Pay Gap

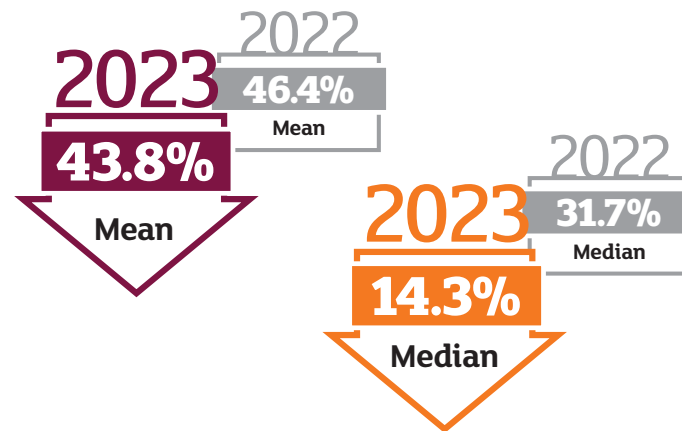
The figures below relate to colleagues across all of the group businesses.

Gender pay gap

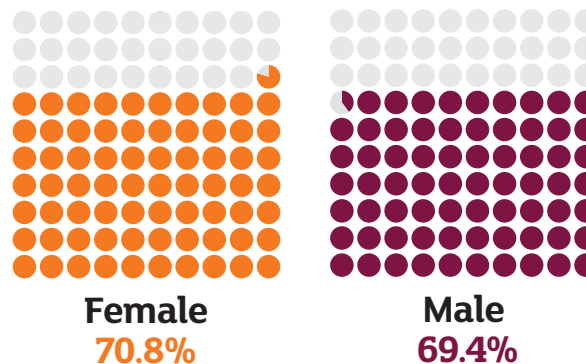


Mean Gender Pay Gap: Retail Industry 13.5%; UK 13.2%
 Median Gender Pay Gap: Retail Industry 7.3%; UK 14.3%
 (Source: ASHE Survey 2023 Provisional)

