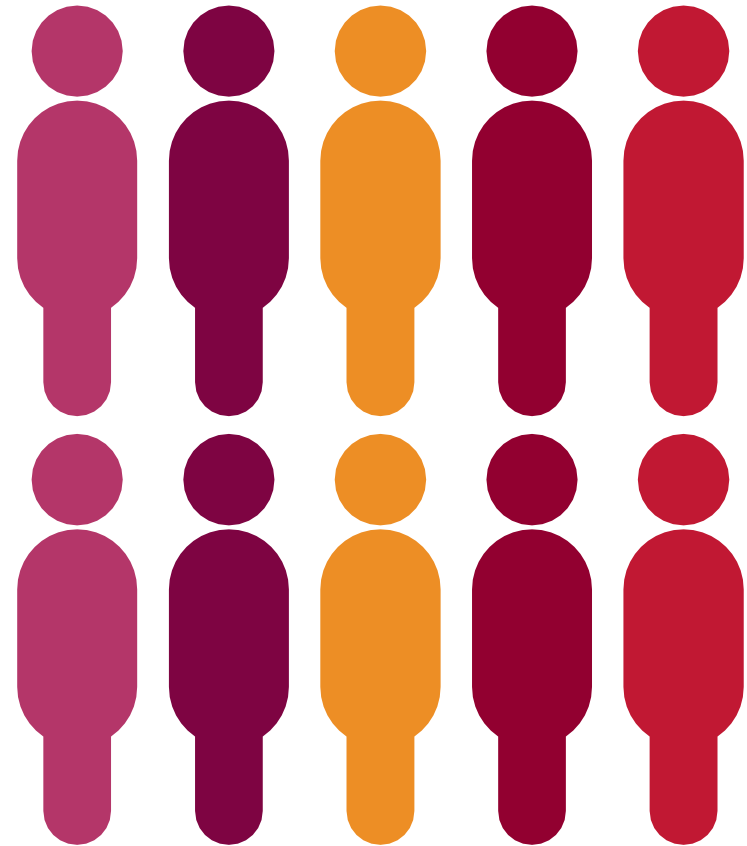


Sainsbury's

# Gender Pay Report 2017

Sainsbury's Group





# Gender Pay Report 2017

**“At Sainsbury’s, we want to be the most inclusive retailer, helping every single one of our colleagues to be the best that they can be, and ensuring that all of our customers feel welcome when they shop with us.**

We’re committed to providing equality of opportunity. We want to enable all of our colleagues to achieve and succeed, irrespective of gender, age, race, religion, belief, sexual orientation or disability, as we strive for a better balance across all areas and levels of our business.

At Sainsbury’s we also know that diverse teams are higher performing teams and that colleague diversity and an inclusive environment is critical in providing great service to all our customers across the UK.

Creating an inclusive culture, where difference is celebrated and embraced, is a core part of building a great place to work - a value that underpins everything we do. We’ve been recognised by Investors in People, the international standard for people management, as a Gold accredited employer for the third time, making us the largest UK employer to receive this distinction.

At Sainsbury’s we pay 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. Men hold more of our senior positions than women however, which results in a gender pay gap.

We are committed to improving gender equality and acknowledge there is more to be done to increase the representation of women at senior levels. We welcome the focus that the government is putting on gender pay and the opportunity to share our progress, insights to date and commitment to inclusivity.

Regulations require all organisations with more than 250 employees to publish details of their gender pay and bonus gap as of the 5<sup>th</sup> April 2017. Sainsbury’s Group has three employing entities which we are required to report separately. A picture of the Group overall, along with the mandatory gender pay reports for Sainsbury’s Supermarkets Ltd, Argos Ltd and Sainsbury’s Bank plc, is set out in the report that follows.”

**Angie Risley**

Group HR Director

# 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.

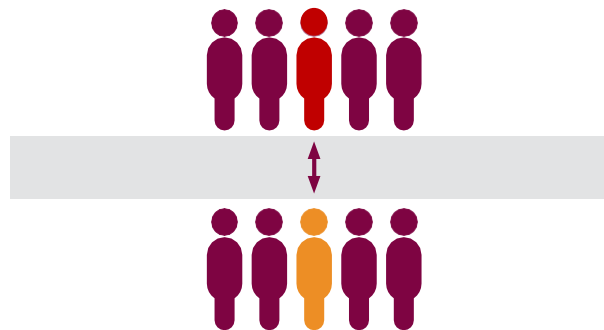


## How is the gender pay gap calculated?

The government asks us to do this in certain ways.

