



# Co-op Gender Pay Gap Report 2022



# About us

Our Co-op is the UK’s largest consumer co-operative, with more than four million active members and a presence in every postal area in the country.

Our businesses are all UK-based and our main support centre is in Manchester. Since our origin in 1844, we have had a clear social purpose that has grown and spread through the wider co-operative movement. Our Vision is ‘Co-operating for a Fairer World’, which means we’re making things fairer for our colleagues, make life fairer for our members and communities, and we’re going to be fairer for our planet. We set ourselves high standards for sustainable and responsible retailing and service. We have a responsibility to be a campaigning business, speaking out on the issues that matter to our members, such as ethics and sustainability. That’s why, for over a decade, we’ve provided members with a comprehensive report on our ethics and sustainability performance, so they can see how we are doing. Since 2017, our Gender Pay Gap report became part of our ethical reporting. To find out more, read our Sustainability report [here](#).



**Food Retailing & Wholesale:**  
50,200 colleagues across approx. 2,700 stores and 13 depots



**Life Planning and Legal:**  
570 colleagues in Life Planning and Legal



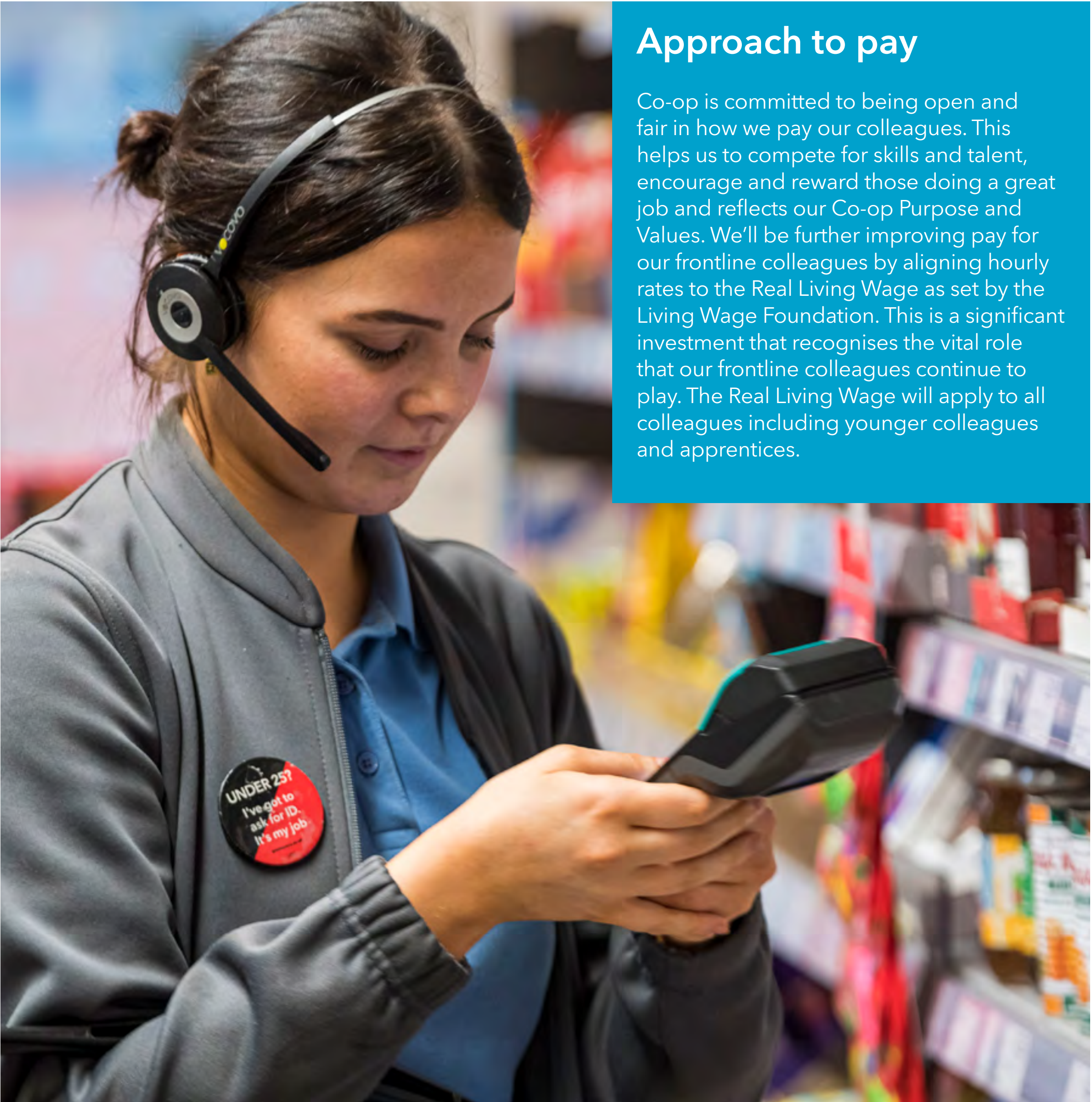
**Funeralcare:**  
3,600 colleagues in 990 Funeralcare branches