Gender bonus gap

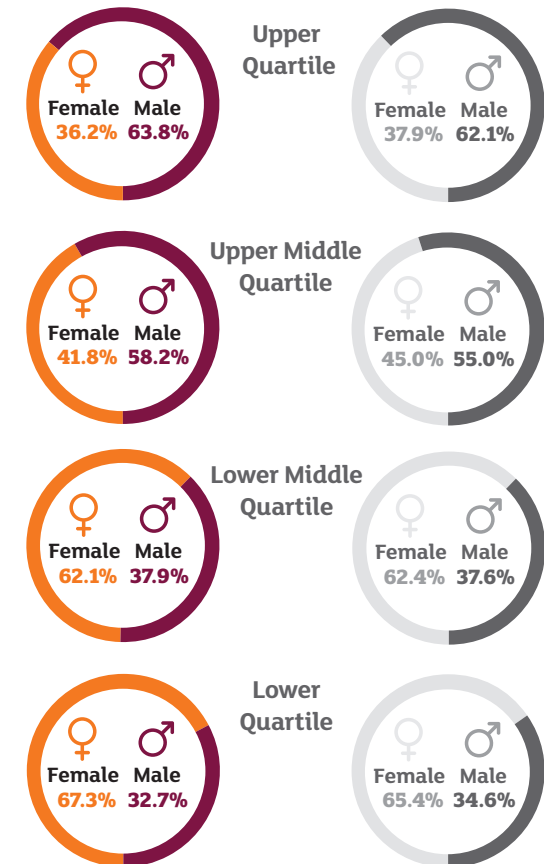


Colleagues receiving a bonus



Proportion of females and males in each pay quartile

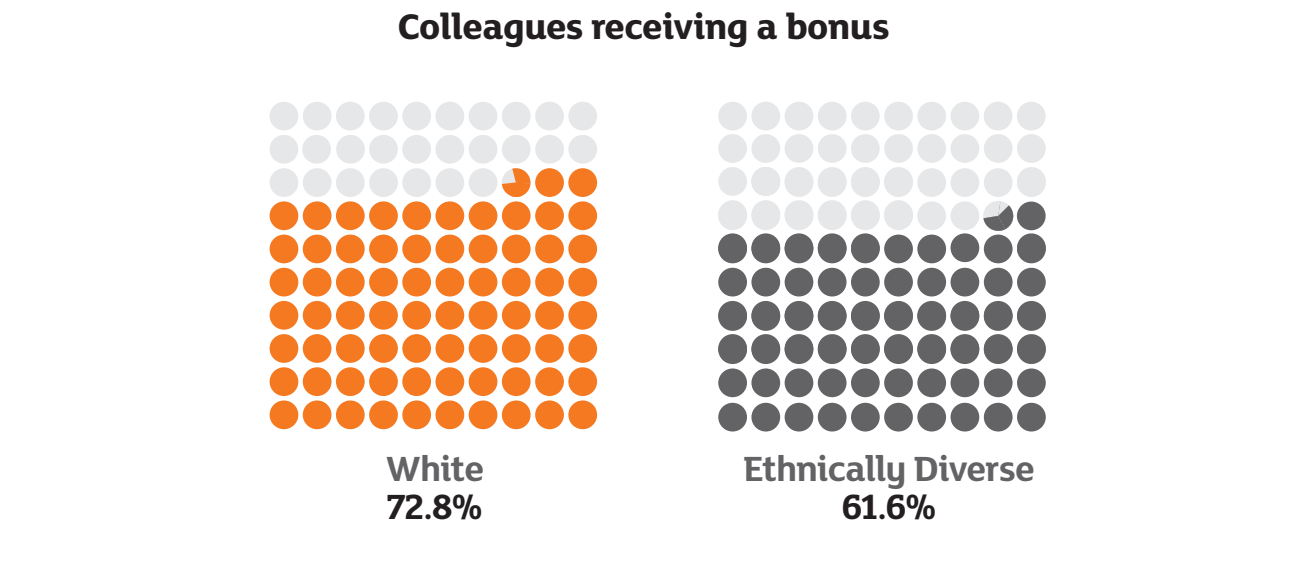
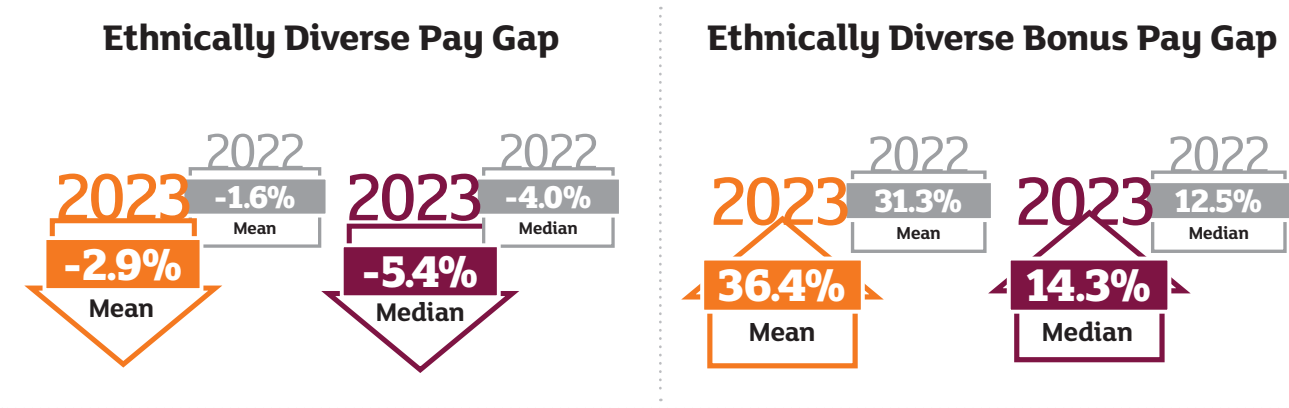
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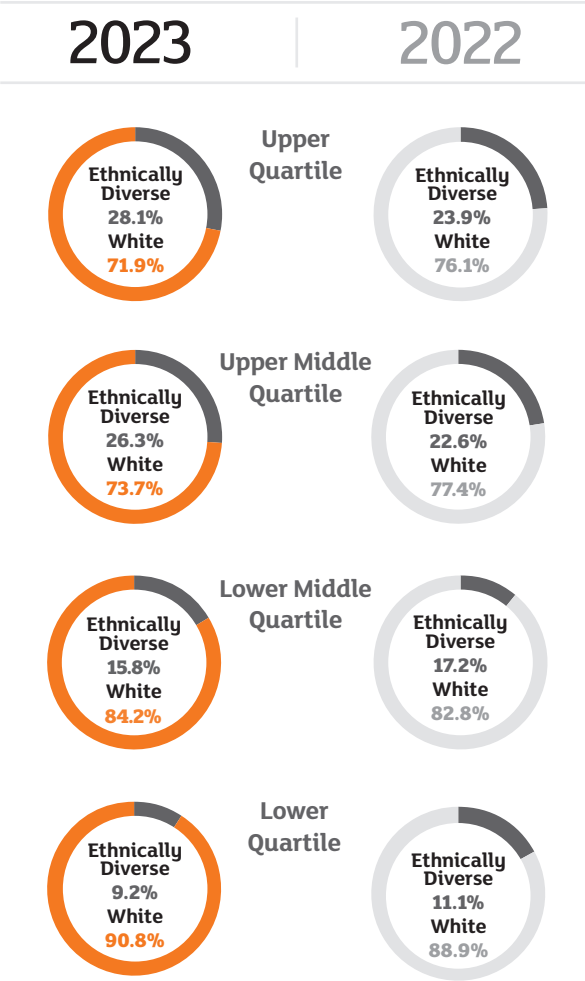
Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of males and females in each group. Our retail hourly colleagues represent over 80% of our total workforce therefore span all four pay quartiles.

