



It's what we do

# Our Commitment to Racial Equality and Inclusion

2021: our progress so far





## At Co-op we must be anti-racist in all that we do

Being Anti-Racist, means that we'll work to eliminate individual, institutional and systemic racial inequalities that currently exist within our Co-op.

And we'll do all we can to influence the wider world too. We won't stand by when we see racism happening. We'll speak out and we'll act against it.

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# Introduction from Steve Murrells, Co-op CEO

I'll begin by sharing my reflections from when we launched our Commitments to racial equality and inclusion last year - '2020 opened all of our eyes to the gross inequalities that still exist around us. When it comes to race, the issues we're facing are systemic, deeply entrenched, and knotty.'

The murder of George Floyd in the US was a catalyst for many people and organisations to be bolder, to stand up against racist behaviour and use our voices to call out the inequalities that Black people, and indeed those from minority ethnic groups, face across the world, every day. I said a year ago when we launched our Commitments that Co-op is an anti-racist organisation, and this remains true today, and every day after that too.



Things are beginning to change, and we're turning the dial on how we talk about race and calling out what's unacceptable, but we know that there's a long road ahead of us. We've all witnessed things this year, such as the racist abuse of Black footballers at the Euros, our own Co-op colleagues have suffered racial abuse, too, and it serves to remind us of how much there is still to do and that we must strengthen our resolve to be anti-racist.

Our vision to Co-operate for a Fairer World is underpinned by the Commitments we've made, and if we don't deliver on them, we won't achieve our vision. It really is as simple as that. We're making progress and have delivered some of the Commitments already. I'm so proud of the work we're doing, but this is a journey. We knew from the outset that some of the Commitments would take a number of years to deliver, and we will do this. Our Commitments are not a trend or a tick box exercise. They're the things we need to address properly and over time to be a truly anti-racist organisation. We're listening, learning and putting plans in place to help us deliver the rest.

We know it's not going to be easy, but we're more able than ever to take on the challenge. Over the last year, teams across our business have worked together and made real progress in building the foundations for us to make a difference in years to come – and we've got some great stories to tell.

It's an unacceptable fact that racism exists, but I genuinely believe that our delivery of the Commitments will make a difference for people who are Black or from ethnic minority groups. We won't solve everything in the short term, but we're all committed to making change, regardless of how long it may take.

Thank you, Steve



# Message from Co-op Rise Network

The Rise Network is our colleague network that supports ethnic minorities and allies across the business. We believe that raising cultural awareness and amplifying the voices of our minority ethnic colleagues plays a massive part in creating an inclusive culture at Co-op.

We've been supporting colleagues for over three years now, well before the tragic death of George Floyd in 2020. We're continuing to share the lived experiences of our colleagues and the hard truths with our leaders to influence and drive change. We'll continue to celebrate diverse cultures and religions, and we'll encourage all our colleagues to be courageous in having conversations about race.

This year, the Rise Network has played a leading role in listening and advising the business on better engaging our colleagues, customers, and members on events such as Ramadan, Eid, Rosh Hashanah, Diwali and Black History Month.

We're proud to be supporting our Co-op on this journey. Driving a culture change in such a large business was never a quick fix, but we must keep the momentum - listening, learning, and moving forward to create a fairer world for everyone.

Thank you

**Co-op Rise Network**

# Commitment 1

We'll publish annually our ethnicity pay gap. We know transparency drives action so we'll call on the government to make this mandatory for all businesses.

We believe that publishing the ethnicity pay gap is integral to ensuring fairness for all our colleagues. At its simplest, the ethnicity pay gap will show the difference in the average pay between all our minority ethnic colleagues and our white colleagues. Much like the gender pay gap has done before, highlighting gaps will enable us to do the right thing and deal with the consequences.

We believe that pay should reflect a person's performance and the impact they have on our business. No one should be unfairly paid because of their ethnicity, race, gender, or other defining characteristics. We believe that the government needs to make ethnicity pay gap reporting mandatory, and we intend to ask them to do this. In the absence of this we've developed our own approach.

## Progress so far

We'll be reporting on our ethnicity pay gap in the first half of 2022. We've defined an approach to the reporting that incorporates the value of getting it right and following the existing gender pay gap government guidance.

Over the last year, we've done a lot of work with our colleagues to ensure that the data we hold about them is accurate – this includes all the main identifiers such as ethnicity and gender. This work is nearing completion.

We've been analysing our data to understand the multiple ethnic groups (categories and self-identification) at Co-op to ensure our ethnicity pay gap report is as accurate and representative of our colleagues as possible.

## What's next?

We're committed to publishing our baseline ethnicity pay gap report in the first half of 2022 and are currently aiming for a date in April.

# Commitment 2

Double the representation of Black, Asian, and minority ethnic leaders and managers by the end of 2022, moving from 3% to 6%, and then to 10% by 2025.

Co-op is built around our customers, members and communities. Our aim is to ensure we're offering them the things they need, and we're there for them, when they need us.

We want our colleagues to be reflective of the communities we serve. We're proud that our colleagues are made up of so many diverse identifiers, it's what makes our Co-op thrive and do things differently. At Co-op we truly believe that inclusion is not a nice to have, it's how we do business.

## Progress so far

We know that whilst we have a good representation of minority ethnic colleagues in frontline and support roles, there's a need and a desire to ensure that our leadership population reflect our communities more strongly and accurately. We've more to do in this space to deliver on this Commitment.

Over the last year we've made good progress. In our most senior roles, 9% are now from minority ethnic backgrounds so we're ahead of schedule with this group of leaders. And in our managerial population of colleagues, we're on track to meet the commitment within timeframes, with 6% of roles taken by colleagues who are Black, Asian or from other minority ethnic groups.

