



Gender pay gap report

Snapshot date of 5 April 2018

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 are 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 are doing. From 2017, our Gender Pay Gap report became 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

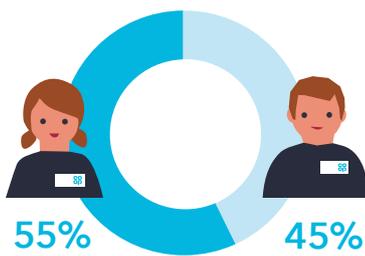
The Co-op Group is the UK's largest consumer co-operative, owned by 4.6 million members with a presence in every postal district in the country.

We're a major food retailer and wholesaler; we're the largest funerals provider in the UK; we provide life planning services and sell insurance products. Our businesses are all UK based and our main support centre is based in Manchester.

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 member's 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.

62,500 relevant colleagues



Data based on colleagues who are relevant employees at the 5 April 2018 snapshot date as set out in the Gender Pay Gap Regulations.

Food Retail

Colleagues: over 55,000, over 2,000 food stores and 10 logistics depots

Funeralcare & Legal Services

Colleagues: over over 4,000, Over 1,000 funeral homes and a legal service offering Wills, Probate, Conveyancing and Family Law amongst others.

Insurance

Colleagues: 1,300. Motor, Home, Pet and other insurance products

Support Centre

Colleagues: 2,100. Including IT, Finance, HR, Digital and Property.

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.

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.

The reports

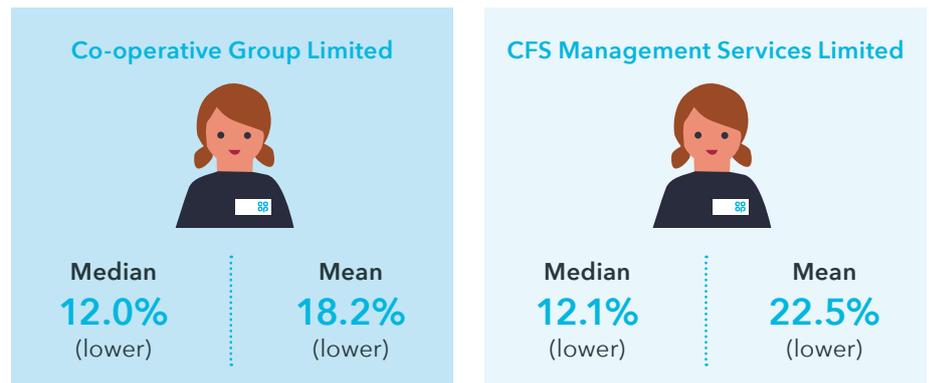
Our gender pay gap numbers

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 Ltd 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 the middle female role and the mean compares the average hourly male rate to the average hourly female rate.
- Nearly 78 % of our relevant employees are on fixed rates of pay for their job.
- In Co-operative Group Limited we have seen a modest reduction in both our median and mean gender pay gaps since we reported 2017 data.
- In CFS Management Services Ltd we have seen a modest reduction in our mean gap but an increase in our median gap. The main reason for this change is our headcount has reduced by nearly 10% which has changed the median male and median female comparators used for the calculation.

Quartiles

	Co-operative Group Limited		CFS Management Services Limited	
	Men	Women	Men	Women
Top quartile	69.2%	30.8%	64.2%	35.8%
Upper middle quartile	48.5%	51.5%	48.0%	52.0%
Lower middle quartile	34.7%	65.3%	48.0%	52.0%
Lower quartile	30.6%	69.4%	46.6%	53.4%

- We have sorted our colleagues in order from the highest to the lowest paid and then split them into 4 groups of equal numbers of people.
- This shows that we still have more men than women in our most senior roles.
- Having more men in senior positions is impacting our gender pay gap.
- We have experienced some changes in our quartiles since we reported in 2017. The main reason for the changes is due to the reduction of relevant employees for the 2018 report. In both cases this has impacted where the lines for the quartiles are drawn.

Bonus pay

	Co-operative Group Limited		CFS Management Services Limited	
	Median	Mean	Median	Mean
Women's bonus pay is	55.9%	42.5%	17.7%	6.8%

	Co-operative Group Limited		CFS Management Services Limited	
	Men	Women	Men	Women
Who received bonus pay?	18.3%	12.8%	36.3%	44.2%

- 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
- We reported in 2017 that 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 has been captured in the 2018 pay gap report. The 2018 bonus payments were paid in May 2018 and will be captured in our 2019 pay gap report.

What we're doing

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.

In 2018, we took the opportunity to re-set how we talked about Diversity and Inclusion in our Co-op and we have focused on ensuring that we have the right foundations in place to 'Embrace modern society and reflect our communities in which we trade to help us stay relevant and ahead - as set out in our strategy.

Our definition of diversity is 'anything that makes us unique and different' and is not exclusive to traditional characteristics such as gender, age, sexual orientation or religion.

We define inclusion as how we create a true sense of belonging, where everyone feels valued and can be their best selves at work.

Our work in 2018 has taken a more holistic approach to how we create, embed and sustain a diverse and inclusive culture and we centred our activity on three key areas this year: Inclusive Culture, Inclusive Leadership and Attracting and Engaging our Colleagues.

Looking to the future

Our achievements this year have included the following:

- We have designed and launched a new careers website which is accessible for all colleagues and we have included a dedicated diversity and inclusion page which details our intentions and plans.
- We have also deployed the use of 'Textio' which is a software that helps to write more gender balanced adverts. This has resulted in now a 50/50 balance of male to female applicants.
- External female senior leadership hires have increased from 35% in 2017 to 37% in 2018
- We have also actively reached out to female candidates for areas that we need to have a greater gender balance, in particular in IT, digital and property.
- We created a One Co-op event to celebrate International Women's day and used this event to build awareness of the need to balance gender and to ensure that women had the opportunity to progress and we launched a senior women's talent programme.
- Our PACT (Parent and Carers Together) network was also launched in 2018, where our colleagues can discuss and get advice on flexible working, and how they balance work and family. The network is inclusive to both men and women.



“Right now we’re working to review all of our colleague processes (recruitment, talent, performance) to ensure that our processes are inclusive for all colleagues.”

I confirm that 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
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