

Our people

We're working to create the conditions where every colleague is proud of their Co-op and uses their full potential to co-operate for a fairer world.

When we established our 2020 People Vision we had no idea what lay ahead. Covid-19 has dramatically changed the way we live and work; it's affected virtually every element of life for our communities, customers, members and colleagues.

The scale of the pandemic meant we needed to be agile in delivering our plans, whilst ensuring we did what mattered most to support our colleagues during challenging times. So, last year we really focused on the wellbeing of our colleagues as well as our Diversity & Inclusion agenda, with the launch of our commitments to reduce racial inequalities.

We will continue to focus on these and our other people priorities in 2021, including Leadership, Engagement & Recognition, Building Skills (Apprenticeships) and Providing Fair Pay and Meaningful Work to all colleagues.



Wellbeing

The Wellbeing of our colleagues has long been a top priority for us, and in 2020 more so than ever.

At the start of the pandemic, we established a Wellbeing Steering Committee representing all areas of the business which allowed us to understand in real time where our colleagues needed our support, enabling us to swiftly evolve our plans.

As a result we launched Co-op Care, a weekly communication to all colleagues covering guidance and advice on how to cope with the impact of Covid-19 on their health and financial wellbeing. We also provided free Flu jab vouchers to all our colleagues, which were taken up by over 10,000 colleagues.

Underpinning this, we continued to extend the range of initiatives to support colleagues, including:

- Delivering mental health training to all our managers. By the end of 2020 we reached over 1,000 managers, extending to all managers in early 2021. The training will then become a part of our core leader induction.
- Launching a partnership with Smart Health, through YuLife, to provide all colleagues and their families with access to virtual GP, mental health, complex medical case, nutrition and fitness support.
- Our wellbeing platform, provided by LifeWorks, has continued to grow in popularity. 40% of colleagues have registered and can now access a range of self-help wellbeing resources.

- Continuing to partner with Stepchange, Neyber, Co-operative Credit Union and Keep Credit Union to bring quality financial wellbeing guidance to colleagues.
- Creating a wellbeing hub to help our leaders easily access all wellbeing content from one place to support their teams.
- Implementing a pay advance product, which will give our colleagues access to pay between pay days. This will be made available to colleagues in 2021.

Our Talkback survey showed that 66% of colleagues feel equipped to manage their wellbeing using the resources Co-op provides. In the coming year, we will continue to focus on physical, mental and financial resilience and helping colleagues to better access and understand how to use our tools.

We'll continue to be led by what colleagues tell us matters most and work with them to shape future solutions.



Inclusion & Diversity

We've set ourselves a bold Vision to Co-operate for a Fairer World, and that requires all of our colleagues and leaders to bring their diverse talents to the table to make change happen. Creating an inclusive culture, where all our colleagues can come to work to be their best selves is key to helping deliver this Vision. Our strategy remained focused on designing the foundations that enable us to create and sustain an inclusive culture. For us, these are:

1. Building a more inclusive culture

In 2019, we audited our people processes through an inclusion lens and found that we had more work to do to ensure that our Black, Asian and Ethnic Minority colleagues felt more included.

We continued to educate colleagues in other areas of diversity such as gender, LGBTQ +, disability and neuro diversity through events and learning sessions in National Inclusion week, International Women's day, Pride and International Day of Disability.

We also piloted our inclusive leadership programme to help leaders to develop the skills and behaviours to lead diverse teams more inclusively.

We continued to empower our colleague networks and pioneers to educate and inspire colleagues at a local level.

Our commitments to reducing racial inequality

In September we launched our inclusion commitments to reduce racial inequality; a holistic set of commitments across colleagues, customers, membership and communities which go beyond our focus on colleagues to put inclusion at the heart of everything we do.

Headline commitments include:

- Doubling 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.
- Annually publishing our ethnicity pay gap from 2021 and calling on the Government to make this mandatory for all businesses.
- Working with our Co-op Academies Trust to develop a new curriculum on anti-racism.
- Increasing the number of local causes whose projects include Black, Asian, and ethnic minority beneficiaries to 25% through the Local Community Fund.

You can see a full list of our commitments [here](#). We will report on our progress against these commitments in 2021.



We currently have:

125 pioneers¹ (2019: 106) and
5 colleague networks (2019: 4)

2. Focusing on respect at work

Having a zero-tolerance approach to bullying, harassment and discrimination is important to us, and this year we've been looking to understand how colleagues' lived experiences are impacted by their identity.

From the insight gathered in 2020, we know that we have more to do in this space and will undertake a deep dive in 2021 to get a greater understanding of the issues we face and help create more meaningful interventions.

