



December
2023

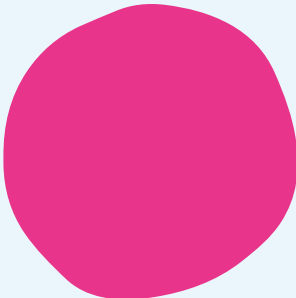
TSB. For everyone.

Real diversity
Real inclusion
Real progress



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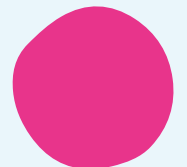


Difference is good

“When we say TSB is for everyone, we really mean everyone. Every single one of our customers and colleagues. At TSB, we have more than 5,000 colleagues, spread across the UK, and we want a level playing field for all of them. That means creating a truly inclusive culture, where everyone belongs and is valued for the differences they bring. We’ve made good progress, but we know we have more to do and we’re always looking for ways to improve.”








Ariam Enraght-Moony,
Chief People Officer



Real diversity

Our goals

People don't fit into neat boxes. That's why we've set intersectional targets to reflect the diversity of the UK working age population by 2025. These focus on disability, gender, race and ethnicity and sexual orientation. And we're already making good progress. We have been making progress against our representation goals, and median Gender and Ethnicity Pay Gaps have reduced since last year.

Area of focus	Our 2025 Goal	Where we are now	How we'll get there	TSB Network
Disability	Maintain a representative workforce where at least 19% of colleagues disclose a disability.	On track	Review and improve colleague experience, in partnership with external specialists and our Ability at TSB network. Give colleagues access to private health and wellbeing specialists. Facilitate meaningful conversations between colleagues and managers about their needs using workplace passports. Educate colleagues and managers.	TSB Ability 
Gender Balance	Maintain at least 40% of senior roles held by women.	Exceeding goal	Develop our Aspiring Women network, prioritising female representation on shortlists for all senior hiring and proactively managing gender balance on all future skills and pipeline programmes.	Gender Inclusion 
Race & Ethnicity	At least 14% of the workforce identify as Black, Asian, or minority ethnic , including at least 3% who identify as Black. At least 10% of senior leaders identify as Black, Asian, or minority ethnic.	Exceeding goal	Level the playing field for Black and ethnically diverse colleagues, enabling all colleagues to reach their potential. Deepen the skills, capability, and confidence of leaders through our inclusive leadership activities.	Ethnicity at TSB 
Sexual Orientation & Gender Identity	Maintain a workforce where at least 3% of colleagues identify as LGB.	Exceeding goal	Review colleague experience, in partnership with Stonewall and our LGBTQ+ network. Promote a culture of trans inclusion with support for trans and non-binary colleagues.	LGBTQ+ at TSB 
Social mobility	Understand our workforce and career journeys, so we know socio-economic background is not a barrier to a career at TSB. We also support social mobility in communities.	Understanding our workforce	Participate in annual market benchmark, with Progress Together to better understand the socio-economic make up of our workforce and define any action required.	Social Mobility 

TSB's 2025 goals are % of colleagues who have shared their personal data.



Real inclusion

We're not just talk. Here's what we're doing.

Positive representation across all areas

- Both ethnic diversity and gender balance are embedded as key performance indicators within our Do What Matters Plan.
- Our leaders and managers continuously drive for gender-balanced shortlists and ensure there is access to diverse talent pipelines.
- We provide training for hiring managers, so they recruit and manage for talent, regardless of background.

Empower colleague networks

- We encourage active allyship of our networks through regular events and campaigns that raise awareness and model practical actions that our colleagues can take.
- We host round-table discussions to deepen our leaders' understanding of diversity topics, share different perspectives and provide a safe space to learn and grow.

Measure inclusivity progress

- Progress against our representation and inclusion goals and colleague survey responses are regularly tracked and shared with all TSB colleagues.
- We respond to colleague feedback on areas where our colleague experience could be improved to be more inclusive and to remove barriers.

Thank you to the external experts who we partner with to ensure our accountability and progress.

