

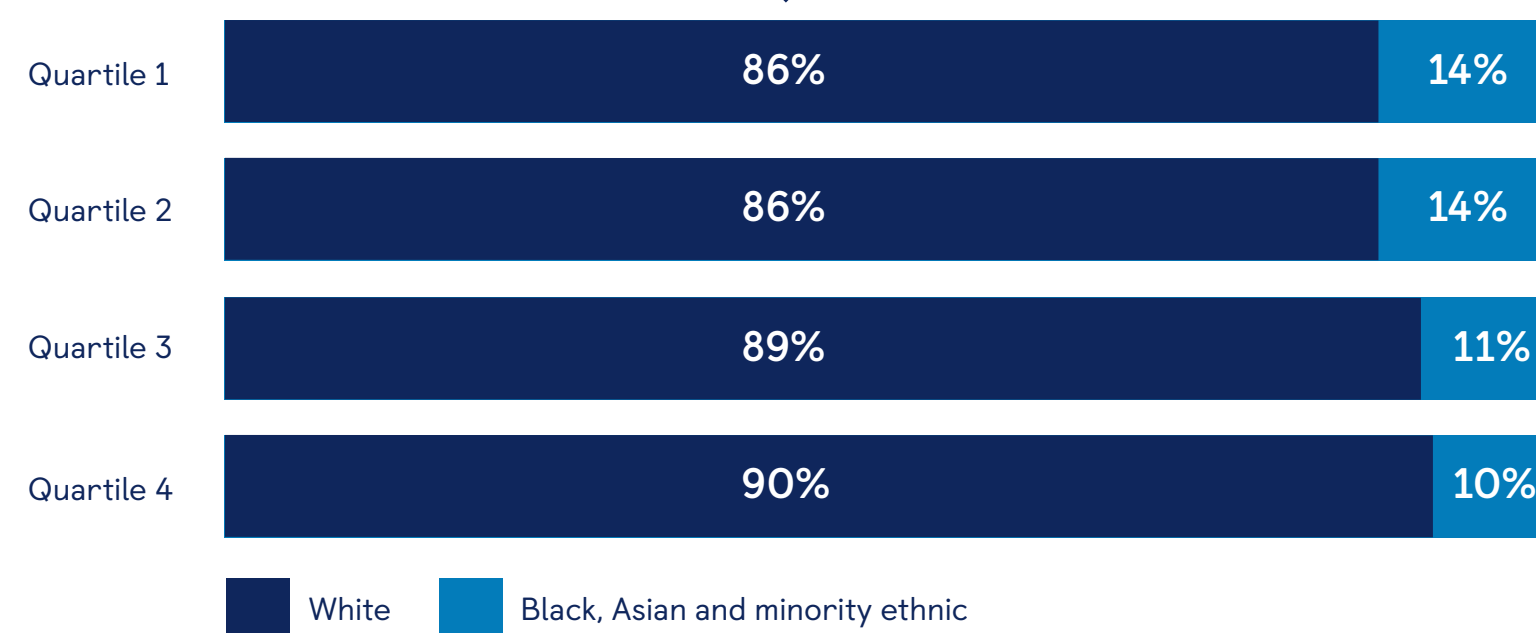
At TSB we're committed to building truly diverse teams. For the second year we are publishing our ethnicity pay gap alongside our gender pay gap. Pay gaps measure the difference in average pay between different groups of colleagues. This is different to equal pay, which compares the pay of employees doing the same or similar work.