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

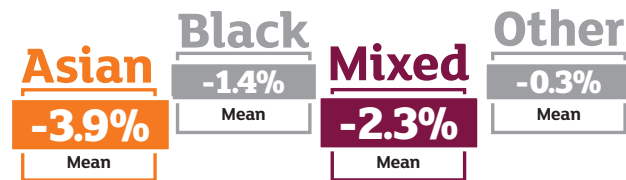


Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of Ethnically Diverse and White colleagues in each group.

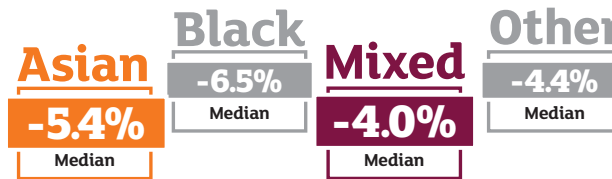
Our results: Pay Gap by Ethnicity

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

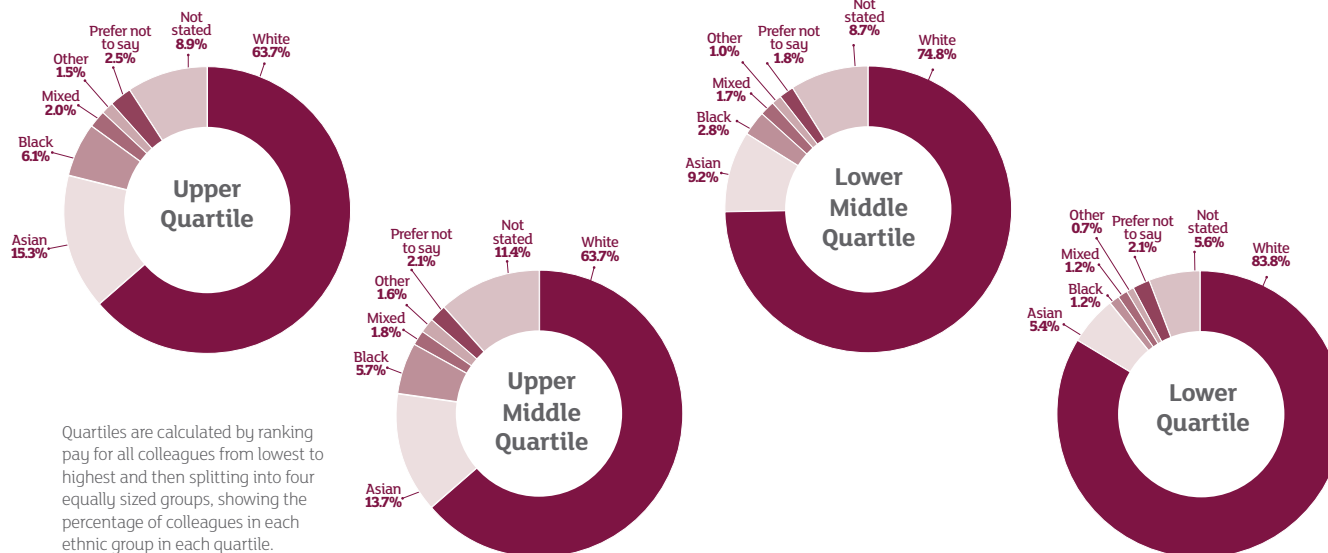
Mean Ethnicity pay gap



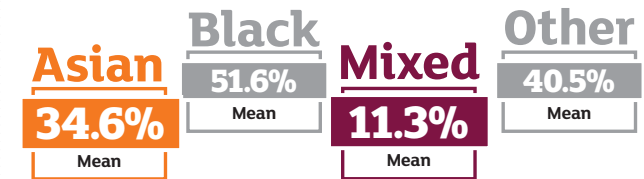
Median Ethnicity pay gap



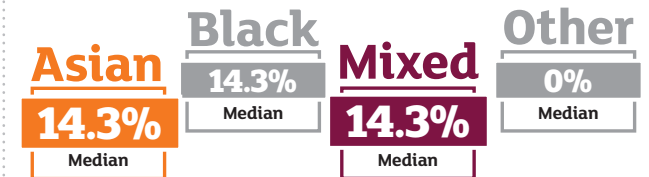
Proportion of each ethnic group in each pay quartile