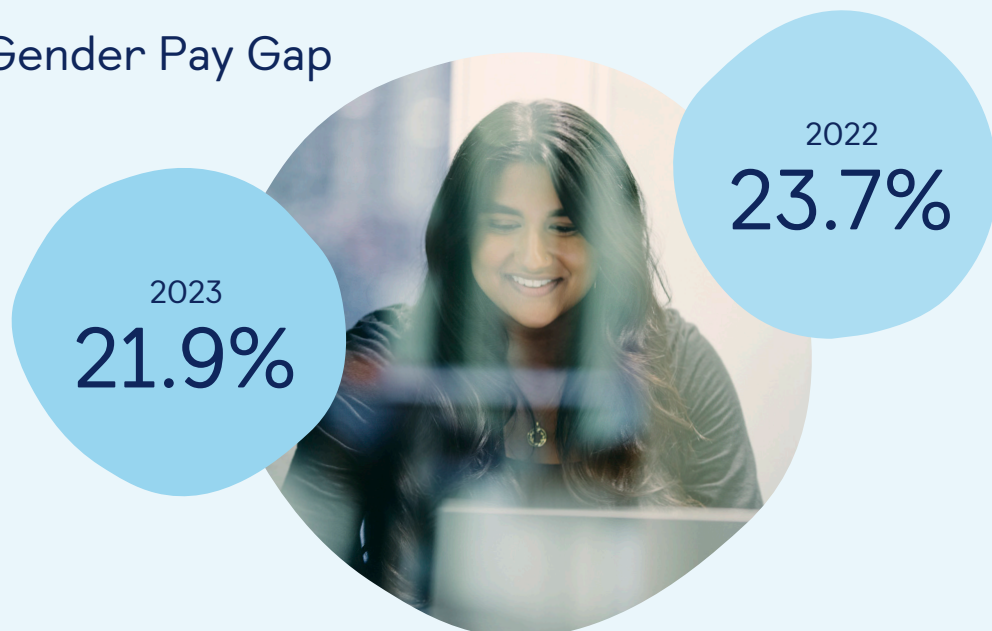


Real progress

We're reducing our pay gap

We measure pay gaps based on gender and ethnicity, and we've seen a reduction in the 2023 median compared to 2022. We recognise we need to do more to be representative of our customers at every level of TSB, so we'll always be transparent and honest about how we're doing.

Median Gender Pay Gap



Median Ethnicity Pay Gap



Pay gap data signed off by Declan Hourican, TSB CFO.



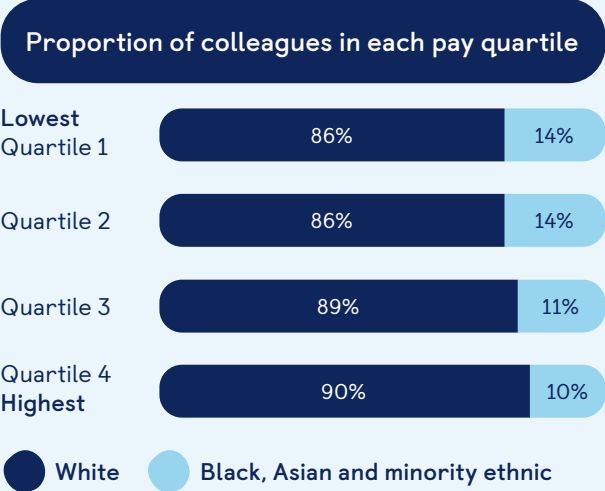
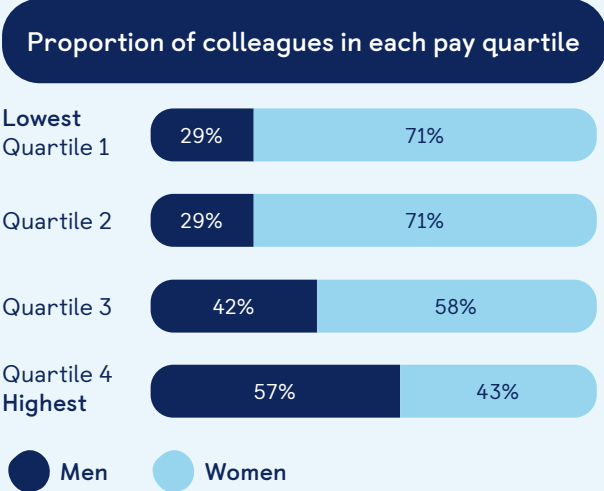
Why does TSB still have pay gaps?