¹ Our pioneers are colleagues who support the implementation of the Inclusion Strategy by leading the conversation.

3. Attracting and engaging colleagues

In 2020 we continued the work to diversify our talent pipeline, ensuring that we are attracting and recruiting colleagues that represent the communities in which we serve, maintaining our focus on both gender and ethnicity.

Our approach includes partnering with organisations that can help us to reach diverse talent outside of our existing channels, so we continue to partner with The Prince's Trust, Catch 22 and Black Young Professionals, as well as rolling out inclusive hiring training for our recruitment teams which we plan to extend to our hiring managers in 2021.

We have also started to scope our approach to how we support colleagues with a disability and ensure that they can easily access reasonable adjustments.

Diversity Data

In 2020 we strengthened our diversity data strategy by collecting all diversity data in our central HR system. Our data set incorporates all identities as well as additional insight on caring responsibilities and socio-economic indicators. We will use this data to help shape our strategy, goals and priorities for 2021-2025.

Inclusive Leadership

In 2020 we helped our leaders to connect to the Inclusion agenda on a personal level. From coaching members of the Exec, to delivering bespoke inclusive leadership training, workshops and webinars, we tailored our training programmes to suit colleagues at all stages of their leadership journey.

Gender Pay Gap

We're committed to being open and fair in how we pay our colleagues. Gender pay gap reporting shows the overall difference in the average pay for all men and women across our Co-op. We published our 4th report in April 2021. The full report is available [here](#).

As we move into 2021, we remain focused on developing a diverse and inclusive culture and we will do this through:

Representation

Ensuring that our colleague base reflects the communities we serve through publishing our base level of diversity data as well as developing our own approach to ethnicity pay gap reporting and lobbying the Government to make it mandatory.

Removing Barriers

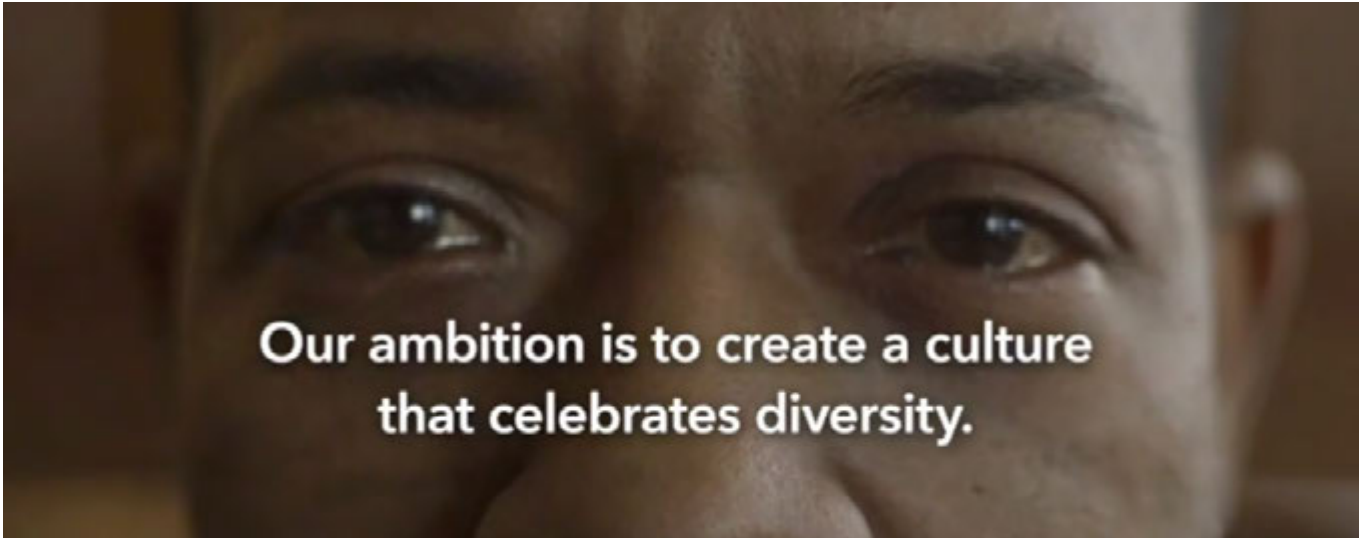
Continuing to remove barriers to progression for all diverse colleagues through for example launching our development programme specifically for our Black, Asian and Ethnic Minority colleagues.

Inclusive Culture

We will continue to use our inclusion events to engage and educate colleagues.

Effective Leaders and skilled people

All leaders will have a core priority goal which centres around making a positive impact in their role, through creating an inclusive culture and supporting our Co-op Vision.



