



# Co-op Gender Pay Gap Report 2021





# About us

We're one of the world's largest consumer co-operatives, owned by more than 5 million members. We're the UK's fifth largest food retailer with more than 2,500 local, convenience and medium-sized stores.

Our businesses are all UK-based and our main support centre is in Manchester. Since our Co-op was founded 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 going to make 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 that 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:**  
50,700 colleagues across approx. 2,600 stores and 11 depots



**Funeralcare:**  
4,000 colleagues in 900 Funeralcare branches



**Life Planning and Legal:**  
530 colleagues in Life Planning and Legal Support Centre



**Support Centre:**  
3,355 colleagues in central teams supporting all business areas



**Insurance\*:**  
\*The Insurance business has now been sold and is no longer part of the Co-op in the same way as the sale completed at the end of 2020, so the business has not been counted in the numbers for this report.



### Approach to pay

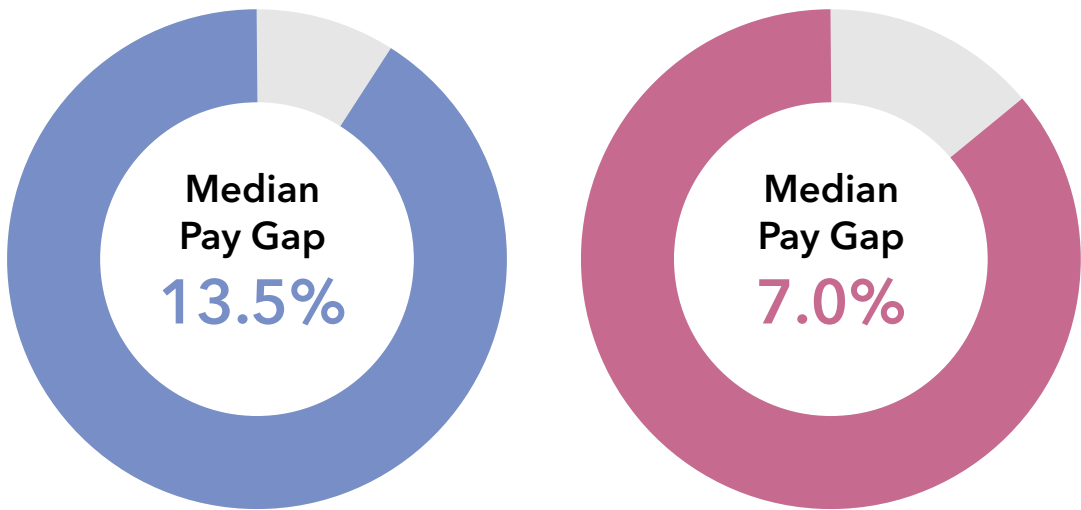
Co-op is committed to being open and fair in how we pay our colleagues. This helps us to compete for skills and talent, encourage and reward those doing a great job and reflects our Co-op Purpose and Values. We'll be further improving pay for our frontline colleagues by aligning hourly rates to the Real 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 there are more than two genders, but for the purpose of this report, we will be using the definitions set by the government of men/women.

## 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. Nearly 83% of our Pay Relevant employees are on fixed rates of pay for their job.

We've seen a significant reduction in both our median and mean gender pay gaps since we started to report data in 2017. The Co-op has continued to invest heavily at the CTM/frontline level and 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. This investment is the principal reason for the reduction in our mean 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 CTM in our Food Stores. The reason for the small increase in the median gap is linked to our Team Leader population receiving a larger pay increase than our CTM population in 2021. Our Customer Team Members and Team Leaders in our Food stores, along with our other hourly fixed rate roles, regardless of their protected characteristics, make-up nearly 81 per cent (32,181) of our Pay Relevant employees.



## Quartiles

Gender pay analysis 2021	Co-operative Group Ltd	
	Men	Women
Upper Quartile	66.2%	33.8%
Upper Middle Quartile	47.9%	52.1%
Lower Middle Quartile	36.0%	64.0%
Lower Quartile	32.4%	67.6%

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. In 2021 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.

## 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 2021	Co-operative Group Ltd	
	Mean	Median
Bonus Pay		
Women's Bonus Pay	46.9% (Lower)	0% (Lower)

Having lower representation of female colleagues in our senior positions is impacting our mean bonus gap. To recognise the commitment of our frontline colleagues during the first lockdown period in 2020, 56,000 colleagues received a 'Thank You' package which included a £100 cash payment. The reason our median bonus gap is 0% is due to the comparator roles in both categories being a CTM, who all received a £100 'Thank You' bonus. The 'Thank You' payment also has a big influence on the % of colleagues who received a bonus.

Bonus Pay 2021	Men	Women
% who received Bonus Pay	82.4%	82.1%



# What we're doing

2021 has seen us further 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 and encouragement to engage and inspire our colleagues to be braver and bolder, more questioning, and curious, and look at ways to be better allies. We've also started to look in detail at the colleague data we have been collecting over the last 12 months to understand how we can use the information to drive better decisions that support not only our most marginalised, but all colleagues. For us, these are:





## Inclusion as strategic business priority

- Our Diversity & Inclusion business strategy supports our vision of ‘Co-operating for a Fairer World’ in understanding how fair we are for colleagues, customers, communities and members. Within that strategy our people mission is to create the conditions for success where our colleagues are inspired, engaged and can fulfil their potential. Inclusion is a core people priority whereby we promote equality, champion Anti-Racist action and embrace all our marginalised communities. A focus on social mobility now underpins all our work – ensuring that we take equitable action to readdress the imbalance that we see in society.

