



Gender pay gap report

Snapshot date of 5th April 2017

Background

As a Co-op, we're a different kind of business

We're owned by our members and other co-ops, not big investors. Our members have a say in how we're run. Ethics and sustainability are important to our members. That's why, for over a decade, we've reported on our ethics and sustainability performance, so our members can see how we're doing. From this year our gender pay gap reporting will be an ongoing part of our ethical reporting.

To find out more, read our Co-op Way report here:

www.co-operative.coop/ethics

About our Co-op

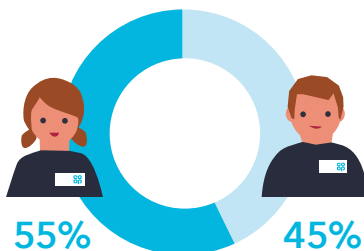
We're one of the world's largest consumer co-operatives, with over 4 million active members and nearly 70,000 colleagues, in the UK. Our purpose is 'Championing a better way of doing business for you and your communities'.

We're:

- the UK's sixth biggest food retailer
- the UK's number one funeral services provider
- a growing legal services business
- a major general insurer

As well as having clear financial and operational objectives, we're a recognised leader for our social goals and community-led programmes. We exist to meet members' needs and stand up for the things they believe in.

So, the more successful we are, the more we can give back to you and your local community. That's why we're different.



Data based on colleagues who are relevant employees at the 5th April 2017 snapshot date as set out in the Gender Pay Gap Regulations.

Food Retail

Colleagues: over 59,000. Over 2,500 Co-op Food stores and 10 Logistics depots

Funeralcare & Legal Services

Colleagues: over 4,000. Over 1,000 funeral homes and a legal service offering wills, probate, conveyancing and family law among others

Insurance

Colleagues: 1,400. Motor, home, pet and other insurance products

Support Centre

Colleagues: 2,000. Including IT, Finance, HR, Digital and Co-op Property

Approach to pay

Co-op is committed to being open and fair in how we pay our colleagues. This helps us compete for skills and talent, encourage and reward those doing a great job, and reflects our Co-op purpose and values.

What is gender pay gap reporting?

Employers with 250 or more employees are required to publish information showing different calculations of any pay gap between their male and female employees.

Gender pay gap reporting shows the overall difference in the average pay for all men and women across our business. It doesn't compare what men and women are paid for doing the same job.

Where a business has more men than women in its higher paid jobs, this will create a gender pay gap.

The reports

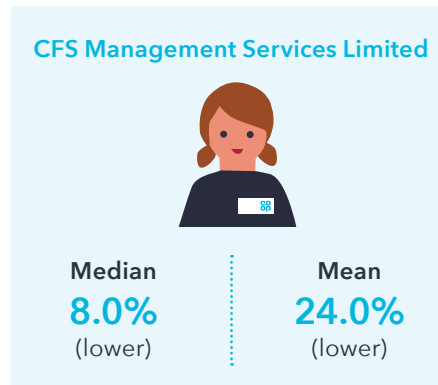
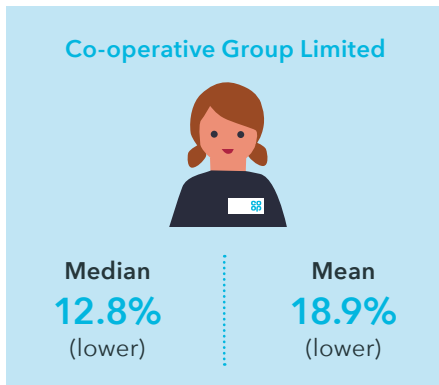
Our gender pay gap numbers

The regulations mean we have to produce data by employer. In our Co-op there are two employers:

- Co-operative Group Limited which employs most of our colleagues
- CFS Management Services Limited which is mainly made up of our Insurance colleagues

These are reported separately. The overall picture is as follows:

Women's hourly rate



- The median compares the hourly rate of the middle male role to middle female role, and the mean compares the average hourly male rate to the average hourly female rate
- For the first time we now have more women on our Executive than men
- Nearly 80% of our relevant employees are on fixed rates of pay for their job

