

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". We couldn't address the long term impacts of the last 18 months on our communities, customers, members and colleagues without the support and commitment of our colleagues. We're continuing to focus on the wellbeing of our colleagues, creating an inclusive environment, and opening up opportunities for skills and employment to those that need them the most.



We will continue to focus on these and our other people priorities in 2022, including leadership, creating a great colleague experience and sense of belonging, championing social mobility, and providing fair pay and meaningful work to all colleagues.

Colleague Wellbeing

Colleague wellbeing is one of our people priorities and we've continued to evolve what we do to support colleagues throughout 2021.

Our Talkback survey showed that 73% of colleagues, up from 66% in 2020, now feel equipped to manage their wellbeing using the resources that the Co-op provides.

This year we've continued to promote the support we have available to colleagues through regular messaging.

In 2022, we'll continue to engage colleagues to ensure we're supporting them in the ways that they need it most, whilst moving closer to aligning our wellbeing to our "Co-operating for a Fairer World" ambitions.



We've made mental health training available to all managers. **Over 1,000 have now voluntarily chosen to take-up the training**, and in 2022 we'll make attendance mandatory for our Retail Managers.



We've launched Wagestream to all colleagues which has seen **10,400 colleagues supported** with access to their earned pay between pay days and **2,400 colleagues** opening a savings account paying 5% interest. **6,000 colleagues** have told us Wagestream has reduced their stress levels and improved their finances.



Originally developed as a weekly communication covering advice on how to cope with the health and wellbeing impact of Covid-19, Co-op Care is now a monthly **Wellbeing Wednesday newsletter**, focused on the things that colleagues tell us are most important to them.



We've sent all of our colleagues a **wellbeing booklet** and wallet card to show them all the support we have available in one place.



We've launched a pilot of **YuLife** which will incentivise colleagues for healthy behaviours.



We've continued our other partnerships to support physical, mental, and financial wellbeing.

Diversity and Inclusion

2021 has seen us supporting our Vision of *"Co-operating for a Fairer World"* by continuing to focus on what diversity and inclusion really means for all our colleagues. We've maintained our focus on leadership-driven messaging to engage and inspire our colleagues to be more curious and look at ways to become better allies. We've also been analysing our colleague data to understand how we can drive better decisions that support not only our most marginalised, but all colleagues.

We've taken our aspirations from last year and turned them into actions, delivering over 3,000 inclusion learning opportunities alongside a more diverse range of activity through our Inclusion Calendar. 2021 also saw us headline sponsor National Inclusion Week activity through our external partner Inclusive Employers. We've also ensured inclusion objectives are embedded in our individual and collective leadership goals this year with all our senior leaders striving to lead by example.

Our key activities for 2021 have focused on development and learning:

- We launched our Advancing Diverse Talent Programme which is designed to support our ambitious colleagues from ethnic minority backgrounds and provide them with skills and techniques to push against barriers to development and progression. We'll launch further cohorts in 2022
- We've created a programme of learning that celebrates all facets of diversity. We've brought celebrations and activity such as Rosh Hashanah and Trans Awareness Week to the forefront of our programme, working in a more interconnected way across our colleague networks to learn more about the lived experiences of our colleagues

Our Power and Privilege training, explores how collective power and privilege can be used to support the most marginalised in society

- We've listened to feedback from our colleagues and launched our first English as a Second Language offering with over 400 colleagues signing up for the first cohorts. We've also translated policies into several different languages for the first time, starting with our new Domestic Abuse Policy. Our discovery groups and listening circles focused on areas such as how we celebrate cultural events, and accessibility to items needed for prayer and cultural practice
- We've partnered with external resource to engage our most senior leaders in conversation about race through the Race at Work programme, focusing on issues such as tokenism, white fragility, and white saviourism
- Our ongoing focus on data has seen us working closely with our leadership population to understand the benefits of capturing our colleague diversity information to help shape and inform our decision making. 65% of our 60,000+ colleagues have shared their data with us so far and our focus will continue into 2022

Pay Gap Reporting

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 report in April 2022. The full report is available [here](#). We will share our Ethnicity Pay Gap reporting early in 2022.