### The median gender pay gap:

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.



## Gender identity

At Sainsbury's we recognise that gender identity is broader than simply male and female. Although the gender pay gap regulations require us to categorise our colleagues as men and women, we know that some of our colleagues may not identify with either category. We value, welcome and celebrate colleagues of all gender identities, working closely with our Proud @ Sainsbury's LGBTQ+ network, to encourage everyone to be their true selves at work.

### The mean gender pay gap:

This 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.

### How is the gender bonus gap calculated?

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.

# Our results - Sainsbury's Group

Starting with our Group picture, these figures include all eligible colleagues employed by Sainsbury's Supermarkets Ltd, Argos Ltd, Sainsbury's Bank plc, and J Sainsbury plc. We employ over 190,000 colleagues.

Our gender pay gap is not a pay equality issue. We pay our colleagues according to their role, not their gender. Our analysis shows that our gender pay gap is due to the structure of our organisation where, like many companies, we have more men in more senior positions than women. We are committed to creating greater gender balance at all levels of our business.

## Our adjusted pay gap

**1.1%**

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 1.1%.

## Our adjusted bonus gap

**3.8%**

When we look at the difference in bonus between men and women across each grade, and adjust for premiums and part-time hours, the bonus gap is 3.8%.

### Median gender pay gap

Sainsbury's Group

4.4%

Retail

9.3%

UK

18.4%

### Mean gender pay gap

Sainsbury's Group

14.6%

Retail

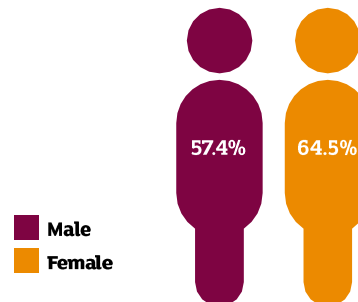
16.4%

UK

17.4%

Source – ASHE Survey 2017

### Colleagues receiving a bonus



### Gender bonus gap

**Median 30.7%**

**Mean 60.4%**

### Proportion of females and males in each pay quartile

Upper quartile

61.3%

38.7%

Upper middle quartile

44.4%

55.6%

Lower middle quartile

35.4%

64.6%

Lower quartile

38.2%

61.8%

Male Female

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.

# Understanding our gender pay gap

## Gender representation

Our gender pay gap exists primarily because we, like many organisations, have more men than women at the most senior levels of our organisation and more women than men in hourly paid roles. This means we have more men earning higher salaries than women, which has a significant impact on both our gender pay and bonus gaps.

The impact of gender imbalance is exaggerated in our bonus gap. Across the Group, bonus potential is the same for all colleagues who undertake the same role. However, senior roles have a higher bonus potential, along with a higher salary, and more senior colleagues participate in our long-term share incentives, which are included in the bonus figures.

This difference in representation at senior levels of our organisation is something we are determined to address.

## Part-time vs full-time

Around 47.2% of all roles across the Group are part-time and of these 62.9% are held by women. The bonus gap calculation, as set out in the regulations, looks at actual bonus paid and is not adjusted for part-time hours. Therefore, a bonus for a part-time female colleague is compared to that of a full-time male colleague which results in a bonus gap even if they were paid the same hourly rate and received the same bonus as a percentage of salary.

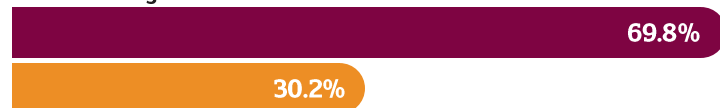
## Why do more women than men work part-time?

We know, from internal and external research, that women are more likely to take on the main caring responsibilities of children and relatives with disabilities or health conditions. This means that women are much more likely to be in part-time positions.

We offer large numbers of part-time positions but most of these are hourly paid roles. We recognise there is more to do to increase flexible working opportunities at every level.