## Ethnicity pay gap

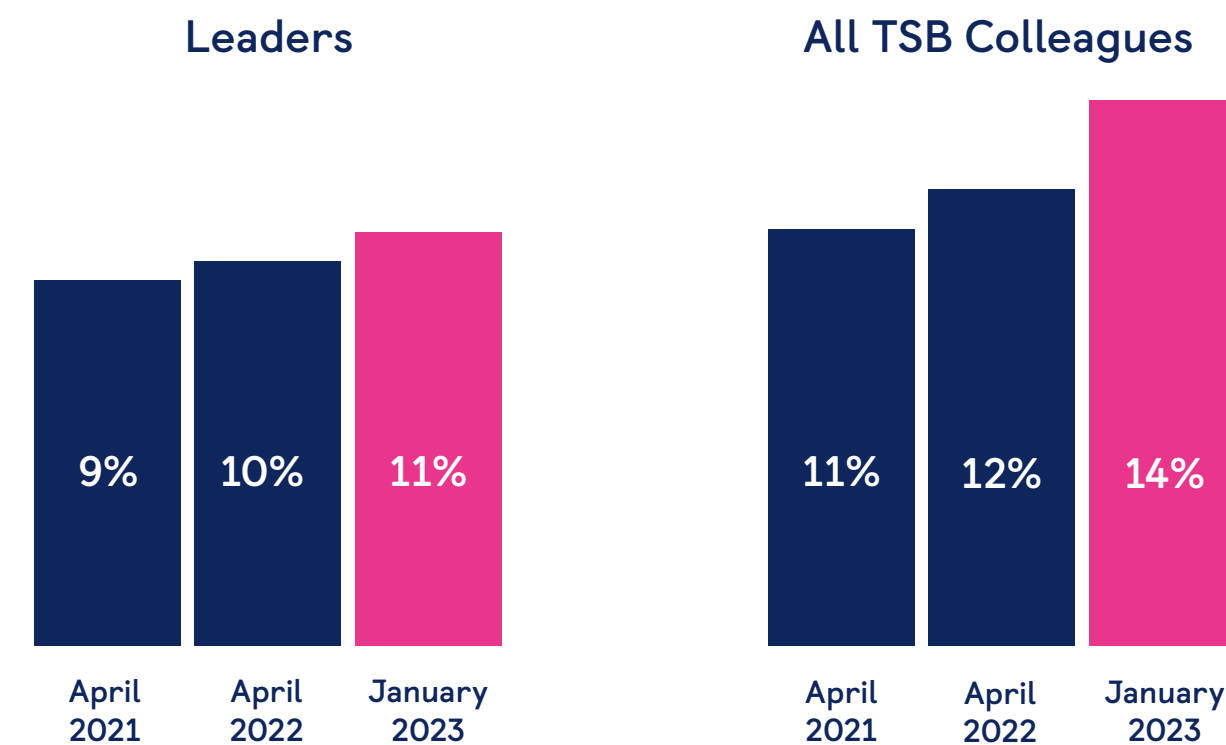
	2021		2022
Mean Pay Gap	-0.7%	+1.9%	1.2%
Median Pay Gap	7.9%	+5.2%	13.1%
Mean Bonus Gap	0.7%	+0.2%	0.9%
Median Bonus Gap	8.0%	+2.0%	10.0%
Proportion of White Colleagues Receiving Bonus	97.6%	-1.4%	96.2%
Proportion of Black, Asian and Minority Ethnic Colleagues Receiving Bonus	95.0%	-3.9%	91.1%

### Proportion of colleagues in each pay quartile



## Understanding the pay gap

The ethnicity pay gap has increased as overall representation has increased predominantly across our lower grades.



Pay gap as at data April 2022

- TSB's Black, Asian and minority ethnic colleague population has increased since 2021. More colleagues have joined in lower paid roles than in higher paid roles and this means that although the workforce and leadership teams are more diverse, the pay gap has increased.
- Achieving equal representation by continuing to attract Black, Asian and minority ethnic colleagues to work at all levels at TSB and removing any internal barriers to progression would remove the pay gap.

## What are we doing about it?

- Attraction**
- Partnering with race talent specialists, including Black Young Professionals, Black Professional Scotland and Black Talent Charter.
  - 10,000 Black Interns programme
  - Inclusive recruitment principles for all hiring managers