At TSB, the highest volume of colleagues are in customer-facing roles that are often junior. These are also the roles where the larger proportion of female and ethnic minority colleagues are represented. As such, despite improving our Black, Asian and minority ethnic representation, as well as female senior representation across the bank, pay gaps persist.



But, we're getting better

We're committed to better representation at the highest levels of TSB. Balanced representation is a key performance indicator in our Do What Matters Plan and is reported regularly to our Executive team and TSB Board.



Industry context—the 2022 financial services median gap was 31.2%. There is no industry-wide pay gap report for ethnicity.

[Gender pay gap UK by sector 2023 | Statista](#)













Good to know

What's the difference between a pay gap and equal pay?

Pay gap—Pay gap measures the difference between the average pay of two different groups, across all roles and levels. It doesn't compare pay for specific roles.

Equal pay—Equal pay relates to a colleague's role. It's unlawful for an employer to pay individuals differently for performing the same or similar work, or work of an equal value.

Here are some **examples** of how this might happen:

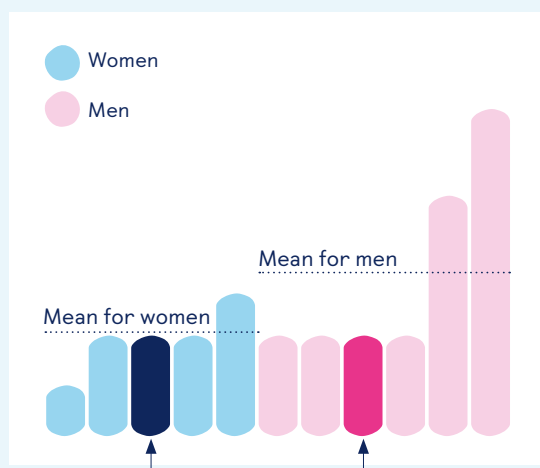
Example Business 1	Role A £100			Equal pay
	Role B £30			Equal pay
	Average	£65 $((3 \times £100) + (3 \times £30))/6$	£38.75 $((1 \times £100) + (7 \times £30))/8$	Gender Pay Gap 40.4%
Example Business 2	Role A £100			Equal pay
	Role B £30			Equal pay
	Average	£50 $((2 \times £100) + (5 \times £30))/7$	£50 $((2 \times £100) + (5 \times £30))/7$	Gender Pay Gap 0%

In **example Business 1** there are more men than women in Role A earning £100 an hour and there are more women than men in Role B earning £30 an hour. As a result the business has a gender pay gap of 40.4%.

In **example Business 2** there has been no change in salaries, but structurally the business has equal male/female colleagues. Gender pay gap is therefore 0%.

It is important to note, that in both the examples shown, all colleagues are paid equally.

Median pay is the same, despite higher mean pay for men because of highly paid outliers.



There's a difference between median and mean.

There are two types of average: median and mean. The mean is calculated by adding up all the wages and dividing by the number of colleagues, the median is the middle number from a list and represents the midpoint of the data. We report on both, because it looks at all colleagues across TSB, instead of focusing on those at more senior levels.

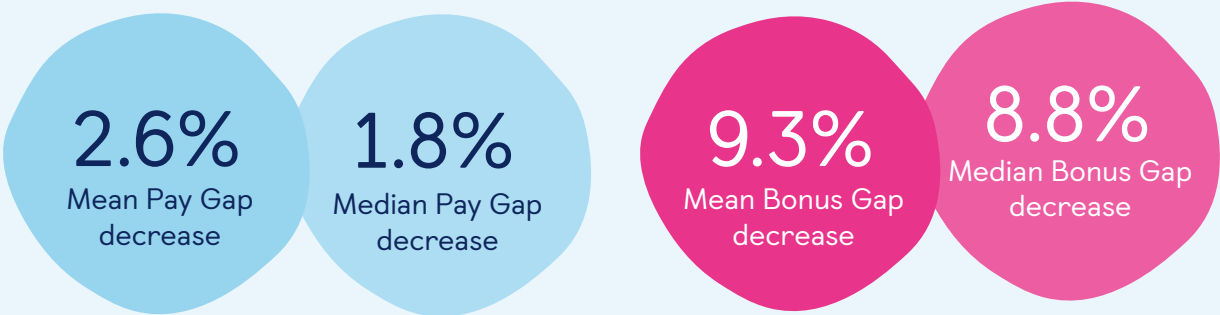
The facts and the figures

TSB Gender Pay Gap, April 2023

Closing the gap - Thanks to greater gender balance **among** senior colleagues and better pay at lower levels of **TSB**, we reduced our Gender Pay Gap in both pay and bonus.