## Group data by level

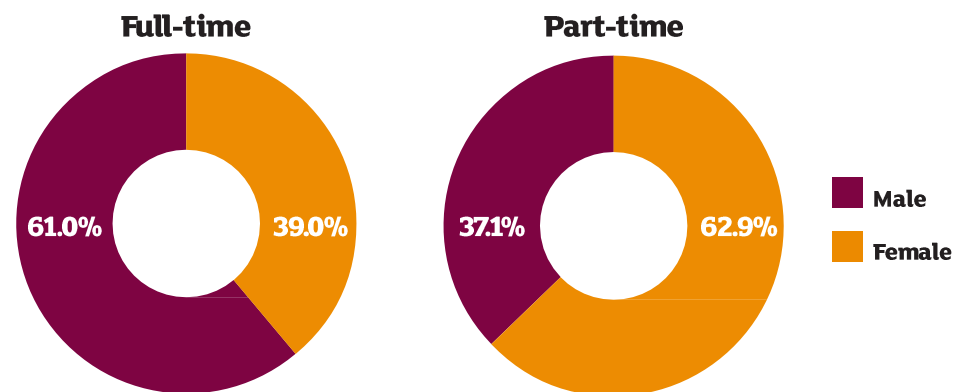
### Senior Managers and Directors



### Management



### Colleagues





# Committed to inclusion

**“At Sainsbury’s we champion a culture of listening to our colleagues – taking the time to understand the barriers that they may face to progression. We also use our data to identify areas of focus and address issues of bias. By collaborating with organisations such as Business in the Community, taking part in studies like the Hampton-Alexander Review and championing initiatives like Retail Week’s gender campaign ‘Be Inspired’ and 30% Club, we also maintain access to the most up-to-date insight and best practice.”**

**Deborah Dorman**  
Director of Corporate HR

## Accountable leadership

Our leaders play a vital role in driving inclusion. Our Board-led Inclusion Steering Group, made up of senior sponsors for each strand of inclusion, own our strategy and report back on progress to our PLC Board.

Our 160 Inclusion Champions across the Group serve as catalysts for change at a local level, championing and educating managers and colleagues across our business.

Senior management hold regular colleague listening groups and have mandatory inclusion objectives, ensuring accountability and commitment from the very top of our organisation.

## An inclusive approach to talent



We take an inclusive approach to talent; from spotting potential, to recruitment, to developing and investing in our colleagues. We’ve developed inclusive talent spotting tools to challenge managers to think differently, and delivered unconscious bias training across the Group.

We’ve also created specific initiatives to accelerate the progression of women — such as our women’s mentoring scheme and our membership of the Everywoman network.

Addressing bias through our recruitment processes is also a focus, with trials of anonymised CVs and strengths-based interviews. We will continue to implement new initiatives over the next 12 months.

## A culture where all can thrive

In 2016 we launched our Embrace the Difference campaign, when we introduced our colleagues to key messages such as being curious, asking questions and avoiding assumptions.

Our Inclusion Week in 2017 faced into the challenging topic of banter through our ‘Beyond a Joke’ campaign, something that has been highlighted as a societal issue through the BITC Race at Work survey and the Everyday Sexism campaign.

We have a number of gender inclusion networks across the Group which drive awareness, connect colleagues and influence strategy. Working with our networks, we seek opportunities to highlight fantastic diverse role models, understanding the positive impact they have.





# Committed to inclusion

## Mentoring Matters

Launched by our CEO Mike Coupe at the end of 2015, our women's mentoring scheme gives colleagues the confidence that we support their career aspirations and helps them to achieve their potential, demonstrating that gender is not a blocker to success.

Since the scheme was established, 2,200 of our colleagues have signed up. When talented women are paired with senior colleagues, it has also provided our leaders (male and female) with a deeper insight into the challenges women in our business may experience, as they move up through the organisation.

## Gender balanced cohorts

We've taken bold steps to strengthen the diversity of our talent pipeline within our Sainsbury's and Argos retail teams with aspirational targets for the make-up of our retail talent development and progression programmes. Cohorts aim to be 50/50 gender balanced as well as representative of the local ethnicity of the region.

We also simplified our assessment process for these programmes, following colleague feedback that the approach to assessment was having a negative impact on the diversity of our applicants, with women in particular choosing to de-select themselves.

These actions have started to have a positive impact on the gender balance of our store managers.

## Women in Finance Charter

Sainsbury's Bank signed up to the Women in Finance Charter in January of this year. Created by HM Treasury, this charter is designed to support and motivate finance companies to land activity that, over time, will help address gender imbalance at senior leadership levels.