However, these figures are based on 64% of colleagues sharing their diversity data and we need to get to an 85% completion rate before we can feel confident that the figures and representation is where we need it to be.

Targets are a good thing to have to help drive this Commitment forward but there's more to this than delivering against numbers.

To ensure we're setting our Co-op up to succeed in future years we've also made steps to ensure our talent pipeline is representative.

## Advancing Diverse Talent pilot

We've created an Advancing Diverse Talent programme for our ambitious colleagues who identify as Black, Asian, and from other minority ethnic backgrounds. It's been successful with colleagues joining from across all our business areas, functions and locations across our Co-op.

Our aim was to create an environment that would help our colleagues push against barriers and succeed in their career aspirations and improve internal processes to advance diverse talent. The programme pilot has ended, and we're now evaluating results.

The ambition is to roll out pan Co-op and aims to build a more diverse leadership pipeline by equipping emerging leaders with the skills to navigate organisational culture with a clearer perspective on their own potential, building confidence, feeling empowered and expanding their professional strengths.

## Delivering an English language course for store colleagues

As part of our commitment to helping colleagues reach their potential and have the confidence in serving our customers' needs, we've identified the need to upskill some of our colleagues who speak English as their second language.

Over 400 colleagues are taking part in the English language course, which is run by the Language Lounge.

## What's next?

As we've said, diversity and our amazing colleagues are what makes our Co-op successful, so we'll continue to focus on recruitment that's representative of our communities.

We'll also be analysing our Advancing Diverse Talent Programme with a view to enrolling more colleagues during 2022.

# Commitment 3

Require diverse shortlists for all leadership roles – no exceptions, and we'll partner with organisations that'll help us to reach talent from Black, Asian or minority ethnic backgrounds.

We want to ensure that Black and minority ethnic candidates know that we're actively looking to grow a diverse leadership population that reflects the communities we serve as a business.

## Progress so far

Our focus in 2021 has been on creating diverse talent pipelines that naturally translate to diverse shortlists for Co-op jobs at all levels. We've planned and delivered more diversity and inclusion (D&I) related careers content than ever before, profiling a wide range of Co-op colleagues, networks and initiatives, and showing how people from all kinds of minority groups can thrive here. By showing prospective candidates that Co-op is a place where they'll be welcomed, included and offered the opportunity to build a rewarding career, we're building diverse talent pipelines and creating diverse shortlists for all our businesses.

We've upskilled all resourcing colleagues, working in partnership with D&I consultants The Clear Company to make sure all our recruiters are educated and able to challenge stakeholders on diverse shortlisting. We're engaging Co-op leaders proactively to help them understand the demographics of their communities, and what building a team that represents their community means in practice. Through this kind of business partnering, we're addressing the decline in the representation of ethnic minority candidates we've previously seen at interview stage, as we know that they do apply.

## We're talking about our colleagues more

We've delivered numerous content pieces showcasing our colleague networks to external audiences, designed to demonstrate to people from diverse backgrounds that they'll be welcomed and included at Co-op and that there's an established support network for them. You can read about our [Advancing Diverse Talent](#) programme, and there's lots more on our [careers page](#) too.

## Black Young Professionals Network partnership

We've partnered with BYP (Black Young Professionals Network) to help introduce more young black leaders to Co-op. This partnership is enabling us to build a pipeline of talented people who'll eventually help us shape the future of Co-op as part of our next generation of senior leaders.

- The BYP team are sourcing candidates for leadership roles in our retail business, in areas of the UK where we need to improve black representation
- We're advertising Co-op jobs on the BYP job board so we can attract more black candidates into our specialist support teams
- BYP are advising members of our Rise colleague network on the work they're doing to support black colleagues
- We've delivered 3 events with them, sponsored two conferences (leadership and digital tech), and ran a Co-op webinar for BYP members which featured John Amaechi and members of our first Advancing Diverse Talent programme
- We're now in the process of on-boarding them fully as a Co-op supplier – strengthening that relationship further so we can continue to work towards our goals of increasing diversity in our talent pools, and building advocacy in the Black community

## Our Career Development Platform

We're working with Omni, where we've delivered the Co-op Career Development Hub - a platform created during the pandemic, which helps candidates to develop their employability skills. It's available to all, but we've focused on delivering it to minority groups that are often disadvantaged in the employment market – offering it to Big Issue vendors, Co-op Academy 6th form students, and soon to BYP members. We've also shared with all candidates who've been unsuccessful in securing a role with us to help them.

## What's next?

Whilst shortlisting is important, we ultimately want shortlists to convert into more colleagues joining our business to be from a Black or minority ethnic background and represent our communities. Having a diverse leadership population is only going to make our Co-op better and we'll measure this and address any issues. The Commitment remains a key focus area for us and we'll look to develop opportunities with existing and new partners to support it.

# Commitment 4

Actively collect and monitor data which enables us to track progress and reduce inequalities within our internal systems and processes when it comes to promotion and opportunities.

As a business with over 64,000 colleagues, it's important that we capture diversity data. We want to know how our workforce is made up, we want to understand any gaps, we want to see if we need to make changes. Our colleagues make our business what it is, and we need to ensure that the data we hold collectively about them, can positively impact individuals. If a colleague wants to progress at our Co-op, we want to help them do this and cultural, racial, and other identifiers shouldn't be a blocker to this.

## Progress so far

We know that for many colleagues sharing data is a big thing, so we've taken a proactive approach to feedback and held listening groups to understand why some colleagues feel uncomfortable to share.