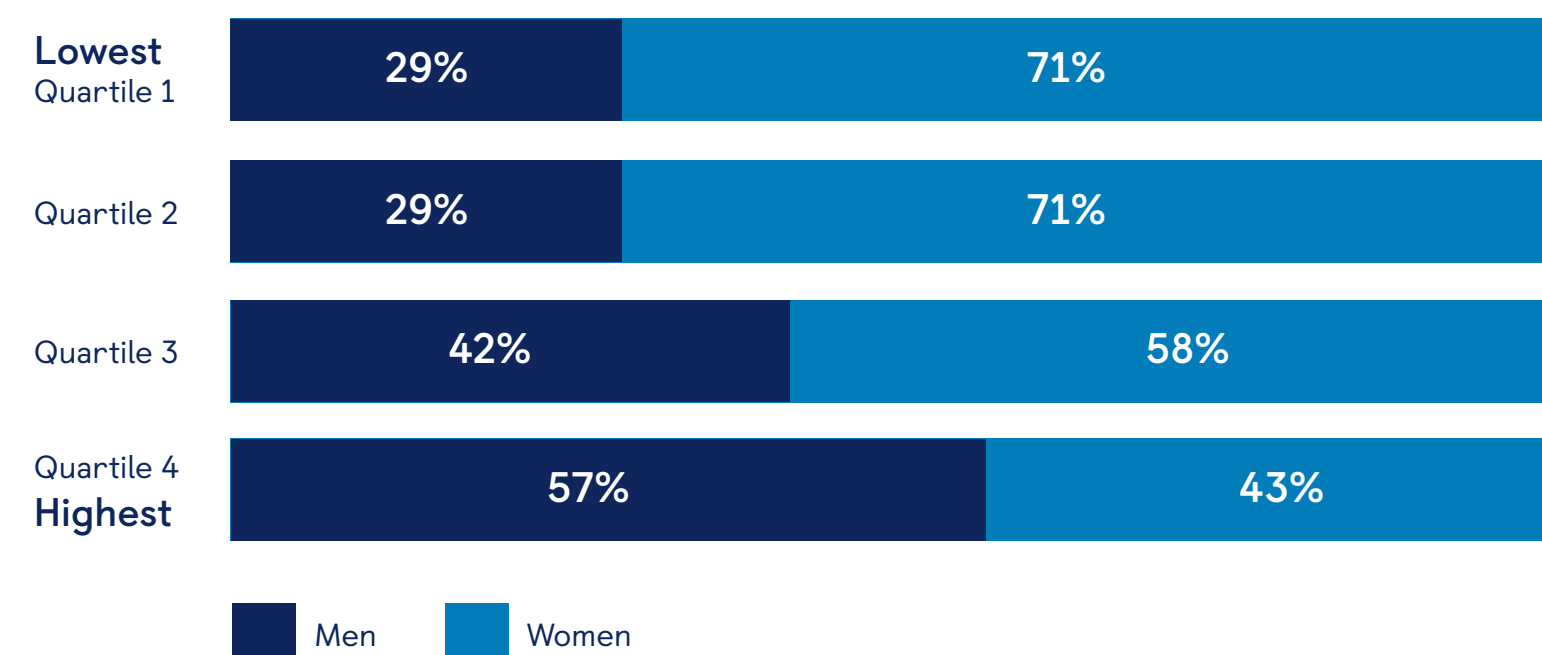
- Retain & develop**
- Inclusive mentoring programme, including race mentoring circles working with Business in the Community
  - Ethnicity Inclusion network focussed on educating, raising awareness and creating active allies across TSB
  - Ignite programme for Black and Black mixed heritage colleagues

- Addressing career barriers**
- Set ethnicity representation goals for all colleagues and leaders
  - Reverse mentoring programme
  - 'Being Inclusive' training for all colleagues