Quartiles

	Co-operative Group Limited		CFS Management Services Limited	
	Men	Women	Men	Women
Top quartile	69.2%	30.8%	61.5%	38.5%
Upper middle quartile	47.8%	52.2%	46.8%	53.2%
Lower middle quartile	38.9%	61.1%	48.9%	51.1%
Lower quartile	26.8%	73.2%	43.1%	56.9%

- We have sorted our colleagues in order from highest to lowest paid and then split them into 4 groups of equal numbers of people
- This shows that we have more men in our most senior roles
- Having more men in senior positions than women is impacting our gender pay gap

Bonus pay

	Co-operative Group Limited		CFS Management Services Limited	
	Median	Mean	Median	Mean
Women's bonus pay is	3.0% lower	28.4% lower	24.9% lower	20.2% lower

- The regulations say that actual bonus payments are used for comparison. More part-time colleagues are female which distorts the comparison
- Having more men in senior positions than women is impacting our gender bonus gap

	Co-operative Group Limited		CFS Management Services Limited	
	Men	Women	Men	Women
Who received bonus pay?	16.0%	14.9%	31.4%	30.0%

- We expect our bonus gaps to be different in our next report. Our payroll cycle is 4 weekly and we pay colleagues 13 times a year. Bonus payments under the 2016 annual scheme were made in May 2017, which was the first payroll after our accounts were signed off. A large number of colleagues received their 2016 annual bonus payment after the relevant period for this report. That payment will be captured in the next pay gap report we publish

What we're doing



"I'm proud to chair the Aspire (gender) network where we identify barriers and find solutions to either support colleagues or support change in the Co-op. We share our success with our communities and make a real difference."

Emma Barratt
Chair Aspire Network



"I'm delighted to be involved in the Aspire network. My Co-op Food Leadership team has a great mix of male and female talent and shows that women have a serious part to play at all levels of our business. I'm convinced that Aspire can support women in our Co-op to achieve their professional and personal ambitions, whatever they may be, and help them create networks of inspirational leaders who can assist them along the way."

Jo Whitfield
Chief Executive, Food
Senior Sponsor of Aspire Network

What are we doing to close our gender pay gap?

Our Co-op values are built on equality, equity and inclusion. We encourage people to be themselves always, succeed together and show they care.

Our values and principles make us different and we want our colleagues to reflect the diversity of our communities.

Our gender pay gap reflects our demographic split which shows fewer women than men in senior roles in the Co-op. In 2016 our Board agreed a new 10-year Diversity and Inclusion strategy, which includes:

- Co-op colleagues and leaders should reflect the communities, customers and members we serve
- Co-op leaders embrace and manage difference in the workplace by creating an inclusive organisation where talent thrives and everyone matters
- A number of initiatives to help us address the gender balance in our senior roles
- Expanding our industry leading Apprenticeship programmes up to degree apprenticeships, we're encouraging women to join our apprenticeship programmes to ensure we are building our talent pipeline. In 2017 we had 742 new apprentices join the Co-op, the table below shows the percentage split of male and female apprentices in the last three years:

Year	Male	Female
2015	49%	51%
2016	47%	53%
2017	48%	52%

- Challenging ourselves to follow the example set by our Executive supporting greater female representation at the higher grades
- Looking at how we reward colleagues to make sure all pay decisions and processes support our Diversity and Inclusion strategy

In 2012, we set up a gender career-focused network - Aspire. Aspire runs a number of activities for colleagues who want to develop their careers from lunch and learn sessions, mentoring programmes, round table sessions, its own magazine, and more recently, parent to parent support. It also works with local initiatives such as 'Women in Property', 'Ladies of Code' and 'Women in Tax'.

Co-op also works with other partners that support women: Pearls Programme, FT125 Women Forum, Be Inspired and Everywoman.

We're looking forward to the future, building an organisation that supports talent and employs colleagues who reflect the diversity of the communities we serve.

Looking to the future



“We know that having more men than women at senior levels has an impact on our pay gap.

Right now we’re working to understand more about the underlying reasons for our gap which will help to inform and refine the initiatives which are already underway.

I confirm the Co-op pay gap data is accurate and has been collated in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.”

A handwritten signature in black ink that reads "Helen Webb".

Helen Webb
Chief People Officer



Co-operative Group Limited

Registered society, registered in England and Wales under
the Co-operative and Community Benefit Societies Act

Registered office: 1 Angel Square, Manchester M60 0AG

Registered number: 525R

www.coop.co.uk