An easy way for colleagues to help us actively deliver on our Commitments was for them to complete their data, so we launched a campaign that was inclusive of all colleagues to explain the importance of data and how it'll help us shape decisions and enable an inclusive culture in future.

It was really well received and nearly two thirds (64%) of our 64,000 colleagues have shared their data around; Ethnicity, Gender, Orientation, Disability, Religion, Socio-Economic Background and Caring Responsibilities. The accuracy and quality of data captured is better than we've had before too.

We'll only share high level data to a distinct group of colleagues who need it to make positive change, nobody will be identifiable and we've created a dashboard that protects marginalised colleagues from identification through levels at which we report and who has access.

## What's next?

We're in a stronger position now to reduce inequalities, but we need more colleagues to share their data to make this a reality. Ultimately, we want 85% of colleagues to share their data to ensure the decisions we take and the actions we make are based on as much insight as possible and we're doing further work to increase participation.

# Commitment 5

Require all of our leaders to have objectives that ensure they're playing their part in delivering to our Commitments to racial equality from 2021.

Our Commitments are at the heart of our inclusion strategy and play an integral role when it comes to our vision of Co-operating for a Fairer World. If we don't achieve against our Commitments, we'll never achieve our vision – they're that important.

## Progress so far

All colleagues' core role objective is aligned to our vision, Co-operating for a fairer world. It's designed in this way to ensure that all colleagues have a common focus on making a positive impact through their role and take personal responsibility in creating a diverse and inclusive culture. As inclusion is a key focus area for our business, we've ensured that all leaders and colleagues' core goal reflects the importance of it.

Additionally, we've asked that all colleagues make sure that one of their Focus goals centres around the personal impact they can have on creating a diverse and inclusive culture.

We've created learning and development opportunities for all colleagues focused on D&I to help colleagues on their learning journeys.

## What's next?

We're nearing the twelve month anniversary of this Commitment being part of colleagues' core role goal and we'll be analysing the performance of colleagues against this to help inform learning, development and interventions in future.

# Commitment 6

Create more diverse consumer and member panels to get closer to what our customers and members need from our businesses.

We're here to serve our communities and ensure they have access to the products and services they need. Some of our most valuable insight comes from conversations with our customers, members, and colleagues.

## Progress so far

In collaboration with our longstanding panel partner, Insites Consulting, we've created a new customer and member panel for Co-op, allowing us to understand varying perceptions and needs across multiple diversity factors including ethnicity, gender and other protected characteristics.

Our new panel went live in August, currently with over 10,000 members, 7.2% of these are Black or minority ethnic groups. We'll be using it to help us understand our research from the perspective of diverse customer groups. Though there's still work to do to ensure the panel is representative of all the ethnic minorities so that we get a balanced view from everyone.

Our colleagues, who work across all our Co-op businesses and our support centre, are at the heart of our communities and gain so much insight from talking to customers on a daily basis about what they want, and what they don't. 14%\* of our colleagues are Black or from ethnic minority groups and in addition to hearing what our customers say, they have their own thoughts and reflections that are so valuable to our business.

Earlier this year we ran a hackathon with store colleagues from ethnic minority backgrounds to share their opinions and experiences whilst working in Co-op, concerning diversity and inclusion. This led to recommendations for change that have been shared within the business.

\*of the 42k colleagues who've shared their diversity data in HR systems.

## Case study – How our Legal Services business uses insight to make change

We've done a lot of work in our Legal Services business this year to ensure that a wide range of different cultural aspects were factored into the design and build of our new digital products.

We want our products to meet all our clients' needs so we undertook extensive research around racial interpretations and linguistics, and built our findings into our new digital Lasting Power of Attorney (LPA) service and Estate Administration service.

We carried out testing with participants from diverse backgrounds so we could build content that speaks to the widest possible audience, and we've also rigorously tested our products to ensure they meet the needs of users with specific accessibility requirements.

We've created a platform to capture all learnings from our research and testing, and will be using these in all future developments, including the development of our new digital Will Advice product.

## What's next?

In 2022 we'll continue to explore new research approaches to be as inclusive as possible.

We'll continue to work with our panel across our Co-op, enabling better understanding of the perceptions and needs of diverse customer and member groups, and utilising the findings to inform decision-making.

We'll review diversity of research panels we're using and explore other potential minority groups who can inform our 2022 product development.

Exploring the resources and information available from the Inclusion team is key to help us build on research and bring into development of 2022 products and share our own learnings.

Our store colleagues' insight is key to helping us understand what we need to do differently. Our next session will explore how we support religious and cultural events both for colleagues and for customers.

# Commitment 7

Ask our members from Black and Asian and ethnic minority communities to tell us how they view us and what we need to change to make us more welcoming and inclusive. Once we really understand these views, we'll work to address the issues being raised.

Co-op is built on the communities we serve and it's integral that everyone who walks through our doors, calls our phone lines, receives an email from us or buys our products and services feels welcome and included.

This isn't just about ensuring our customers and members have the things they need; we want them all to come away from our Co-op feeling like they belong.

## Progress so far

### **We've asked members what they think**

We've gained invaluable insight from our members who've shared their views on our Commitments which has been directly fed back to our businesses. In these discussions, members also told us to focus on helping them understand and engage with key celebrations and festivals.

In 2021 we acted on this and held our first Join In activity for members featuring a film of members speaking about how they celebrate Eid-ul-Adha and a factsheet that outlined the history and ways to engage. Feedback was very positive.

We've recently done something similar to support Black History Month with our National Members' Council, and we're looking to do the same for Diwali in November.