**Support Centre:**  
3,400 colleagues in central teams supporting all business areas



**Pay Relevant Employees:**  
Nearly 85% of our Pay Relevant employees are on fixed rates of pay for their job



## Approach to pay

Co-op is committed to being open and fair in how we pay our colleagues. This helps us to compete for skills and talent, encourage and reward those doing a great job and reflects our Co-op Purpose and Values. We’ll be further improving pay for our frontline colleagues by aligning hourly rates to the Real Living Wage as set by the Living Wage Foundation. This is a significant investment that recognises the vital role that our frontline colleagues continue to play. The Real Living Wage will apply to all colleagues including younger colleagues and apprentices.



# 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 Co-op. 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. We recognise that not all colleagues identify as male or female, but for the purposes of this report we have used the 'legal sex' data recorded on payroll in compliance with current legislation.

## Pay gap

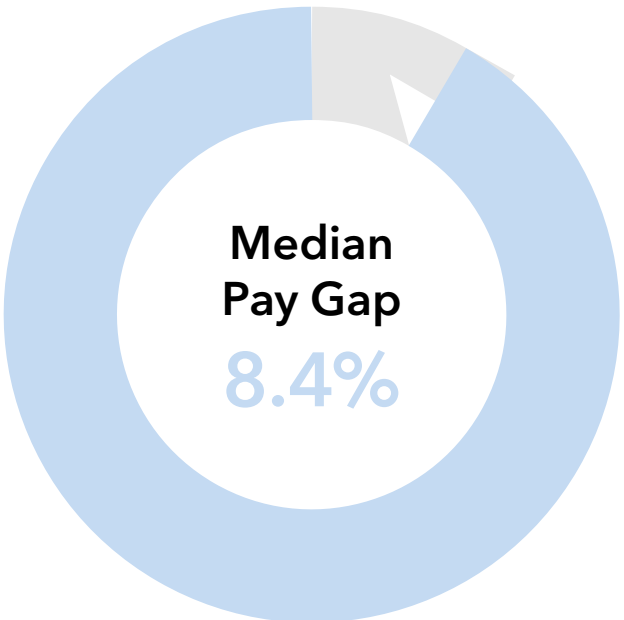