Our ambition is to create a culture that celebrates diversity.

Performance Benchmark

In 2020, we ranked 58th in the Social Mobility Employer Index - which ranks Britain's employers on the actions they are taking to ensure they are open to accessing and progressing talent from all backgrounds (2018: 45th).

Leadership

To help us deliver our Vision of Co-operating For a Fairer World, we need leaders who:

- Are connected to our Vision and motivated by our Purpose
- Lead with humility and vulnerability, creating safety and trust for those they lead
- Are committed to their personal growth
- Are courageous to ask for help, co-create and innovate to positively disrupt

Our Leadership strategy evolved in 2020, forming the basis for an ambitious new leadership development plan that provides timely and relevant development opportunities to all leaders, this plan continues to put our leadership behaviours at the foundation of all we do.

Our Leadership themes are informed by insight about what our leaders need to help deliver our Vision. In 2020 we launched our first theme of "Adaptability", helping leaders to move from a reactive mindset into a more sustainable, adaptive one. In 2021 we will be focusing on Vision, Purpose and Wellbeing, and Leader as Coach.

During 2020, we delivered Virtual Leadfest, a festival of learning and development open to all colleagues. We ran 499 sessions, delivered in a number of ways including virtually facilitated sessions, leaders unplugged sessions, tent talks, book clubs and panel discussions. These were supplemented by 12 podcasts, which achieved nearly 1,400 listens.

To help us measure the success of our programmes, we use questions in our Talkback survey to calculate our Leadership Index.

In 2020 the index was 72%

(2019: 79%)². The UK Private Sector benchmark for this index is 68%.

In 2021 we will continue to focus on our 3 pillars of leadership:

Removing Barriers

Build on our Leadership StrengthBuild resilience in self and others.

Create our Co-op Environment

Create the conditions for our colleagues to succeed.

Co-operate & Lead for a Fairer world

Show up and have an impact in society.



² See commentary [here](#) for more detail

Building skills - Apprenticeships

We want to create an environment where every colleague can thrive. Our apprenticeship programme provides access to lifelong skills for our colleagues and communities.

Throughout 2020, we used our apprenticeship levy to launch several new programmes across the business.

We have continued to be recognised for our apprenticeship programmes:

- **RateMyApprenticeship (RMA)**
Top 100 Employer
- **National Apprenticeship**
Top 100 Employer
- **Aron Marshall - Logistics**
 - RMA Outstanding Intermediate Apprentice of the Year
 - National Apprenticeship Service East Midlands Region Intermediate Apprentice of the Year
 - Highly commended in the national finals.



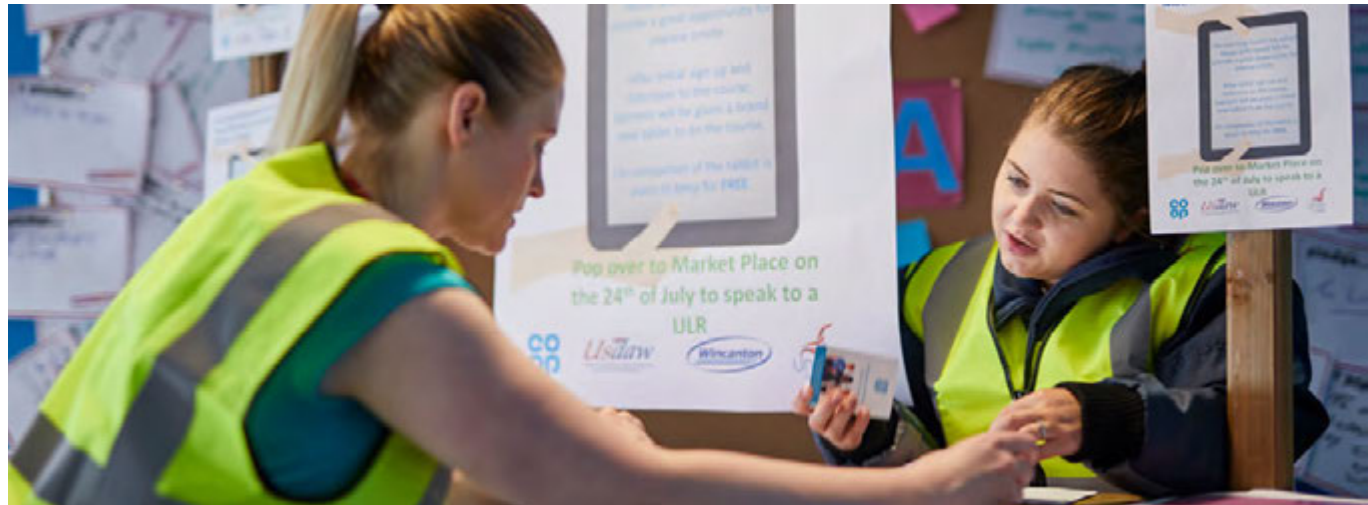
In 2020, we had:

Over 1,200 apprentices on programme

A 36% male 64% female split

25+ different programmes

Ages ranging from 17 to 60+



Support Centre

We have worked hard to identify more entry level apprenticeship roles which can be filled by school leavers and have recruited apprentices into our Sales and Services, Robotics, Food Technology and Digital User Experience teams.

