

SOCIAL MOBILITY, INCLUSION AND BELONGING

EQUAL
ACCESS

Social Mobility, Inclusion and Belonging have long been issues our member-owners feel we can campaign, advocate and act for change on.

In 2024, we launched a new Social Mobility, Inclusion and Belonging strategy aligned to our new Co-op Vision. The strategy aims to create a more inclusive and diverse workplace, enhance social value, and ensure that our Co-op remains responsive to the needs of our colleagues, our member-owners and their communities. To deliver this, each business area has their own plan outlining their respective ambition across four key objectives:

1. ATTRACT AND RETAIN DIVERSE TALENT

We continue to focus on attracting and retaining people from diverse backgrounds by improving our end-to-end recruitment process. In 2024, we conducted an audit to identify barriers and have since improved our process; embedding a candidate screening tool, which has proven mechanisms to ensure an equitable process, and piloting diverse interview panels for senior vacancies.

9% of our leaders from an ethnic minority background

We continue to focus on increasing representation of ethnic minority leaders, and we now stand at 9% (up 1% from last year)

We also ran four development programmes for women and colleagues from ethnic minority backgrounds to support with personal growth and career progression. We'll continue to run these in 2025, including a new programme for colleagues from lower socioeconomic backgrounds, and we're exploring an LGBTQ+ programme.

2. ENHANCE INNOVATION AND PERFORMANCE THROUGH DIVERSE PERSPECTIVES

Our ambition is to provide products and services that meet the diverse needs of our customers and member-owners that are accessible, affordable and inclusive. To achieve this, we plan to implement a customer-centric and inclusive design approach, which involves co-creating solutions with customers from diverse backgrounds. Evaluating the impact of our products and services using quantitative and qualitative measures will help us make improvements based on the results.

3. BUILD REPUTATION AND SOCIAL VALUE

Our work to enable social mobility for our colleagues continues at pace. In July we became the first retailer to publish a socioeconomic [pay gap report](#) and action plan to address inequity in our organisation. The report informed our social mobility [commitments](#) for 2024 and beyond, and will be a permanent addition to our pay gap

reporting suite in 2025. Publication of the report was only possible due to a huge increase in our colleague declaration rates, which stood at 81% at the end of 2024.



We are being recognised as a leading voice in advocating for colleague social mobility¹. We have supported a number of our suppliers and other organisations starting their social mobility journey and, in 2025, we'll publish an employer toolkit, using our learnings to help others effectively support and empower their colleagues.

¹ Outside of the Professional Services firms who have traditionally dominated the conversation

4. FOSTER A CULTURE OF INCLUSION AND BELONGING

Our Co-op inclusive leadership framework is tailored to individual leaders' development needs, and all Members of the Operational Board continue to have diversity and inclusion objectives as part of their end-of-year performance.

To embed our all-colleague code, which aims to set a standard for colleague behaviour, we've launched "recognising and tackling non-inclusive behaviours" training. We've also updated our policies on bullying, harassment and discrimination, and launched a new standalone policy on Sexual Harassment, along with mandatory training for all colleagues.

Following an audit against the Business Disability Forum's standard, and working in collaboration with our Represent colleague network, we created two workstreams to improve disability inclusion. The first focuses on transparency around reasonable adjustments, resulting in a new disability inclusion passport. The passport means colleagues' adjustment requirements travel with them wherever they work at our Co-op. The second focuses on better communication and awareness, resulting in a new disability awareness module. Next year we'll continue to build on this, and plan to launch training on neurodiversity.



CO-OP LEVY SHARE

Co-op Levy Share launched in 2021, bringing together our suppliers and other employers to support thousands of apprentices. All levy payers pay 0.5% of their payroll costs as a tax into their levy every year to spend on their own apprenticeship training costs. Any unused levy expires after 24 months and is returned to HMRC. Levy Share allows partners to share unspent levy funds in a targeted way to support the provision of apprenticeships for under-represented groups.

During 2024, Co-op Levy Share expanded its reach but still continued to champion social value across our communities. We supported The Royal Foundation's Business Taskforce initiative to help to grow the number of apprentices in the early childhood sector by using Co-op Levy Share pledged funds to pay for training and assessment costs. The ambition was to receive £1m of pledged funds between May 2024 and April 2025. To date, we've reached a total of £900,000, supporting over 100 front line early childhood apprentices.

Since launching in 2021, over 2,500 apprentices have now benefited from the funding across all sectors, from stonemasons to data analysts, including [The Seashell Trust](#). You can read more on our approach to social mobility [here](#), and on our campaign page [here](#).

£9.5m pledged ^A

by partners and suppliers in 2024 against a target of £9m

£32.8m pledged

in total since launching Levy Share in 2021

CASE STUDY



Co-op Levy Share

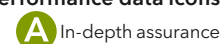
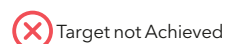
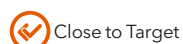
Seashell Trust is a charity dedicated to providing a creative, happy and secure environment for children and young people with complex needs from across the UK. The charity delivers tailored support promoting independence and building confidence, delivered through the programmes of education offered in their school and specialist college and through residential care provided for children in their care homes.

Co-op Levy Share has been able to support 18 apprentices working as Team Leaders, Coaching Professionals and front line care workers.

Harry Kidd, a Health and Wellbeing Lead Administrator, said: "The apprenticeship has made me more resilient, helped me grow my self-belief and put me on the right path for my career going forward."