## Gender pay gap

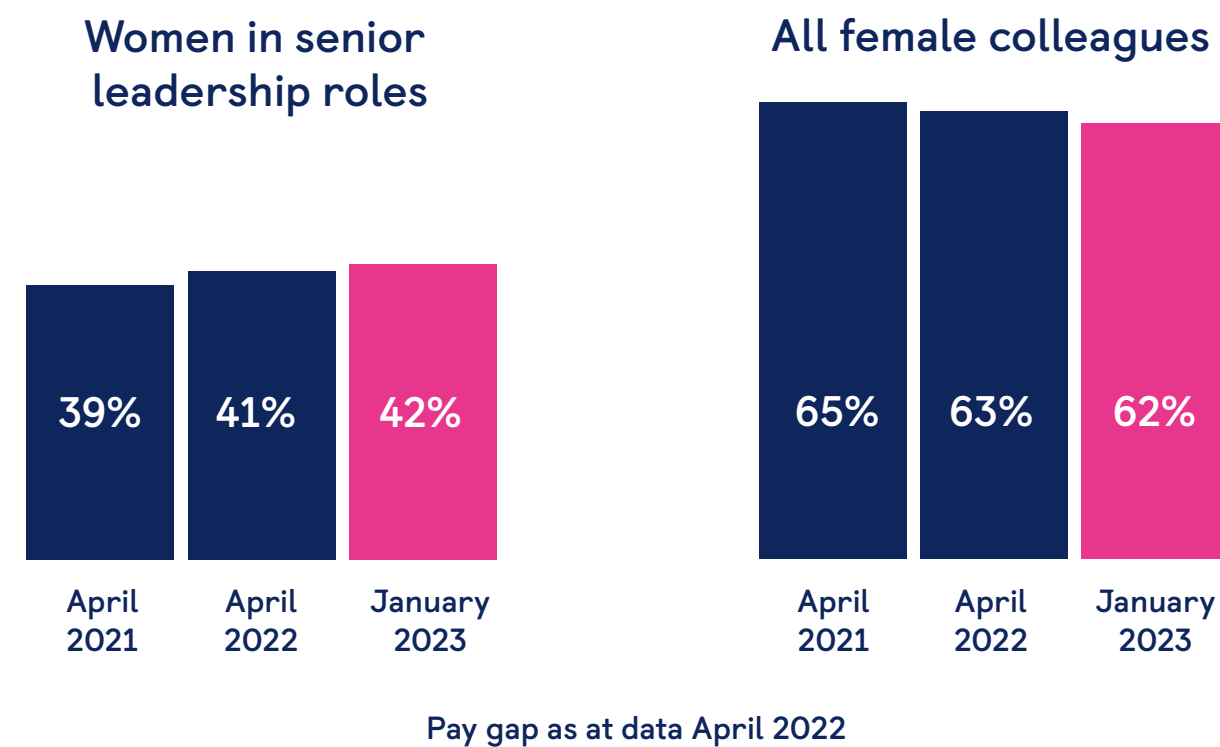
	2021		2022
Mean Pay Gap	31.8%	-2.3%	29.5%
Median Pay Gap	25.6%	-1.9%	23.7%
Mean Bonus Gap	46.3%	+1.1%	47.4%
Median Bonus Gap	24.6%	+3.1%	27.7%
Proportion of Males Receiving Bonus	95.0%	-3.4%	91.6%
Proportion of Females Receiving Bonus	96.4%	-2.5%	93.9%

### Proportion of colleagues in each pay quartile



## Understanding the pay gap

The gender pay gap has decreased, since 2021, as more women take up senior leadership roles.



- TSB continues to have a gender pay gap, driven by the make up of our workforce where we have more women in lower grade roles and fewer in senior leadership roles.
- Overall, the gender pay gap has decreased to April 2022 because we had more women in senior leadership roles (41%). Since April 2022 we have continued to increase the representation of women in senior leadership roles.
- For bonus payments this improvement has been outweighed by an overall increase in bonus amounts for all colleagues.

## What are we doing about it?

- Attraction**
- Use gender balance shortlists to improve senior female hiring.
  - Inclusive recruitment principles for all hiring managers

- Inclusive culture**
- Gender Inclusion network focussed on career confidence, raising awareness and creating safe spaces for colleagues
  - Miscarriage leave, infertility and menopause support
  - Introduced industry leading paid carers leave policy
  - Guidance and support for colleagues planning to transition gender or change their gender expression
  - Introduced an equal parental leave policy - one of the first major employers in financial services

- Addressing career barriers**
- Partner with Women of the Future
  - Aspiring Women - internal programme to connect colleagues across TSB
  - Inclusive mentoring programme working with Moving Ahead
  - 'Being Inclusive' training for all colleagues

We recognise that gender is a spectrum and ensure all our colleagues are able to self-identify. Current legislation requires binary reporting. TSB colleagues have the option to also share their gender identity and we will review the pay gap once we hold more data.

The snapshot date is 5 April 2022. TSB confirms the published gender pay gap reporting is accurate and signed by the Chief Finance Officer, Declan Hourican.