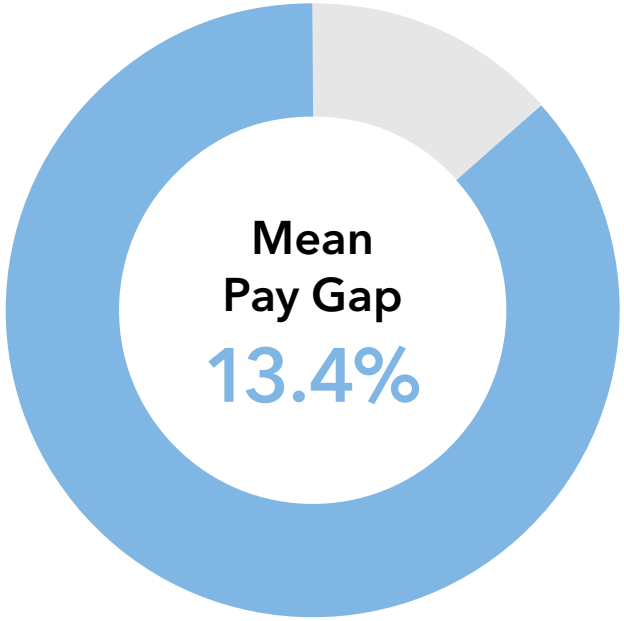
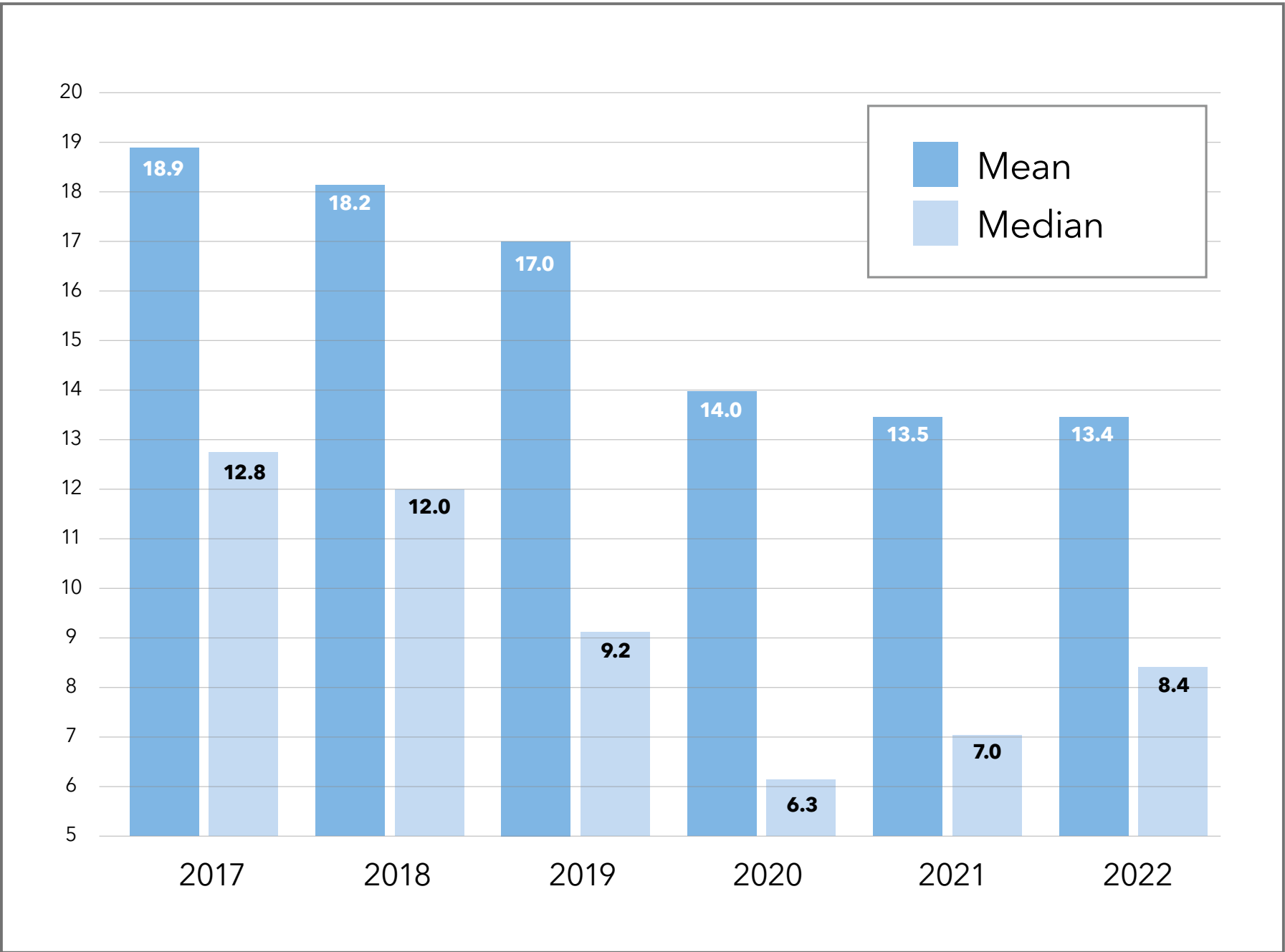
The median compares the hourly rate of the middle male role to the middle female role and the mean compares the average hourly male rate to the average hourly female rate.

## Our pay Gap is reducing

We've seen a significant reduction in both our median and mean gender pay gaps since we started to report data in 2017. In 2022, all our Customer Team members in our stores received a pay increase of 4.2% to bring them in line with the Real Living Wage rate of £9.90 for 2022. Similar pay increases were awarded to other frontline roles across the Co-op with warehouse colleagues receiving 4% increases in 2022 and logistics drivers receiving 5%. This investment, coupled with lower increases for management and head office colleagues, is the main reason for the slight reduction in our mean pay gap.