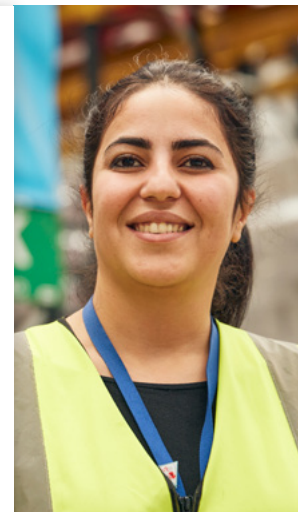
Our Commitments to Racial Equality

In 2020, we launched Our Commitment to Racial Equality and Inclusion; a holistic set of commitments across colleagues, customers, membership and communities which put inclusion at the heart of everything we do. We've made progress over the past 12 months, and have delivered some of the Commitments already, including all our leaders setting inclusion objectives, developing specific products for ethnic minority groups, and creating more diverse consumer and member panels. You can read a full update against these commitments [here](#).

Combining our data with the lived experience of our colleagues to nurture a truly inclusive culture will remain our focus going into 2022. We will also remain close to external bodies such as the Social Mobility Commission to utilise our data to support the launch of our Social Mobility Strategy for Colleagues in 2022.

Performance Benchmark

In 2021, we ranked 76th 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 (2020: 58th).



Building skills - Apprenticeships

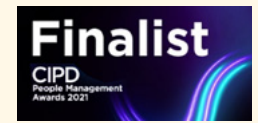
We recognise that there's a lot of talent out there, but opportunities are harder to come by. Our apprenticeship programme opens up those opportunities to access lifelong skills for our colleagues and communities.

In May 2021, we launched Co-op Levy Share to support apprenticeships for individuals from lower socio-economic backgrounds, different ethnic minorities and other under-represented groups, working with other employers, including our suppliers, to bring together funding of £15m to support thousands of apprenticeships.

We have continued to identify more entry-level apprenticeship roles which can be filled by school leavers, and the young business leaders programme with Connell Sixth Form College offering a pathway into Co-op apprenticeships. We have expanded our recruitment into Legal Services by recruiting both Paralegal and Solicitor apprentices, allowing school leavers to bypass the more traditional university route. In response to the shortage of drivers in Logistics, we are recruiting over 100 LGV drivers from our warehouse colleagues and other external sources. Despite this being a very challenging year for our Funeralcare colleagues, 87 have achieved their full apprenticeship.

We have continued to be recognised for our apprenticeship programmes:

- RateMyApprenticeship (RMA) Top 100 Employer - moving up 48 places
- National Apprenticeship Top 100 Employer
- Finalist at the CIPD Awards for the Best Apprenticeship Scheme



The service now has **30 donating employers...**



...with **£7.2m** in the pot...



...and **69 receiving organisations** detailing their opportunities.



To date, **442** matched apprentice opportunities have been confirmed to a value of £3.58m.

In 2021, we had over 600 apprentices on programmes, a 46% male 54% female split across 30 different programmes, with ages ranging from 16 to 70+.



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. By focusing on 'Leading Well for Everyone', our leadership development strategy 'Leadershift' supports our wellbeing, community, and sustainability agendas. 700 leaders, across nearly 1,500 places, accessed live content during the year, with more accessing offline self-serve materials.

We kickstarted our leadership conversations about Race at Work, with a powerful and immersive leadership programme for our Executive and their teams.



In 2021 our leadership index was **74%** (2020: 72%)

The UK Private Sector benchmark for this index is 70%.

Our 5th annual festival of learning and development - Leadfest, drew upon the principles of innovation, exploring a range of techniques to facilitate conversations about our Co-op ways of working. Over 200 leaders took part.

In 2022, we will continue to focus on the areas in which our leaders can have most impact on our Co-op, rolling out further Race at Work programmes and focusing on coaching and empowerment.

Engagement and 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 and Colleague Voice. These tools highlight where we need to focus to improve the everyday experience of our colleagues.

Our engagement score remains strong at 72%, though declined since last year (2020: 76%) which is in line with external trends. Our 2021 Talkback analysis shows that colleagues believing they are listened to still has the strongest influence on engagement. We also see that belief in our Vision has an important relationship to engagement, as does colleague safety and work-life balance. Our analysis also shows that psychological and physical safety remain a priority for us.

Regardless of role, level, business unit or location - all our colleagues are part of the same Co-op and there are key threads that unite and embody what it's like to be part of it. This year, we've been developing a Colleague Value Proposition (CVP) to help pull those threads together so we can talk more clearly about what it's like to work at our Co-op in a way that inspires existing colleagues and attracts potential co-workers. Our CVP will be launched in 2022.

Following a successful relaunch in April 2020, our Career Celebration scheme was a finalist for two awards, winning the Inspiring Workplace EMEA 'Inspiring Reward and Recognition' award, and shortlisted for the CIPD 'Best Recognition Initiative' award.