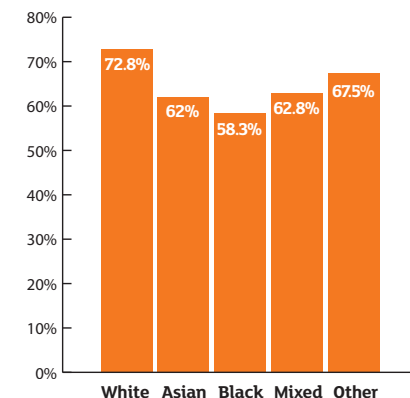
Mean Ethnicity bonus gap



Median Ethnicity bonus gap



% of colleagues receiving a bonus



Understanding our Gender and Ethnicity Pay Gap

There are more men in senior roles

We have seen a further improvement in female representation at senior levels in our organisation over the last year (up 5.2% points). 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

We pay all our retail hourly colleagues the same base rate of pay but certain roles attract a premium - for example, drivers and bakers, where men represent over 90% of the population. Over the last year, we've recruited more males into retail hourly colleague roles, with more male colleagues now receiving a skills premium compared to last year (particularly drivers). This has caused a slight increase in the median 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. Around 50% of retail hourly paid Ethnically Diverse colleagues work in a London store compared to only 5% 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. 65% of our roles are part-time and the majority of these roles, 59%, 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 gaps for the last couple of years have been heavily influenced by the special recognition payments that hourly paid colleagues received during the pandemic. Whilst managers received a similar annual bonus compared to last year, hourly paid colleagues haven't received any additional payments this reporting year, which has meant a decrease in both our mean and median bonus gaps.

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, 17% of Mixed colleagues are in Management or Senior Management roles compared to 11% for Black colleagues and 16% for White 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.

Sharing personal data

Our ethnicity declaration rate this year is 89% 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 (2023)

The Gender Pay Gap disclosure as at the snapshot date 5th April 2023

Sainsbury's Supermarkets Ltd

Mean Gender Pay Gap	8.3%
Median Gender Pay Gap	6.8%

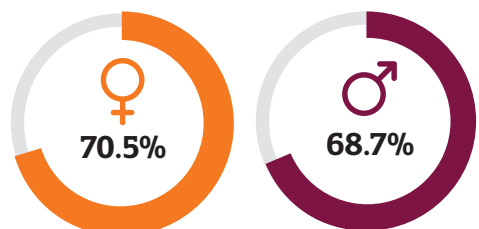
Pay quartile headcount gender %

	Female	Male
Upper	36.2%	63.8%
Upper Middle	43.5%	56.5%
Lower Middle	63.2%	36.8%
Lower	67.4%	32.6%

Mean Gender Bonus Pay Gap	45.1%
Median Gender Bonus Pay Gap	14.3%

Colleagues receiving bonus

Female	Male
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Sainsbury's Bank plc

Mean Gender Pay Gap	31.1%
Median Gender Pay Gap	33.9%

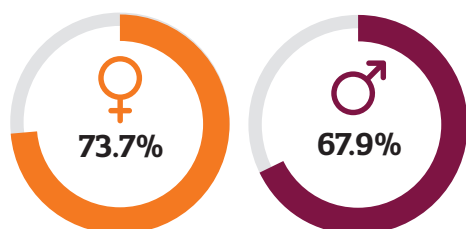
Pay quartile headcount gender %

	Female	Male
Upper	39.2%	60.8%
Upper Middle	51.7%	48.3%
Lower Middle	67.2%	32.8%
Lower	72.0%	28.0%

Mean Bonus Pay Gap	68.7%
Median Bonus Pay Gap	71.1%

Colleagues receiving bonus

Female	Male
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Argos Ltd

Mean Gender Pay Gap	4.8%
Median Gender Pay Gap	4.7%

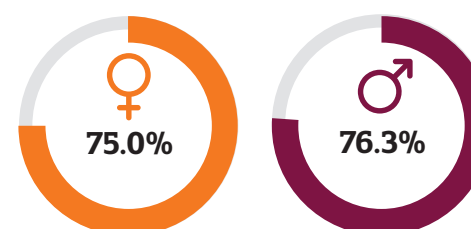
Pay quartile headcount gender %

	Female	Male
Upper	34.2%	65.8%
Upper Middle	29.1%	70.9%
Lower Middle	39.8%	60.2%
Lower	61.6%	38.4%

Mean Bonus Pay Gap	3.5%
Median Bonus Pay Gap	20.0%

Colleagues receiving bonus

Female	Male
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