Food

Our portfolio of apprenticeship programmes in our Food business enables colleagues to progress from one programme to another, demonstrating our commitment to career pathways; from the pre-apprenticeship right through to the degree programme.

Legal Services

Access to legal careers is usually synonymous with traditional university routes. We've been working to change perceptions by partnering with schools and colleges in disadvantaged areas of Stratford and Bristol to recruit apprentices onto a Paralegal apprenticeship programme for the first time.

Logistics

By creating a pipeline of talent from entry level warehouse roles into Driver and Team Leader apprenticeships, we are enabling colleagues to move forward in their careers.

Funeralcare

We now have around 250 apprentices on the new apprenticeship standards which we also helped to create. We will see some of the first apprentices in the sector completing their assessments by the end of the year.

We're also working with our Academies to open up opportunities for students to move from a Co-op education into a Co-op apprenticeship and career. See our Academies on page 29.

Engagement & Recognition

Having engaged colleagues who are connected to our Co-op and feel valued for their contribution is fundamental to our ongoing success.

We measure colleague engagement and experience through our listening tools – Talkback, Talkback Pulse (which this year focused on Covid-19 wellbeing support) and Colleague Voice. These tools highlight where we need to focus to improve the everyday experience of our colleagues.

In 2020 our engagement score remained strong at 76% (2019, 76%), which is, in the main, ahead of the external industry benchmarks. Three quarters of colleagues would recommend Co-op as a place to work, a 2 percentage point increase on 2019.

Our 2020 Talkback survey highlighted that colleagues value support for wellbeing, team working and learning and development opportunities. Analysis shows that physical and psychological safety are clear priorities for us, as is our purpose and community involvement.

Our Colleague Voice forum – a group of colleagues providing insight from across the Co-op – has continued to gain momentum. We've successfully digitalised our national forum as well as supported the growth and development of our 'local' forums.

Our recognition framework aims to encourage the behaviours that underpin our Ways of Being and celebrate delivering our Vision – Co-operating for a Fairer World.

Our colleagues do amazing things for our members, customers and communities and have shone more than ever during the extraordinary times faced over the last year.

In 2020, 50,000 front-line workers received a 'local hero' badge and the #BeingCoop award 'local hero' category was created to recognise great work during the pandemic. 'You're Incredible' digital cards were created for home working colleagues to show appreciation online with 4,500 sent in the first 6 months.

We celebrated more winners than ever at our #BeingCoop Awards virtual ceremony and all Co-op colleagues joined our new career celebration scheme which recognises our colleagues earlier and more frequently for their commitment and loyalty. We now celebrate 9,000 more colleagues a year with a career celebration gift.

Our 2020 Talkback survey identified recognition for their contributions and achievement as a top 5 behaviour colleagues want to see more of from their manager. Through a series of virtual leaders unplugged sessions and events, Co-op leaders are supported to role model truly authentic appreciation.

12 days of Togetherness

As a way to say a thank you for their hard work, our colleagues co-created the 12 Days of Togetherness campaign, which brought all Co-op colleagues together in the run up to Christmas. The campaign focused on creating a sense of connection, belonging and appreciation by providing gifts, discounts, joining-in activities and recognition opportunities through a virtual advent calendar.

- Available to all 63,000 colleagues
- 1.7 million page views
- over 6,500 e-recognition cards sent

"I've worked for the Co-op for 30 years and this was the most fantastic way to show how much our colleagues have worked hard in this tough year".

Our engagement score remained at 76%
(2019: 76%)



Co-op Colleague band The Blue Clovers were highly commended in the #BeingCoop Succeeding Together Award (Team of the Year).

Reward

Our colleagues worked exceptionally hard in 2020, going above and beyond to ensure that we were able to support our members and customers during the Covid-19 crisis. In May all 56,000 of our frontline colleagues received a Thank You package in recognition of their efforts during lockdown, which included an additional payment, a Co-op gift card and an extra holiday.