We know we have a long way to go to achieve gender balance at all levels in the Bank and have set a target to reach 30% female representation at a senior management level and above across our Bank by 2020.



"I'm a strong advocate of women's mentoring which has proved really successful in my region. We now run mentoring circles with groups of talented women. I've seen my team grow in confidence and drive gender inclusion across our region as a result.

I'm also seeing the positive impact this is having on our mentees, with greater numbers of women joining our development cohorts and putting themselves forward for opportunities across the region."

**Luke Baldwin,**  
Regional Operations Manager, Sainsbury's Supermarkets



"Our Gender Balance network works collaboratively with colleagues from across our business to build a deeper understanding of the challenges or barriers women face to progression, to highlight fantastic role models and to build a more inclusive environment for both women and men.

It's essential that we involve men and women in this conversation to drive long-term change. Through our network insight we have been able to respond directly to colleague feedback, helping to address some of the barriers women face and to level the playing field."

**Emma Bolton King,**  
Gender Balance Network Chair



# Our results

Below you can find the gender pay disclosure of Sainsbury's Supermarkets Ltd as at the snapshot date of 5<sup>th</sup> April 2017.

## Sainsbury's

### Median gender pay gap

Sainsbury's Supermarkets Ltd

5.1%

Retail

9.3%

UK

18.4%

Source – ASHE Survey 2017

### Mean gender pay gap

Sainsbury's Supermarkets Ltd

14.8%

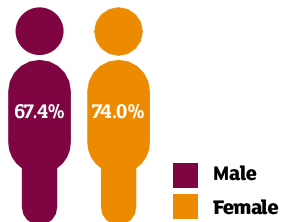
Retail

16.4%

UK

17.4%

### Colleagues receiving a bonus



### Gender bonus gap

**Median** 30.3%

**Mean** 56.7%

### Proportion of females and males in each pay quartile

Upper quartile

62.2%

37.8%

Upper middle quartile

43.5%

56.5%

Lower middle quartile

34.1%

65.9%

Lower quartile

35.5%

64.5%

Male

Female

### Colleagues by level

Senior Managers and Directors

67.8%

32.2%

Management

59.6%

40.4%

Colleagues

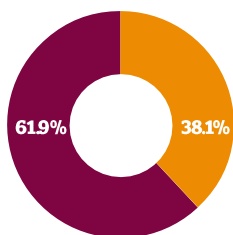
42.0%

58.0%

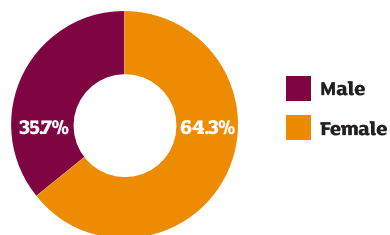
Male

Female

### Full-time



### Part-time



Male

Female

- 86.5% of our Sainsbury's Supermarket colleagues work in our stores on hourly rates of pay.
- These are our lowest paid roles and 59.6% are held by women.
- More men than women hold our senior positions, with larger salaries and bonus potential – 67.8% of Senior Managers and Directors are male and 32.2% are women.
- 64.3% of part-time positions are held by women, which also impacts our bonus gap.

I confirm the data reported is accurate.



*Angie Risley*

**Angie Risley**

Group HR Director



# Our results

Below you can find the gender pay disclosure of Argos Ltd, which includes Argos Financial Services, as at the snapshot date of 5<sup>th</sup> April 2017.