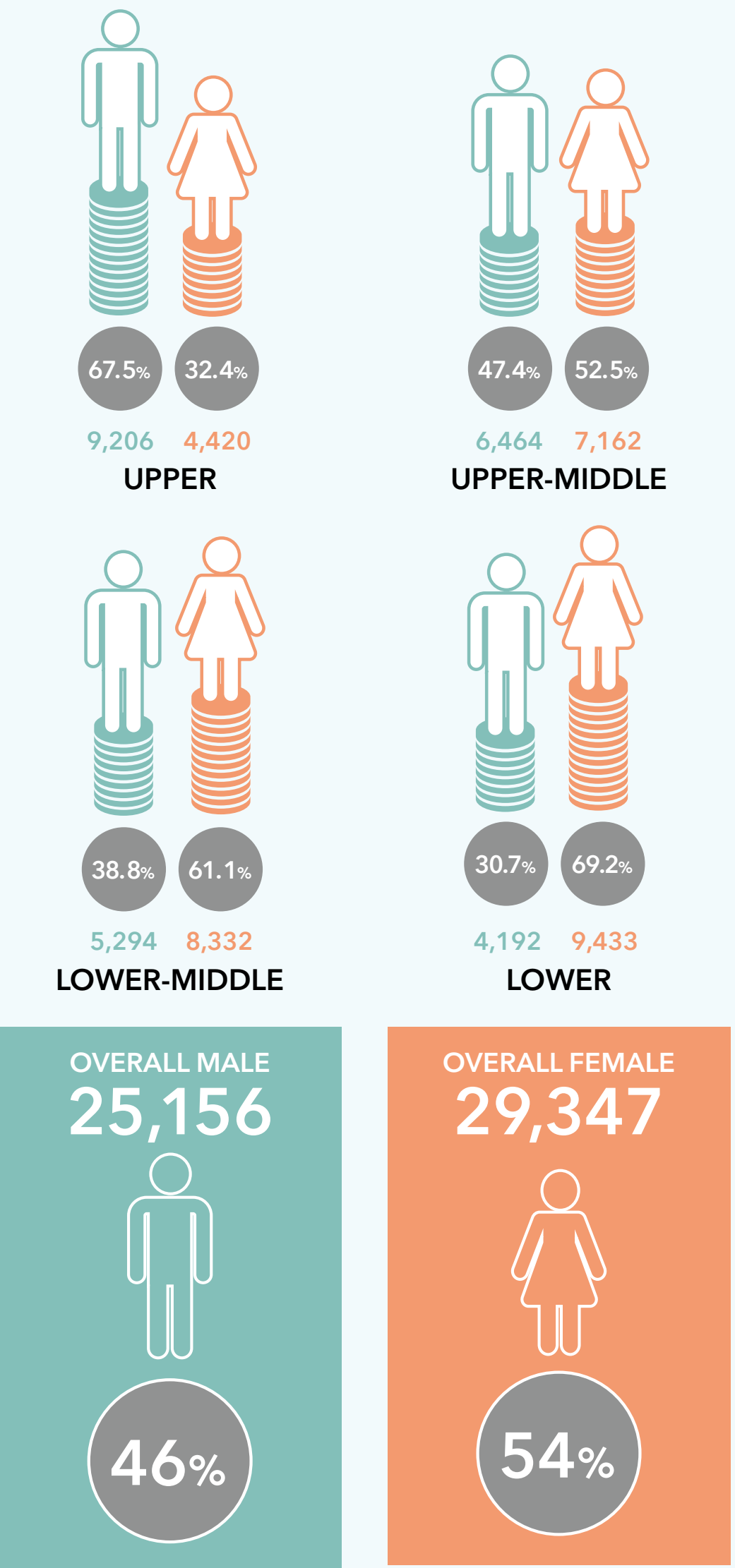
Our median gap has increased slightly this year compared to last year. In the median calculation, the middle male role is a Team Leader in our Food Stores and our middle female colleagues is a CTM in our Food Stores. The reason for the small increase in the median gap is linked to the fact that we invested heavily in our Team Leader population, who received a larger pay increase than our CTM population in 2022.

2022 is also the first year that Nisa colleagues have been included in our Group data with them previously being reported separately under the Nisa gender pay gap figures.





Gender Establishment Quartiles



We have sorted our colleagues in order from the highest to the lowest paid and then split them into four groups of equal numbers of people. The top quartile shows that we still have more men than women in our most senior roles. We’ve seen some movement in our quartiles compared to 2021. The principle reason for this is that our numbers for pay relevant colleagues is 3,400 lower in 2022 compared to 2021 due to a reduction in our headcount.

In 2022 we increased the number of women in senior roles which has contributed to a reduction in our gender pay gap. Having more men in senior positions continues to impact our gender pay gap. Although we’ve increased the number of women in senior roles in 2022, we still see a significant underrepresentation especially with women from ethnic minority background.