	2022	2023
Median Pay Gap	23.70%	21.90% -1.80%
Mean Pay Gap	29.50%	26.90% -2.60%
Median Bonus Gap	27.70%	18.90% -8.80%
Mean Bonus Gap	47.40%	38.10% -9.30%
Proportion of Male Colleagues Receiving Bonus	91.60%	93.90% 2.30%
Proportion of Female Colleagues Receiving Bonus	93.90%	96.50% 2.60%

We continue to focus on improvements in our workforce representation, as part of our **Do What Matters Plan**.



- The improvement is due to having more female senior leaders and better balance at lower-grade roles.
- Female colleagues account for 51.1% of the top two quartile colleagues (up 0.8%) and 70.2% of the bottom two quartiles (down 0.9%).
- Overall representation and leadership representation of women have increased in line with our goals. This has caused the median to reduce.
- The Mean having increased slightly is due to the size of the population which is highly sensitive to fluctuations.

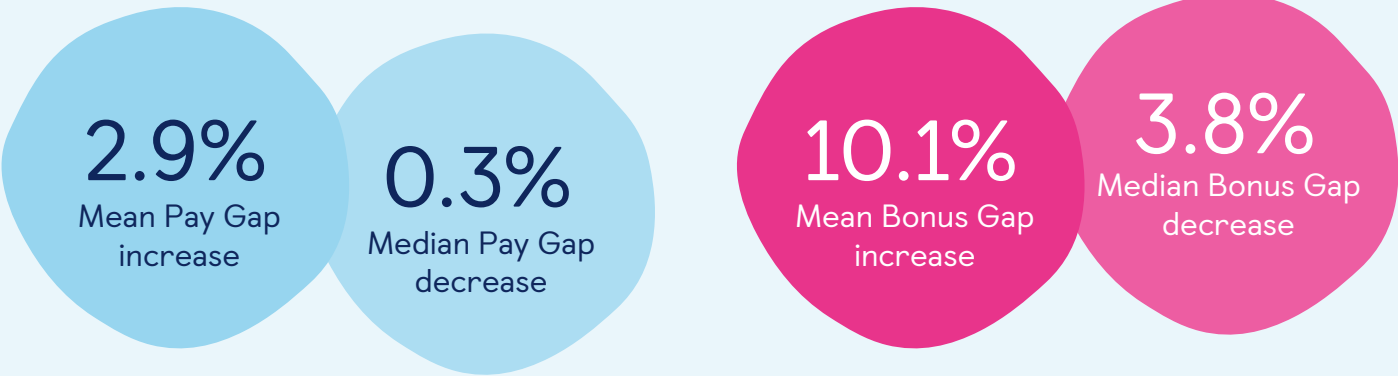
Pay gap data signed off by Declan Hourican, TSB CFO.



TSB Ethnicity Pay Gap, April 2023

Our Median Pay and Bonus Gaps have decreased. However, Mean Pay and Bonus Gaps have increased (by 2.9%). This is because the number of Black, Asian and minority ethnic colleagues at TSB has increased, and the majority have joined to support our customers in more junior roles which means the workforce is more ethnically diverse, but the average pay of all Black, Asian and minority ethnic colleagues is lower.

	2022	2023
Median Pay Gap	13.10%	12.81% 0.29%
Mean Pay Gap	1.20%	4.13% 2.93%
Median Bonus Gap	10.00%	6.19% 3.81%
Mean Bonus Gap	0.90%	10.97% 10.07%
Proportion of White Colleagues Receiving Bonus	96.20%	97.85% 1.65%
Proportion of Black, Asian and minority ethnic Colleagues Receiving Bonus	91.10%	95.56% 4.46%



Overall representation and leadership representation have increased in line with our goals. This has caused the median to reduce. The mean having increased slightly is due to the size of the population which is highly sensitive to fluctuations.

Pay gap data signed off by Declan Hourican, TSB CFO.