## Median gender pay gap

Argos Ltd

4.2%

Retail

9.3%

UK

18.4%

Source – ASHE Survey 2017

## Mean gender pay gap

Argos Ltd

10.3%

Retail

16.4%

UK

17.4%

## Proportion of females and males in each pay quartile

Upper quartile

58.2%

41.8%

Upper middle quartile

48.9%

51.1%

Lower middle quartile

39.9%

60.1%

Lower quartile

52.5%

47.5%

Male

Female

## Colleagues by level

Senior Managers and Directors

72.1%

27.9%

Management

54.6%

45.4%

Colleagues

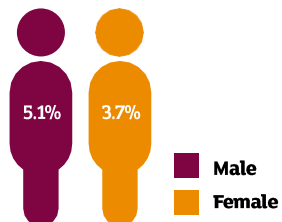
48.6%

51.4%

Male

Female

## Colleagues receiving a bonus

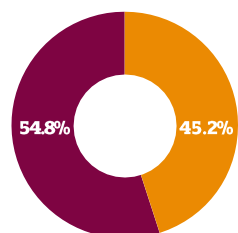


## Gender bonus gap

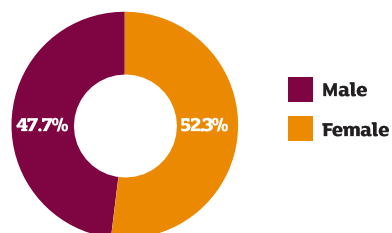
Median 51.5%

Mean 54.5%

## Full-time



## Part-time



- 67.0% of our Argos colleagues work in our stores on hourly rates of pay.
- These are our lowest paid roles and around 50.4% are held by women.
- More men than women hold our senior positions, with larger salaries and bonus potential – 72.1% of Senior Managers and Directors are male and 27.9% are women.
- 52.3% of part-time positions are held by women, which impacts our bonus gap.
- Argos hourly paid retail colleagues do not participate in the annual bonus plan and instead are rewarded through our instant recognition scheme (which is not included in our bonus gap figures).

I confirm the data reported is accurate.



**John Rogers**  
CEO, Sainsbury's Argos

# Our results

Below you can find the gender pay disclosure of Sainsbury's Bank plc as at the snapshot date of 5<sup>th</sup> April 2017.



## Median gender pay gap

Sainsbury's Bank plc



Financial Services



## Mean gender pay gap

Sainsbury's Bank plc

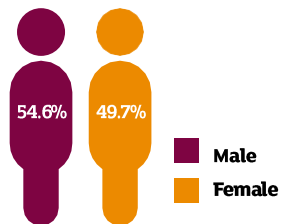


Financial Services



Source – ASHE Survey 2017

## Colleagues receiving a bonus



## Gender bonus gap

**Median 91.3%**

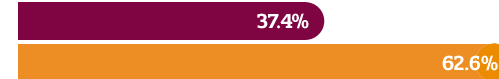
**Mean 78.3%**

## Proportion of females and males in each pay quartile

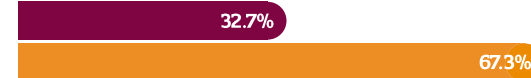
Upper quartile



Upper middle quartile



Lower middle quartile



Lower quartile



Male Female

## Colleagues by level

Senior Managers and Directors



Management



Colleagues



Male Female

- 1,764 colleagues work for Sainsbury's Bank (less than 1.0% of Sainsbury's Group employees), of whom:
  - 62.0% are women
  - 48.9% work part-time

- 48.0% of Sainsbury's Bank colleagues work in our in-store Travel Money Bureaux on hourly rates of pay.

- Sainsbury's Bank is structurally unique in the Financial Services industry as in-store Travel Money Bureaux colleagues are employed directly rather than through a third party.

- These are hourly paid colleagues and almost three quarters of these roles are held by women.

- More men than women hold senior positions at Sainsbury's Bank, with larger salaries and bonus potential - 79.3% of Senior Managers and Directors are male and 20.7% are women.

- 73.1% of part-time positions are held by women which also impacts our bonus gap.

I confirm the data reported is accurate.



*Peter Griffiths*

**Peter Griffiths**  
CEO, Sainsbury's Bank



# Our Group CEO's perspective

**“I see inclusion not simply as the right thing to do, but as a business priority. To lead in a highly competitive retail market, it is essential that we attract, retain and develop the very best diverse talent.”**

At Sainsbury's we're committed to knowing our customers better than anyone else so that we can effectively cater to their diverse needs. A vital part of achieving this is through a truly diverse colleague base, that is reflective of our customers.

With over 190,000 colleagues, we almost perfectly reflect the make-up of the UK population. However, diversity on its own is not enough, we also have to create an inclusive culture where everyone has the opportunity to be themselves, to succeed and progress.

Inclusion is a key focus for my Operating Board, with each of my team taking on an inclusion objective, to ensure increased accountability and action. As a mark of our commitment we have recently signed up to the 30% Club campaign to increase female representation among senior leadership roles.

Whilst this level of focus and commitment is important, I know there is more to do and that a continued dialogue with all of our colleagues to ensure we are making meaningful and sustainable change is crucial.

I will continue to champion gender inclusion in our business, helping us to achieve our vision to be the most trusted retailer where people love to work and shop.”

**Mike Coupe**  
Group CEO