Bonus Pay

About 8,000 colleagues are eligible to participate in our bonus plan, which are predominately head office roles in our graded colleague population and our food store managers. All of our operational roles do not participate in our bonus plan.

Gender pay analysis 2022	Co-operative Group Ltd	
	Mean	Median
Bonus Pay		
Women’s Bonus Pay	42.8% (Lower)	78.3% (Lower)

Having lower representation of female colleagues in our senior positions is impacting our mean bonus gap.

Excluding our 2021 bonus data, which was vastly dominated by 56,000 frontline colleagues receiving a one-off £100 cash ‘Thank You’ payment, the percentage of female colleagues who received bonus pay has almost doubled since 2020. The percentage of male colleagues in receipt of a bonus has also increased since 2020 but by a lesser amount.

Bonus Pay 2021	Men	Women
% who received Bonus Pay	21.5%	19.1%





# What we're doing

Our Co-operating for a fairer Workplace strategy focuses on designing and developing the foundations that enable us to create, sustain and embed an inclusive culture through:



**Reviewing and re-designing processes that help us to eliminate or reduce bias in our people processes.** To close the gap of females in higher paid, more senior roles at Co-op, and thus contribute to closing the gender pay gap, we are reducing the drop-off of diversity in our talent pipeline and increasing representation where there is underrepresentation. To do this, we are piloting an Inclusive Hiring Training programme with 1,200 hiring managers in 2023 and the remaining hiring managers in the years following. To ensure accountability, attendance at this training will be monitored and no-shows/cancellations will be followed up on and we have advised all hiring managers to take clear, consistent notes whilst hiring in 2023 as a quality-assurance process will likely follow if this training does not lead to significant change



**Ensuring we are being both fair and consistent in our approach with our Diversity Data completion rates** and the use of this data to build team and area-specific action plans. By continuing to raise awareness with Leaders and colleagues around the importance of inputting their Diversity Data, we are gaining more insight into the situation for intersectional groups of women, into different genders at Co-op and increasing our collective engagement and investment in increasing diversity and inclusion. As a result of our efforts, we have seen a significant increase on completion rates from last year, from 65% to 82% on most questions. Over the past 12 months, we have introduced new questions and adapted existing questions to ensure they are in line with best practice and to give us as much insight into as many different marginalised experiences our colleagues face as possible. Furthermore, we are supporting Leaders and Teams to access the diversity data for their areas and use it to build specific action-plans and objectives



**Our Colleague network Aspire continues to support the business in highlighting and supporting women entering still-male-dominated fields such as logistics and engineering by running career roundtables and sharing vacancies.** They've supported the business in updating our terms of reference to focus on not only women but also colleagues that identify as women, to fully embrace an inclusive workplace. The Network continues to support colleagues by running career development, financial awareness and 'child free by choice' sessions, menopause coffee mornings, mentoring programmes and by adding a squiggly careers book club; as well as supporting the business to sign up to the Manchester Women's Night Time Safety Charter and partnering with Gen M.





## Our focus for 2023

At Co-op our ethos of ‘Co-operating for a Fairer World’ runs through everything we do. We have maintained a controlled and pragmatic approach to shifting the Gender Pay Gap and it has been pleasing to see how it has reduced since we first started reporting. Although this year’s figure hasn’t shown the level of reduction we would have liked to see, we can clearly see the areas that contribute to the gap, most notably the level of representation in the upper quartile versus that in the lower two quartiles.

We will maintain our focus on improving representation of women in leadership roles. We have established diversity objectives for all areas of the business and introduced a new ‘Inclusive Hiring’ training programme to ensure that all our hiring managers are mindful of how bias can affect the recruitment pipeline.

With our Social Mobility strategy, we are currently undertaking a study with ‘Making the Leap’, a leading societal change charity about the experiences of colleagues from a lower socio-economic background, which will be published in June. This will provide us with qualitative insight that will help us to further understand any obstacles to development and progression at Co-op, including how socio-economic background intersects with other facets of diversity such as gender, age and ethnicity.

Our focus on Diversity and Inclusion has led to a marked improvement in our diversity data collection, and the on-going roll-out of the ‘All-Colleague Code’ continues to have a strong impact on the understanding and managing of non-inclusive behaviours.

There remains much to do, and only a broad, holistic approach that is mindful of the impact of intersectionality will truly shift the dial in a sustainable way.



**Claire Costello**  
Chief People & Inclusion Officer