### **We've asked members about themselves**

We've started asking members to share more information, on a voluntary basis, about themselves when it comes to ethnicity to help us better understand what our members look like.

## **We've asked members what they want to see in our stores**

We know that we can do more when it comes to the products we offer in our food stores to help our communities celebrate the events that are important to them.

So, we're making changes and have conducted research with religious and ethnic minority customers to understand how we can improve our food propositions and the products we offer around these key religious and cultural events.

You'll start to see more products that our members have told us they want to see in future - however we're doing this in a co-operative way and won't be replicating the products that customers can already purchase in other local stores. We're really listening and will provide what our communities need.

## **We also regularly check in with our colleagues**

We annually ask colleagues to complete our employee engagement survey – Talkback. This survey asks a range of inclusion questions and we're able to segment the results based on identifiers such as race and gender which gives us insight to enable us to make change where needed. Ultimately we want Co-op to be the best place to work for our colleagues and we use the survey to enable positive change. Whilst engagement is our key measure we also have supplementary measures, including psychological safety and there's a clear link here to bullying, harassment and discrimination.

## **What's next?**

We're conducting research to understand how we currently communicate diversity and inclusion across our businesses, where we have consistencies and where we can do more to improve in the context of changing consumer expectations and competitor activity.

We actively want to work in co-operation and empower members from diverse communities to create more content to celebrate and educate, that we'll then share/promote. We plan to run quarterly activity focused on festivals and celebrations, helping members from different communities tell their stories.

Through further research we're also looking to understand what would make members from more diverse communities want to get more involved with Co-op.

In our Funeralcare business, we're looking to expand our bereavement story groups to ensure members can share their bereavement experiences and how they differ for different religions and cultures, this will help us identify where we need to focus to help more people in our communities when they need it most.

We'll continue to be engaged with members and seek feedback on our activity against our Commitments and focus for 2022.

# Commitment 8

Develop specific products for ethnic minority groups and equip our colleagues with training in order to service our newly-attracted customers well e.g. our soon-to-be launched African and Caribbean funeral service.

We need to reflect the needs of our communities and products and services we offer are a big part of the overall experience.

## Progress so far

In our **Funeralcare business** we're committed to providing unique and personal funerals to support bereaved families right across the UK. We've recently reviewed and improved our range of products and services to better represent the communities we serve and have developed a wider proposition to support African and Caribbean communities, with a focus on locations in and around Greater London and the South East. We're also supporting colleagues and encouraging them to build meaningful relationships and community networks within these areas.

In our **Food business**, we've developed our Business plan and 2022 products (key events trade plan) calendar to incorporate new products to help us celebrate key cultural events with our customers.

In our **Insurance business**, we've always included a 10% increase in contents insurance cover during key cultural celebrations for all contents insurance policies. This has previously been described with a focus on Christmas, however we have started to communicate and make it clear to our customers that this increase includes many key cultural events where the value of the goods in a household may increase temporarily. In October, ahead of Diwali we communicated this in our Insurance newsletter.

## What's next?

We'll continue to reflect the needs of our communities across all our businesses. For example, in **Funeralcare**, we'll continue to review the personalisation choices that we provide to ensure they're appropriately reflecting the needs of people with African and Caribbean heritage and to ensure it suits the needs of their communities. We'll also be reviewing our funeral aftercare strategy to ensure this part of the bereavement process is representative and inclusive of the needs of people in ethnic minority communities.

# Commitment 9

Ensure that we celebrate with communities and that our products meet the needs of our customers as they celebrate key cultural events.

We want our food stores and funeral homes to be an extended part of the community, and we've done so much already to make this happen by supporting local causes, allowing community groups to use our premises (pre-Covid). Our next step in this space is to celebrate key cultural events with our communities in a more targeted way.

## Progress so far

### For our customers

A lot of the activity we've undertaken will set us up for success for years to come. We've developed a customer facing D&I events calendar that'll sit alongside our trade plan in our Food business which determines the products we sell throughout the year.

Our colleague networks are integral to ensuring we celebrate and offer the things communities need and we've worked collaboratively with our colleague networks to plan and implement Ramadan and Diwali celebrations. We've also engaged social influencers to create more authenticity and relatability within our campaigns where we're supporting key cultural events as a business.

During Ramadan, as a trial, we supplied Co-op branded water bottles and Cofresh snacks to Mosques within our communities. And in November more gift products will be available in our Diwali range based on customer feedback.

For the first time ever, we successfully launched and sold Hallmark cards for Ramadan, Rosh Hashanah and now Diwali in targeted Food stores and will continue this trial with Hallmark throughout 2022 events.

## In Funeralcare

Our frontline Funeralcare colleagues are active in our local communities, it's a fundamental part of their role and has always been a core part of Funeralcare's values.

We've created a community toolkit for colleagues which helps them promote what they do in their local communities. We try to make it easy for colleagues to share their news and events by giving them access to a Local Hub where templates are available (including key events throughout the year) which they can personalise themselves.

## What's next?

We'll continue to play a role in our communities and will launch our new Customer D&I Plan, finalise the proposition for 2022/2023 and work towards improving our customer offer for more cultural and religious events for 2022 and beyond. We want to, and will do more.

In food, we'll focus on getting our currently identified religious and cultural events right (Ramadan/Eid, Carnival and Diwali). We're aiming to increase cultural ranging by increasing distribution points by 30%. We'll also deliver more range events in 2022 across World Foods which will deliver an increase in range and supplier diversity. We'll also increase our celebration of key events, increase our culturally diverse products by 20% and increase the number of products from Black and minority ethnic founded companies by 20%.