We've always believed in a fair wage and in 2020 we continued to pay all our colleagues above the National Minimum Wage rate.

In recognition of the vital role played by frontline colleagues, we're aligning hourly pay rates to the Real Living Wage from 2021.

This will give a pay boost of 5.6% to Customer Team Members in our stores as well as increasing pay for colleagues in other roles across our Co-op.

We know some members want to see pay ratios. We've published our figures using the same methodologies as we did last year. For further details, please refer to our Report of the Remuneration Committee in our [2020 Annual Report](#).

Pensions

Our pension scheme is available to all our colleagues from day one of joining the Co-op, including those who do not meet automatic enrolment criteria, and our automatic enrolment offer exceeds the minimum required. In 2020, 43,000 colleagues were in the scheme, which equates to 67% of all colleagues.

Our pension scheme is also responsible for the pensions of colleagues who have left the business, and in 2020 this comprised 45,000 pensioners (2019: 47,000) and 60,500 deferred pensioners yet to retire (2019: 58,000).

Engagement with Trade Unions

We have formal recognition agreements with trades unions (Unite and Usdaw) across all areas of our business. We actively encourage colleagues to become union members, but also respect the right of colleagues not to join a union. We communicate and consult with each union regularly to maintain positive and constructive relationships.

Whistleblowing

To ensure we do the right thing by our values and principles, we operate a whistleblowing procedure. The policy is included in the Code of Business Conduct and is available on our website.

An external independent company operates a hotline and weblink known as "Speak Up", that allows colleagues and suppliers to raise concerns about business practices confidentially. In 2020 we received 235 reports through this process (2019: 199). As well as whistleblowing reports this included the provision of additional information, requests for feedback and the seeking of advice.

In addition to the reports made via the external provider, 26 reports were made direct to Co-op colleagues (2019: 34). We have a procedure for recording and investigating whistleblowing reports, which are presented to our Risk and Audit Committee.



🎯 2021 targets

We will increase our Black, Asian and Ethnic Minority leadership representation from 3% to 6% by 2022 and 10% by 2025.

We will continue our commitment to hosting a minimum of 1,000 apprentices on our programmes at any one time, and make sure these programmes enable personal development and align to our business priorities.

We will maintain levels of colleague engagement as measured by our engagement index (currently 76%).

Campaign: Safer Colleagues, Safer Communities

In 2018, we launched our 'Safer Colleagues, Safer Communities' campaign¹. We're supporting shop workers' safety on a national scale, protecting our colleagues and others from violence, and tackling the root causes of crime.

At our 2019 AGM, our members voted overwhelmingly to support maintaining the current level of funding for the next three years, which will allow us to invest £140m between 2017 and 2022.

In 2020 we focused on the 50 stores that account for 26% of our reported crime, ensuring that these stores are using the most innovative and sophisticated operational support available, such as body-worn cameras which are rolling out to 250 more stores following a successful trial.

Throughout 2020, we've been keen to show the Government our full support for our shopworkers and tackling crime in the community. This has been especially relevant throughout the pandemic where anti-social behaviour, physical and verbal abuse towards our store colleagues has increased by 36%.

2020 opened with more than 5,000 Co-op colleagues and members personally writing to their local MPs showing their support for shopworkers and urging Government to publish its response to their own Call for Evidence.

A consultation was opened to aid the Government's understanding of violence and abuse towards shop staff in England and Wales and over 600 Co-op colleagues responded.

In response, the Government set up 4 task and finish groups to tackle shopworker violence focusing on: reporting, victim support, communications and data sharing. Our Co-op is involved with all four of these groups.

Jo Whitfield, our Chief Executive, Food, has written to the Prime Minister, asking the Government to support the retail key workers and prioritise shopworkers violence. Jo also brought together 23 leading CEOs to call for new legislation to be put in place.

We also continued our support of Usdaw's Freedom From Fear campaign, co-hosting 5 regional events with Usdaw reps, Co-op colleagues and Police and Crime commissioners as well as hosting a number of visits from cross-party MPs.

In October 2020, we published a second piece of academic research from Dr Emmeline Taylor, Associate Dean at City, University of London, examining the role young people play in the abuse and violence against shopworkers.

The research focused on the public health approach to tackling violent crime, the starting point being the 'strong conviction that violent behaviour and its consequences can be prevented'.

In 2020, following on from the successful collaboration with the Damilola Taylor Trust, we announced our support of the Hope 2020 campaign which brings our Co-op into a 'hope collective' of youth organisations. This is a powerful example of working together towards the same mission of creating positive futures for all young people and spreading hope in our communities.



¹ This campaign was unanimously agreed by our National Members' Council.