## Increasing representation at leadership level

- We have a strong representation of women in leadership roles, but we know we have more to do in retaining them. The more senior our women are, the more they are looking for support around career development, and for managers to tackle into behaviours that have a negative impact.
- 90% of our executive leaders are female, but we need to focus on increasing female representation at all senior work levels across the business.
- We also have more to do to support our ethnic minority women. In 2021 six cohorts of senior leaders took part in ‘Race at Work’, which is our immersive and interactive offering to our work level 1-3 leadership population, hosted and created by Wondrous People with a focus on white privilege, unconscious bias and building racial equity in the workplace. ‘Race at Work’ explains how individually we can be anti-racist and to create team commitments in making our Co-op anti-racist. These interventions pair mixed race colleagues to explore themes such as identifying organisational processes and systems that create racial disadvantage, what racism and being racist at an individual & organisational level means and identifying our own behaviours such as tokenism, micro-aggressions and white saviourism.



## Inclusive culture

- We’ve taken our aspirations from last year and turned them into actions, as 2021 has seen over 3,000 sign-ups for the learning we have provided this year. This is alongside a more diverse range of activity, learning and events through our Inclusion Calendar programme of activity, and 2021 also saw us headline sponsor National Inclusion Week activity through our external partner, Inclusive Employers. Inclusion objectives have been set as part of our individual and collective leadership goals this year with all our senior leaders striving to lead by example.
- This year, Aspire, our internal colleague network supporting women, has celebrated its 10th year anniversary, and over the past year, membership has grown to 1300 members and 68 active volunteers. The emphasis of the network has switched to campaigning and it has run successful campaigns on Hormonal Health, Safety and Women in the Workplace. As part of these campaigns, they’ve successfully updated our colleague policies on pregnancy-loss, menopause and domestic abuse, showing that the Co-op is an employer that cares. The network continues to support women in Co-op by running financial awareness sessions, menopause, childfree by choice and fertility communities and a Co-op-wide mentoring scheme amongst other things.
- We’ve looked at all facets of diversity and created a **programme of learning** that celebrates some of the most marginalised groups in our society. We’ve brought celebrations and activity such as Rosh Hashanah, supporting our Jewish women, and Trans Awareness Week, supporting Trans women, to the forefront of our programme, and have actively sought opportunity to work in a more **intersectional** way across our colleague networks and learn more about the lived experience of our female colleagues. One of our key highlights has been bringing together our L&D team and facilitators to work with our SMEs to create our Power and Privilege training to understand how collective power and privilege can be used to support the most marginalised in society.

## Removing barriers

- Co-op has also invested in a relationship with The Leading Executives Advancing Diversity (LEAD) Network, an organisation that seeks to attract, retain and advance women in the retail and consumer goods industry across Europe, through education, leadership and business development. This is achieved through a network of senior female and male executives, organised into country-based chapters, representing both manufacturers and retailers. In 2021, this investment has provided the opportunity for several Co-op colleagues to represent Co-op externally, like “Breaking Through Barriers” which explored and examined how leaders in the retail and consumer goods industry can help identify and remove the barriers within the workplace, and actively enable women to succeed.
- We launched our ground-breaking **Advancing Diverse Talent Programme**, which is designed to support our ambitious colleagues from Ethnic Minority backgrounds, including females of ethnic minority background who we know face additional barriers because of their intersectional identities. The programme provides them with skills and techniques to push against barriers to development and progression. 22 of our colleagues have completed this programme and we are looking to launching phase 2 of the pilot programme mid 2022.
- This year has also seen us **translate policies** into foreign languages for the first time, starting with our new Domestic Abuse Policy. We’ve supported 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.



# Our focus for 2022

As we move into 2022, our D&I strategy will support our vision of *‘Co-operating for a Fairer World’* in understanding how fair we are for colleagues, customers, communities, and members, and we will do this through:

**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, and 65% of our colleagues have shared their data with us so far and our focus will continue into 2022. As part of our data tracking activities, we are interrogating our processes i.e. performance and promotion, to ensure we are being both fair and consistent in our approach.

**We will continue to collect socio-economic background data** in our annual colleague engagement survey, as well as separately surveying our top 150 leaders. We plan to build a dedicated social mobility strategy, which outlines our plan to reach women with barriers to employment, as well as creating a culture that empowers all colleagues to thrive, regardless of their background, and will 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.

**With our Inclusive Hiring** we will work with business areas to understand where they need to increase representation and working with our resourcing team to tailor different approaches.

**Our shift towards an inclusive culture** is underpinned by a zero-tolerance approach to bullying, harassment, and discrimination that we know is required if we are to achieve our ambition. To balance this, in 2022 we will be creating a colleague code woven into our ways of being, defining what is and what is not acceptable behaviour that will be integrated throughout our colleague life cycle, including our performance management process.

**We have renewed our relationship with LEAD** for 2022 which will provide more opportunities for several Co-op colleagues to represent Co-op externally, gain support from an external mentor and volunteer with the network to drive forward the women’s agenda on an international scale.



**Helen Webb**  
Chief People Officer