# Commitment 10

Work with our Co-op Academies Trust to develop a new curriculum on anti-racism so the next generation knows what it means to be anti-racist.

We truly believe that knowledge is power and the more people learn, the more perceptions will change and thinking evolves. In this case we believe that by teaching younger generations about racism, the roots of it and what it means to be anti-racist can only bring positive change.

We applaud the Welsh government for their work in this space and believe that children across the UK should be given the opportunity to learn more through the national curriculum.

## Progress so far

The Co-op Academies Trust is working with Fig Tree International on a pilot project to support the Race Charter Mark at Co-op Academy Nightingale. Discussions are ongoing with Leeds Beckett University on a broader Trust-wide initiative which will be launched by the end of 2021.

While a priority for the Co-op Academies Trust, activity relating to this commitment has been undertaken in a context of severe disruption to education during the pandemic, however it remains a priority and we're so proud that many of our Academies are already recognised as beacons of diversity and inclusion in their local communities.

## What's next?

Pilot activity with primary and secondary students will continue throughout the 2021/22 academic year. We'll work closely with the Co-op Academies Trust to understand the impact of the pilots and reach a decision on further roll out across the Trust in September 2022.

# Commitment 11

Maximise the use of our apprenticeship levy and seek partnerships and opportunities which focus on benefitting Black, Asian and ethnic minority candidates.

Currently, we offer up to 1,000 apprenticeships across our Co-op. These colleagues are based in our support centre in Manchester right through to the frontline in UK high streets in our food stores and funeral homes. We've got colleagues who've joined from our Academy schools, colleagues who've made complete career changes and colleagues who simply wanted a new challenge.

An apprenticeship gives people more than just a job, it gives them opportunities and it also makes our communities better places. We know there are inequalities across the country and we know that apprenticeships have helped to break down some of the barriers.

## Progress so far

We've launched our levy share scheme. The Co-op is working with other employers to bring together unspent apprenticeship levy funds to support thousands of apprenticeships in different businesses for candidates from under-represented groups, paying for their training and assessments. The Co-op has a specific ambition that by 2023 the 'opportunity gap' in apprenticeships for individuals from ethnic minority backgrounds will be closed.

[Cooplevyshare.co.uk](https://cooplevyshare.co.uk) is administered by us and introduces those businesses with unspent levy funds to those who can use that money to create a valuable apprenticeship within their business. We started the fund with a pledge of £500,000, to help towards a target of £15m. Since launch, 27 employers have joined the levy share scheme, adding £6.4m to the pot with 57 receiving organisations detailing their opportunities on the site.

To date we've matched businesses who've created over 300 apprenticeships from Levels 2-6 across a range of sectors including care, construction, engineering and health and science - to a value of over £3m.

# Commitment 12

Use our Community Wellbeing Index, ethnicity data, external evidence and partner insight to understand issues of race inequality in the communities we support and where we need to focus our activity.

Inequalities when it comes to race are varied and we recognise what is an issue in one community, may be completely different in another. However, we need to work to tackle all of these variants in a targeted way.

## Progress so far

We've aligned census data on ethnicity with our Community Wellbeing Index to improve our understanding of diversity in local areas that our community funding and partnerships support.

We're using data and insight on ethnicity to inform our planning and setting targets for ethnic minority participation. For example, 55% of the young people who took part in our Youth Voices programme with the Rio Ferdinand Foundation – which focused on diverse communities in London and Manchester – were Black or from a minority ethnic group.

We're also working towards a target of 20% minority ethnic participants for our Peer Action Collective partnership with the Youth Endowment Fund, which is taking place across the UK. Our understanding of diversity in the relevant communities has supported us and our partners in ensuring better representation. See [Commitment 17](#) for further details of these exciting projects.

We're actively sharing our Community Wellbeing Index insight externally to make things fairer for communities. We've had great feedback from community organisations, charities, local authorities, Members of Parliament and many others.

## What's next?

We'll continue to use data and evidence to support social mobility and tackle inequality through our community plan. We've just refreshed our Community Wellbeing Index data and we'll review this to understand how the changes of the last year are impacting diverse communities, at a local level. The findings will be used to further inform our work to help make things fairer in communities across the UK.

# Commitment 13

Increase the number of local causes whose projects include Black, Asian, and ethnic minority beneficiaries to 36% (25% originally) through the Local Community Fund.

The Co-op Local Community Fund supports projects across the UK that our members care about. Every time our members buy selected Co-op branded products and services, we'll give local causes a helping hand. We know that many causes that benefit Black and ethnic minority groups have struggled, especially due to the pandemic and that these groups truly need our support.

## Progress so far

When local causes apply for funding, our colleagues have the final say on who'll benefit as they know first-hand the impact the causes have in their local communities.

Our commitment to tackling racial inequality was highlighted in guidance to colleagues on selecting local causes to take part in the next round of the fund and reminded colleagues of the importance of reflecting the diversity of their local communities.

We've exceeded our initial target of 25% ethnic minority beneficiaries through our Local Community Fund with 50.3% identifying they'll support ethnic minority beneficiaries - we're so proud of this and the impact it'll have.

The local causes our colleagues have chosen to support have gone live for members to choose in the next round of Local Community Fund.

## What's next?

We're going to build on the progress we've made. Our approach across our community plan will be to broaden out from the existing race commitments and continue to embed an inclusive approach across all ways of working, to include monitoring and reporting on how our community plan benefits, highlights and gives a voice to all groups and communities experiencing inequality.

# Commitment 14

Increase the number of ethnic minority led community organisations that our charity the Co-op Foundation will support.

Like our local community causes, we want to ensure that our Co-op Foundation supports more minority-led organisations which we know have been detrimentally affected by the pandemic.