The #BeingCoop Awards returned for the 4th year and were bigger than ever. Over 6,000 colleagues were nominated for an award including the Colleague's Choice winners, voted for by our Co-op colleagues, and reflecting our commitment to *"Co-operating for a Fairer World"*, our Inclusion Awards.



Our engagement score is **72%** (2020: 76%)

Reward

In 2021, our colleagues continued to work exceptionally hard, providing ongoing support to members and customers as we gradually moved into the next phase of the Covid-19 pandemic. In recognition of all the amazing work delivered during these unprecedented times, we increased our pay rates to align with the Real Living Wage. In 2021, all our Customer Team members in our stores received a pay increase of 5.6%, with similar pay increases to other frontline roles across the Co-op.

We also continue to look at ways to be more inclusive in our approach to pay. Our pay ratios can be found in the Report of the Remuneration Committee in our 2021 [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 2021, 44,000 colleagues were in the scheme, which equates to 72% of all colleagues.

Our pension scheme is also responsible for the pensions of colleagues who have left the business, and in 2021 this comprised 44,000 pensioners (2020: 45,000) and 64,500 deferred pensioners yet to retire (2020: 60,500).

In 2021, we re-enrolled colleagues who had opted out of the pension schemes but who still met the automatic enrolment criteria.

Engagement with Trade Unions

We have formal recognition agreements with trade 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 confidentially about business practices or wrongdoing. In 2021 we received 265 reports

through this process (2020: 235). As well as whistleblowing reports, the external provider also takes calls requesting feedback, providing additional information and seeking advice.

In addition to the reports made via the external provider, 32 reports were made direct to Co-op colleagues (2020: 26). We have a procedure for recording and investigating whistleblowing reports, a summary of which is presented to our Risk and Audit Committee.

🎯 2022 targets

By the end of 2022, we aim to double the number of managers who have received mental health training from 1,500 to 3,000.

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

.....
We will commit to hosting a minimum of 750 apprentices on our programmes at any one time, and make sure these programmes enable personal development and align to our business priorities. In addition, we have made a commitment to support a minimum of 500 apprentices through Co-op Levy Share.

.....
We will achieve a colleague engagement index score of 74%, as measured through our colleague survey.

Health and safety

The safety of our colleagues, members and everyone who visits our premises is always a priority.

Whilst the pandemic continued to create a challenging environment for all of us, we remained committed to enhancing our positive safety culture, with a particular focus on the wellbeing of our colleagues. We continued to ensure we created Covid-safe environments for our customers and colleagues, whilst further developing our safety standards and incident management system to ensure we provide a safe and secure environment for all.

Protecting colleague wellbeing

Last year, we committed to creating new Wellbeing Minimum Safety standards, which we achieved by publishing our Wellbeing Minimum Safety Policy, formally recognising the link between work and the wellbeing of our colleagues. As part of a new hybrid way of working we recognise the changing perception of lone workers and have been working across the Co-op on several initiatives to support this.

We also further developed our incident management system, MySafety, to ensure we have a deeper understanding of the types of crimes our colleagues face, and we now have a specific category of harassment and discrimination. We continue to engage with external partners, including statutory bodies such as the Home Office and Police Forces, to collaborate on projects that will support the reduction of violent crime against colleagues.

This included Project Zeal, the collaborative partnership with Nottinghamshire Police and Mitie,

our security provider.

It showed that by working together we can tackle persistent and violent offending within our Co-op stores and make our colleagues feel safer at work.



5,718

Non-reportable accidents (colleagues)
in 2021 (2020: 5,897)



9,487

per 100,000 colleagues (2020: 6,280)



250

Reportable accidents (colleagues)
in 2021 (2020: 233)



415

per 100,000 colleagues (2020: 340)

How we manage safety

We report on colleague accidents as one of the key indicators of how effectively we're managing workplace safety. Our accident data enables us to review trends and take more proactive steps to avoid accidents.

We've seen a reduction in non-reportable accidents this year. We believe that a reduction in footfall in stores and the impact of Covid restrictions may have potentially impacted on the reporting of low-level accidents. However, they also reflect our ongoing work to provide a safe environment for members and visitors to our site.

We measure progress on how we're driving improvements using a 'Balanced Scorecard' approach, using several indicators such as how our colleagues are trained. This is reported to the Board monthly and is continuously developed to drive further improvements.

Looking ahead

We will continue to innovate, working with key stakeholders to address incidents of retail crime and the harassment our colleagues on the front line can sometimes face. Our focus will also be to further develop our safety data strategy with a particular focus on near miss incidents and the opportunities they present to further improve our safety culture.