Ben Gilks, a Community Sport and Health Officer said: "The main factor of the apprenticeship for me has been learning on the job and that I'm able to implement what I'm learning into my role. Having covered rapport building in one of my topics, it has not only benefitted me in work but also everyday life as for my external football coaching."

SOCIAL MOBILITY, INCLUSION AND BELONGING DATA



Key Performance data icons

Issue	2024 Target	Performance against Target	KPIs	2021	2022	2023	2024	2025 Target	SDGs
Social Mobility, Inclusion and Belonging	We aim to increase our Minority Ethnic leadership representation to 10% by 2025	<div>R</div> We have revised and renewed our strategy for social mobility, inclusion and belonging in 2024. This has included broadening our objectives, and setting targets based on more comprehensive data, up to 2030	% of colleagues who feel "Co-op is a place where people from diverse backgrounds can succeed"	77	84	82	84	We will increase the proportion of ethnic minorities in leadership roles to 10% by 2027 and 13% by 2030 We will increase the proportion of women in leadership roles to 45% by 2027 and 48% by 2030	
			Question changed in 2024. Data from previous years is for the question: % of colleagues who feel "My manager creates an environment where I can be myself"						
			Number of colleague networks	6	6	6	6		
			Number of members in networks	2,000	2,747	3,500	3,750		
			% colleagues who feel that they have experienced bullying, harassment or discrimination	Internal (7) External (12)	Internal (6) External (8)	Internal (6) External (8)	Internal (6) External (9)		
			Gender balance of hires	48% men, 52% women	53% men, 47% women	52% men 48% women	51% men 49% women		
			% female colleagues in leadership roles	42	42	40	43		
			% of our leaders from an ethnic minority background	6	7	8	9		
			% colleagues identify as non-heterosexual	8	8	8	9		
			% colleagues identify as having a disability	8	25	19	22		
			% colleagues identify as belonging to an ethnic minority group	11	14	14	16		
			% colleagues have dependant or caring responsibilities	30	31	25	25		
	By end of 2024, an additional £9m will have been pledged by our suppliers and partners through Co-op Levy share to support people from diverse backgrounds into apprenticeship	<div>✓ A</div> In 2024, an additional £9.5m was pledged to Co-op Levy Share	£ pledged to Co-op Levy Share by partners and suppliers (since 2021) (£m)		15.8	23.3	32.8		

CAMPAIGN – SOCIAL MOBILITY

At our AGM in 2021 members called on us to 'Campaign and advocate for change, to tackle the inequality we see today and challenge Government to address the root causes of these issues and enable social mobility throughout our society'.

We believe that fairness is central to social mobility; wherever you start should not determine where you end up. Putting this right is everyone's responsibility. Whilst the Government has a leading part to play we must all – employers, schools, communities and individuals – step up to the challenge. We want to break the link between who you are and what you can become.

In July 2024 we published our first socioeconomic background pay gap [report](#) – the first UK retailer to do so. The report is an important step on from the work we began in 2023, in partnership with the charity Making the Leap, to better understand social mobility, inclusion and belonging for colleagues at our Co-op. It informed our work to address inequality within our business and, in turn, inspire change at a societal level.

Alongside the report, we also shared the [progress](#) we have made against our 2023 Social Mobility Commitments and set new, more challenging ones to maintain the momentum of our campaign. We continue to campaign for socioeconomic background to become the 10th protected characteristic under the Equalities Act 2010.

To encourage other employers to consider publishing their own Pay Gap reports, we worked with the Social Mobility Foundation to produce a 'how to guide'. The [report](#) was published on 'Class Pay Gap Day' in November 2024.

We worked in partnership with a think tank, Demos, to produce new and compelling evidence into the potential economic impact of widespread employer action to promote social mobility. The key insight was that the UK economy could see a £19 billion boost. 'The Opportunity Effect' was launched at an event in Westminster, where the Minister for Employment, Alison McGovern MP, spoke alongside Shirine Khoury-Haq. The report included a number of recommendations to Government and actions for businesses. Advocating for these recommendations will continue into 2025.

Alison McGovern, Minister for Employment

We also supported a piece of [research](#) produced by the Ruskin Institute for Social Equality, 'A different future – How business can reduce inequality'. This research suggested that businesses have an important role in reducing inequality and set out how Government can create the conditions in which businesses can act.

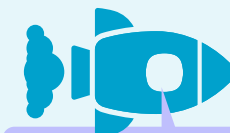
We see apprenticeships as an important means by which to promote social mobility, and we have continued to advocate for reform of

the Apprenticeship Levy so that it delivers opportunities for all. Our advocacy included continued sponsorship of the All-Party Group on Apprenticeships in Parliament and providing oral and written evidence to Parliamentary Committees.

We continue to make progress on social mobility as measured by the Social Mobility Employers' [Index](#) and in 2024 achieved 34th place – a leap of 10 places since the previous year and our highest ever placing. We're the highest placed retailer in the index.

SOCIAL MOBILITY COULD BOOST UK ECONOMY BY £19 BILLION A YEAR

KEY STATS:



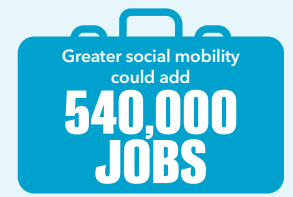
£19 BILLION
GDP BOOST
from improved
social mobility



£6.8 BILLION
in additional tax
revenues – enough to
hire **266,000** teachers
or fund **911,000**
school places



1 IN 4
consumers are more likely
to buy from businesses
promoting social mobility



Greater social mobility
could add
540,000
JOB
equivalent to adding a
city the **size of Glasgow**
to the economy