## Progress so far

We're currently working on a programme which'll enable the Foundation to capture and understand diversity data within the grants portfolio. Our first focus area of this work is looking at groups that are led by and benefit Black and minority ethnic communities.

We want to help more young refugees with additional funding to an existing partner, the Children's Society. A £250k grant has been awarded to Refugee Action, who have a network of 150 community partners working with refugees.

Internally, within the Foundation we've made strides to improve the representation of our communities within our organisation. In the last quarter, 50% of the new colleagues we've hired are female and are Black or from a minority ethnic group.

## What's next?

We plan to increase our ability to fund Black and minority ethnic led groups we support, with the possibility of further dedicated funds, a quota arrangement or both.

# Commitment 15

Provide targeted vocational and enrichment opportunities for Black, Asian and ethnic minority students at our Co-op Academy schools, building on their individual aspirations and ambitions.

Our community plan is to create fairer, stronger, more resilient communities. One area of focus is to provide opportunities for young people to develop new skills.

The Co-op Young Business Leaders programme has been designed to increase employability of young people by providing access to real work experiences, skills and training.

## Progress so far

Many Co-op Academies serve richly diverse communities - 49% of students overall across the Trust are from Black, Asian, and ethnic minority backgrounds. As such, activity which is targeted at the Trust's wider student body necessarily includes large numbers of students from an ethnic minority background.

It should also be noted that this includes students from other minority ethnic groups who face discrimination and are amongst the lowest attaining students – notably Gypsy/Roma/Traveller - as well as many students who are recently arrived migrants and refugees from all corners of the globe.

57% of participants in our Trust-wide virtual work experience programme in 2021 were Black, Asian, and ethnic minority students.

In spite of the challenges of the pandemic and the need for many colleagues to work from home, we successfully supported our first cohort of 20 B-Tec Business Students from Connell Co-op College to participate in our unique work experience programme, which is designed to act as a pathway for future career opportunities .

The majority of participants were drawn from ethnic minority backgrounds, in line with the wider composition of the student body. In a truly Co-op way, the Business Trainees will be fully paid on a colleague wage rather than a trainee or apprentice wage. We're the first business in the UK to offer a paid work placement of this kind.

## What's next?

Co-op Young Business Leaders for the new academic year has launched with a further 18 students from a wide range of ethnic backgrounds, this year with placements drawn from a wider range of functions within the Co-op.

Virtual work experience will be offered again to all our academies in summer 2022, ensuring once again that our diverse student body has access to career insights.

We've also launched a work experience programme for SEN students, initially through Co-op Academy Southfield in Bradford. This has one of the highest proportions of ethnic minority students in our Trust, where the challenges faced by those with learning disabilities who are also from a minority ethnic background comes into sharp focus.

The Trust is also actively seeking to offer places to newly arrived migrants from Afghanistan, with additional support in settling them into school being provided by our Co-op. We look forward to these students playing an active part in the vocational and enrichment opportunities which are offered.

# Commitment 16

Target racial inequality as part of a broader focus on youth inequality through national programmes and the partnerships we select.

Our latest insight tells us the time is right to focus on access to education and employment for Young People. When we surveyed 5,000 young people aged 10-25 we found that:

- 60% of young people feel their generation will be permanently disadvantaged by the pandemic
- 65% believe competition to get a job has increased so much it feels impossible
- 26% of 13 to 25-year-olds believe the pandemic has ruined their career dreams
- 55% of those aged 13 years and older felt like they'd been pushed to the back of the queue on job opportunities

And we know that there's a racial inequality at play too.

- When it come to the annual fall in employment, 63% were under 25 years of age – (Office of National Statistics)
- Over the same time period the UK jobless rate for young Black people rose to 35%, that's compared with a rate of 24% for young people of Asian descent and a rate of 13% for young white people – (Resolution Foundation)
- The decline in hours worked for Black young people (49%) has been three times higher than for white young people (16%) – (The Prince's Trust)

## Progress so far

### Youth Voices

During 2020, the Rio Ferdinand Foundation and Co-op delivered Youth Voices, a creative programme of online training and events empowering young people to speak up and campaign around issues important to them.

Youth Voices delivered over 200 hours of remote support for young people from 21 cities across the UK during the pandemic. Through the programme we provided training in Leadership, Campaigning, Smart-Phone Film-Making, Spoken Word, Lyrics and MC'ing and Podcasting.

Young people coming through the programme produced a variety of media campaign pieces tackling issues such as racism and inequality, mental health and wellbeing, food poverty, climate change, and youth loneliness.

We were so proud to help the 271 young people have a voice, with 55% of these being Black or from a minority ethnic group.

### Peer Action Collective

We've entered into a £5.2 million partnership with the Youth Endowment Fund which has been set up to help prevent children and young people becoming involved in violence. As part of our partnership, we've agreed specific D&I targets with at least 20% of participants being Black or from minority ethnic groups.



**“Youth voices are important because decisions and policies made today will directly affect them as they inherit the future...”**

**If young people are shown that their voice matters, many more will come forward. We have such intelligent and independent young people who could help us make the right decisions for their future. If you don't listen to your ideas and are led by others you're never yourself because the beauty in your own ideas stays in you.”**

**Shamza Butt** - Peer Researcher in the Peer Action Collective

### What's next?

We're committed to consider inclusion when it comes to our partnership selections. A new partner will soon be selected on employability with targets and criteria built into the brief to ensure that we reach young participants from ethnic minority communities.

# Commitment 17

Work with the Co-op Academies Trust to increase the representation of senior leaders in the Trust.