Our people data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved




Restatement



In-depth assurance

Key Performance data icons

| Issue | 2021 Target | Performance against target | KPIs | 2018 | 2019 | 2020 | 2021 | 2022 Target | SDGs |
|-----------|-------------|----------------------------|--|-------|-------|-------|----------|---|---|
| Wellbeing | | | % colleagues feel equipped to manage their wellbeing using the resources provided by Co-op | | | | 73 | By the end of 2022, we aim to double the number of managers who have received mental health training from 1,500 to 3,000. |  |
| | | | % colleagues downloaded wellbeing app | 20 | 33 | 41 | 43 | | |
| | | | Calls received to colleague assistance programme | 3,166 | 2,300 | 1,052 | 2,356 | | |
| | | | Cases covered through colleague assistance programme | 1,188 | 1,099 | 1,052 | 1,368 | | |
| | | | Number of cases referred for follow-up counselling with a trained counsellor | 398 | 478 | 404 | 138 | | |
| | | | Absence rate (%) | 4.1 | 4.0 | 3.8 | 3.4 | | |
| | | | Financial support given to colleagues via Wagestream (£m) | - | - | - | 4.7 | | |
| | | | Amount saved with Wagestream (£) | - | - | - | 351, 876 | | |
| | | | Number of GP appointments provided by virtual health service Smart Health | - | - | - | 658 | | |

Our people data continued



| Issue | 2021 Target | Performance against target | KPIs | 2018 | 2019 | 2020 | 2021 | 2022 Target | SDGs |
|-----------------------|---|---|---|--------------------|--------------------|--------------------|---------------------------------|---|---|
| Inclusion & Diversity | We will increase our Minority Ethnic leadership representation from 3% to 6% by 2022 and 10% by 2025. | <div><div></div><div>We've achieved the first milestone, with 6% of our ethnic minority colleagues in leadership roles.</div></div> | % of colleagues who feel their leader creates an environment where they can be themselves | - | 77 | 78 | 77 | We will increase our Minority Ethnic leadership representation from 3% to 6% by 2022 and 10% by 2025. | <div>10</div> <div>REDUCED INEQUALITIES</div> |
| | | | Number of Diversity and Inclusion pioneers across the organisation | 85 | 106 | 125 | 135 | | |
| | | | Number of colleague networks | 4 | 4 | 5 | 6 | | |
| | | | Number of members in networks | 2,000 | 2,000 | 2,000 | 2,000 | | |
| | | | % colleagues who feel that they have experienced bullying, harassment or discrimination | 12 | 13 | 14 | Internal (7%) External (12%) | | |
| | | | Reporting has been amended to separately record internal (by a colleague or manager) and external bullying, harassment or discrimination. 2021 gives the baseline for future reporting. | | | | | | |
| | | | Gender balance of applications and hires | 70% men, 30% women | 50% men, 50% women | 47% men, 53% women | 48% men, 52% women | | |
| | | | % female colleagues | 55 | 51 | 55 | 59 A | | |
| | | | % female colleagues in leadership roles | 32 | 34 | 37 | 42 | | |
| | | | % of our leaders from an ethnic minority background ¹ | - | - | 4 | 6 | | |
| | | | % colleagues in each age group | | | | | | |
| | | | 24 and under | 19 | 20 | 22 | 19 A | | |
| | | | 25-34 | 24 | 23 | 22 | 24 A | | |
| | | | 35-49 | 27 | 27 | 26 | 26 A | | |
| | | | 50-64 | 27 | 27 | 27 | 27 A | | |
| | | | 65 and over | 3 | 3 | 3 | 4 A | | |
| | | | % colleagues identify as non-heterosexual | - | 7 | 8 | 8 | | |
| | | | % colleagues identify as having a disability | 4 | 6 | 7 | 8 | | |
| | | | % colleagues identify as belonging to an ethnic minority group | 10 | 11 | 11 | 11 A | | |
| | | | % colleagues have dependant or caring responsibilities | 33 | 29 | 30 | 30 | | |