Mirroring our business, it's really important that our Academy colleagues are representative of the communities their pupils live in.

## Progress so far

Our Co-op Academies Trust (CAT) has established a steering group drawing representatives from across the Academies' colleagues and governors.

As part of this, a new Trust-wide D&I strategy was agreed with further proposals adopted by the Trust Board. The Board has targeted recruitment of Black and minority ethnic trustees (two appointments have been recently confirmed by members). Senior colleagues from a Black or minority ethnic background have been appointed in the past year, notably two secondary school Principals.

## What's next?

We'll continue to collaborate and learn with the steering group and senior leaders to discuss the importance of greater representation within the school sector.

The Trust is also reviewing its overall strategic plan in 2022, and D&I Commitments will form a key element of this.

# Commitment 18

Create more inclusive ways to access product and service information.

Making our products and services inclusive means ensuring anyone who needs to can easily access them. Everyone has different needs at different times and in different circumstances. So, it was important that we took the time to consider the barriers different groups might face when trying to use our products and services, and how we address them.

## Progress so far

In **Insurance** we've worked to ensure that our teams have a baseline understanding on inclusion and accessibility. We've made sure that our products and services can be easily accessed by customers who use assisted technology and are making the purchase journey easier where there are any blockers. We've also diversified where we advertise.

In our **Food business**, we've set up a Joint Inclusion Calendar as part of our new Endless Inclusion Supplier Hub, this will Co-op to co-ordinate with Suppliers on Inclusion events, share knowledge and use this as a basis for Joint Business Planning with each supplier. Buyers will be initiating conversations on Inclusion and Diversity as part of their joint business planning conversations for 2022.

In our **Legal Services** business, we've rolled out our digital services to Northern Ireland & Scotland to ensure all services are accessible to more people in the most convenient and inclusive way.

In **Funeralcare**, both our at-need and pre-need documentation can be requested in multiple languages to ensure we've an inclusive approach to accessing product information and we're looking to add more languages in future. There's also translated versions of both our pre-need and at-need literature available in Polish and Welsh. Our local marketing team have supported funeral homes with leaflets and posters in dual languages to better support the community in their area.

## What's next?

We're developing a joint roadmap with each of our partners to consider inclusivity and accessibility across our products and services and customer experience. Specifically in insurance, we're updating the titles and occupations we use in the insurance journey and identify opportunities to make them more inclusive across all of our partners.

# Commitment 19

Ensure stronger representation of Black, Asian and ethnic minority groups across all our marketing platforms.

We've always tried to ensure that our communities were reflected in our marketing materials, with communities at our heart this makes complete sense.

## Progress so far

We work with our internal Rise Network and with Diversity Standards Collective and Radley Yelder to ensure that our thinking and our campaigns are crafted around our communities and their wants and needs. We want to talk to our customers and potential customers in an authentic way, which feels personal to them.

We've ensured that our webpages and the visuals and language they use are not only reflective of our communities visually but also ensure the things we need them to know are easily understood too – this is something we'll continually review.

A lot of our customer interaction is done through our social media channels so we're regularly upskilling our colleagues in these teams to ensure we're speaking to our customers and members in an appropriate, accessible way.

## What's next?

We'll constantly review our marketing platforms to ensure they're reflective to and meet the needs of the communities we serve.

# Commitment 20

Change our procurement process so that we partner and invest more with suppliers that have a strong focus on inclusion and closing the inequality gap in their own businesses.

As a co-operative our business is built on doing social good, and it makes sense for us to work with suppliers who have similar values when it comes to inclusion and support those that need our help to achieve their own visions when it comes to equality.

## Progress so far

We were one of the first retailers to join MSDUK as a Corporate member. MSDUK is a leading non-profit organisation driving inclusive procurement.

In February, we launched our new Supplier Diversity Strategy, embedding its delivery into our Procurement team objectives for 2021. By September we were honoured to be recognised by MSDUK for “Best Emerging Supplier Diversity Strategy” as part of their annual awards conference.

We reviewed our procurement process and included D&I questions in our RFPs and we now ensure that, where there are diverse owned suppliers available, we invite them into our tenders.

We’ve established a 6-member strong D&I Workstream in Procurement, in order to deliver on our strategy, and to share learnings and successes as we mature. We’re beginning to work with MSDUK suppliers to understand barriers to entry in some of our processes, and work to address these.

In August we began to expand our work on Supplier Diversity into our Operational Procurement spend to find opportunities in our lower spend, lower risk supplier base.

## Working with and supporting MSDUK

Our membership with MSDUK has been brilliant. They promote the ethos of D&I in public and private sector supply chains by identifying and introducing innovative and entrepreneurial ethnic minority owned businesses (EMBs).

Since joining MSDUK we've:

- Invited their CEO to speak at our annual Supplier Conference
- Held internal training and awareness events in conjunction with MSDUK
- Have supported MSDUK at all their corporate events, by hosting exhibition stalls, providing guest speakers for panels and discussions and attended all their monthly corporate meetings
- Shared our learnings with our wider team
- Attended MSDUK Meet the Buyer events and arranged to host our own Co-op minority supplier event in November

## What's next?

We'll continue executing our strategy, so that inclusive procurement just becomes part of #WhatWeDo. We'll build on the great foundations of our relationship with MSDUK and we'll continue to find opportunities to work with our Tier 1 suppliers and encourage them to become corporate members of MSDUK.

During our November supplier event, we'll be inviting suppliers to tell us the challenges of dealing with larger corporates and we'll listen to the barriers they face. Bringing in our stakeholders from Legal will help us to understand where we can make changes to help support smaller suppliers with our procurement and contracting processes.