¹ Leaders are work level 1-5

Our people data continued

| Issue | 2021 Target | Performance against target | KPIs | 2018 | 2019 | 2020 | 2021 | 2022 Target | SDGs |
|-----------------|---|---|---|------------------------|------------------------|------------------------|------------------------|---|--|
| Apprenticeships | 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. | <div><div></div><div>We didn't achieve our commitment for this year of having a minimum of 1,000 apprentices on programme at any one time. This is primarily due to the impact of the pandemic.</div></div> | Apprentice starts | 572 | 936 | 367 | 278 | We will commit to hosting a minimum of 750 apprentices on our programmes at any one time, and make sure these programmes enable personal development and align to our business priorities. In addition, we have made a commitment to support a minimum of 500 apprentices through Co-op Levy Share. | <div><div>4</div><div>QUALITY EDUCATION</div><div></div></div> |
| | | | Total apprentices on programme (at end of year) | 1,034 | 1,376 | 1,232 | 472 | | |
| | | | % apprentices male and female | 40% male 60% female | 40% male 60% female | 36% male 64% female | 46% male 54% female | | |
| | | | Funeralcare: Number of apprentices and types | - | 817 | 685 | 91 | | |
| | | | Support Centre: Number of apprentices and types | - | 59 | 88 | 100 | | |
| | | | Food: Number of apprentices and types | - | 450 | 341 | 246 | | |
| | | | Logistics: Number of apprentices and types | - | 38 | 50 | 26 | | |
| | | | Legal Services: Number of apprentices and types | - | 12 | 68 | 9 | | |
| | | | Number of apprentices from Academies | 4 | 1 | 1 | 4 | | |
| | | | The reduction in starts and on programme numbers is due to another year of significant increased pressure on our frontline colleagues. The Government's Apprenticeship Funding Guidance has changed frequently throughout the pandemic which resulted in a large number of apprentices taking a break in their learning, many of whom took the personal decision not to return to their learning. In addition, one of our key training providers decided to exit the apprenticeship market, we therefore had to source new provision which prevented new apprentices joining the programme. The apprentices affected are starting in quarter 1 of 2022. | | | | | | |
| Leadership | | | Leadership Index | - | 79% | 72% | 74% | | |
| | | | The 2021 Leadership Index has risen 2 points from 2020's score of 72% to 74%, which is +4 points higher than the UK private sector benchmark and an achievement, given the ongoing leadership challenges presented by external factors, such as the ongoing pandemic. | | | | | | |

Our people data continued

| Issue | 2021 Target | Performance against target | KPIs | 2018 | 2019 | 2020 | 2021 | 2022 Target | SDGs |
|--------------------------|--|---|--|----------|--------|--------|--------|--|------|
| Engagement & Recognition | We will maintain levels of colleague engagement as measured by our engagement index (currently 76%). |  Our engagement score remains strong at 72%, though it has declined since last year (2020: 76%) which is in line with external trends. | Overall engagement score (%) | 76 | 76 | 76 | 72 | We will achieve a colleague engagement index score of 74%, as measured through our colleague survey. | |
| | | | Total colleague headcount at year end | 62,578 | 62,616 | 63,324 | 60,232 | | |
| | | | Total voluntary turnover (%) | 22.1 | 22 | 17 | 24.6% | | |
| | | | The overall headcount has decreased due to a number of factors, including an increase in overall turnover, the fact that 2020 was an 'exception' year in which we recruited 3000 additional temporary colleagues to support during the pandemic which pushed our headcount up for that year, and the sale of Co-op insurance since 2019. | | | | | | |
| Pension scheme | | | No. of Pensioners | 47,500 | 47,000 | 45,000 | 44,000 | | |
| | | | No. deferred pensioners | 61,000 | 58,000 | 60,500 | 64,500 | | |
| | | | % colleagues in a pension scheme | 65 | 68 | 67 | 72 | | |
| Speak Up | | | Whistleblowing reports through Speak Up | 173 | 199 | 235 | 265 | | |
| | | | Number of whistleblowing reports made direct to Co-op colleagues | 43 | 34 | 26 | 32 | | |
| Health and Safety | In 2021 we will create a new Co-op Minimum Safety Standard to formally recognise the link between work and wellbeing and to incorporate wellbeing into our Health and Safety Governance framework. |  Standards produced. See p.30 for more detail. | Reportable accidents (per 100,000 colleagues) | 382 | 388 | 340 | 415 | | |
| | | | Reportable accidents (Colleagues total) | 241 | 243 | 233 | 250 | | |
| | | | Non-reportable accidents (per 100,000 colleagues) | 8,073(R) | 7,037 | 6,280 | 9,487 | | |
| | | | Non-reportable accidents (total) | 5,087(R) | 4,406 | 5,897 | 5,718 | | |
| | | | Reportable customer accidents | 32 | 16 | 18 | 18 | | |
| | | | Non-reportable customer accidents | 2,899 | 2,077 | 1,920 | 1,709 | | |