# Commitment 21

Encourage ethnic diversity as a focus for the businesses we trade with and offer practical support and encouragement where we can to those that need to progress.

We want to help our suppliers on their inclusion journeys, we've always said we can't deliver our commitments and make real change on our own.

## Progress so far

In Procurement, we've not only been sharing our plans with our suppliers, but we have been working hard to challenge our Tier 1 suppliers on their own Supplier Diversity plans. We've shared our Commitments and talked about our membership with MSDUK, encouraging them to become members themselves and to introduce more diverse owned suppliers into their supply chains, creating many new opportunities for these suppliers beyond the Co-op.

In our food business, in September 2020 we set up a pilot group with a diverse group of suppliers, from Big Brands to Own Brand, to World Foods / Local suppliers to be part of this journey. They included AB-InBev, Coca Cola European Partners, Greencore, Grace Foods, Kraft Heinz, Pepsi Co, Stateside and Total World Fresh.

We wanted to create a scalable program that would put Inclusion and Diversity at the heart of how we do business. Most importantly, we wanted to expand our thinking and commitment to inclusion and make it accessible for everyone.

Our plan was simple and across three areas:

- **Maturity scale** – to start the conversation, we created a maturity scale as a self-assessment tool, helping us to integrate inclusion and diversity into our plans. We then created a baseline and action plan, moving left to the right along the scale from Emerging to Fully Integrated. It includes critical areas such as behaviours, leadership, strategy, and resources. It's not where you're starting on the scale. It's about driving belonging throughout every part of the business and moving along the scale

- **Commitment plan** – we created a framework to help us focus on many inclusion and diversity areas from disability, race, ethnicity, age and generation. We developed a sharing platform with numerous case studies and lived examples to support each other, help us collaborate easily and continue driving the dial forward on belonging
- **Joint inclusion calendar** – if every supplier was raising awareness for say Black History month there'd be >1000 variations, surely, we could co-operate and collectively elevate awareness of inclusion events throughout the year and support new initiatives which help to give breadth to our 2021 plan and beyond

Over the past three months, each partner in the pilot group has shared their plans on International Women's Day, Ramadan and Eid, Mental Health Awareness Week and Pride, opening opportunities to replicate plans and be part of a wider group of events and celebrate together.

## What's next?

This program is unique as it takes everyone on the journey. It's inclusive and accessible for all. It integrates D&I into our ways of working and helps build partnerships with a broader set of values.

We've built a platform allowing us to roll this out to the entire supply base, so we unlock wider collaboration, get more reach, and create more co-operation and a fairer world for all.

The heart of every co-operative has always been the idea that by coming together we can all improve our situation and make sure that nobody gets left behind.

We'll take action to address the inter-connected, structural inequalities in our country, be it about skills and employment for young people, diversity and inclusion, mental wellbeing and education or access to food. As we find out what works, we'll look to build partnerships to grow the impact it can have.

# Commitment 22

In October 2020, launch our Inclusion Think Tank, which'll be chaired by our Co-op CEO, Steve Murrells, and will include both internal and external partners committed to furthering equality across Co-op.

When we set up our plans to deliver our commitments, we wanted to ensure we had some independent experts around the table to help guide, challenge and support us. In February 2021, we brought together some of the leading minds and activists on inclusion, equality, and diversity to create a new Equality and Inclusion Think Tank.

Together, alongside all our colleagues, we're using our collective voice and influence to drive positive change for our customers, members, suppliers, colleagues, and communities.

## Progress so far

The Think Tank has been established and we're proud to have some of the leading thinkers on issues of diversity and inclusion on it including Lord Simon Wooley, John Amaechi, Leila McKenzie-Delis, Jack Parsons, Baroness Ruth Hunt, Dr Doyin Atewologun and Lord Victor Adebawale CBE.

The Think Tank has met a number of times and the discussions have been both challenging and enabled Co-op to more effectively respond to the challenges of diversity and inclusion

## What's next?

The Think Tank is agreeing its work programme for 2022 and ensuring in doing so we maximise the expertise and experience Co-op has access to.

# Commitment 23

We'll ensure that inclusion is recognised as a key strategic Programme and part of our strategy and business transformation portfolio.

Inclusion isn't a nice to have at Co-op, it's how we do business and plays a key role in our strategic plan.

## Progress so far

The new strategic Diversity and Inclusion (D&I) programme formally commenced in October 2020 following the launch of our Commitments for Racial Equality and Inclusion.

The dedicated programme team host a fortnightly cross business working group to share progress, co-create and collaborate on key D&I and commitment based activities which in turn reports into and is governed by a monthly Executive Steering Group.

The D&I Steering Group is chaired by Chief Executive Officer, Steve Murrells and as D&I is one of our business' top priorities this can be demonstrated by the attendance of other key Co-op business leaders including our Chief People Officer, Helen Webb.

The programme team ensure consistent visibility, transparent reporting and priority escalation alongside assuring the delivery of our Commitments for Racial Equality as part of our transformational change portfolio.

## What's next?

The D&I programme will continue to run through 2022 to ensure we deliver against our Commitments. Alongside the continued delivery against our Commitments to racial equality, we'll continue refining our wider Inclusion strategy for all facets of inclusion, supporting the continued evolution and delivery of the strategic direction and vision to make Co-op a better place to work and a more inclusive organisation to do business with.

Inclusion is a journey we'll continue to learn and evolve with a relentless view to continuous improvement. The programme will ensure whatever we do in this space will not just be an exercise, but will be embedded in our ways of working and culture...It's what we do.

# Our Commitment to Racial Equality and Inclusion

2021: our progress so far



It's what we do