

# Diversity

## Indicators

Gender







Ethnicity

Disability

Age

Accessibility of products and services

## Targets 2009

-  Design and deliver diversity awareness training to all CFS employees (page 52).
-  Develop and introduce a new Employee Recruitment Strategy at CFS that has been 'diversity-proofed' (page 52).
-  Complete the Trading Group diversity data capture programme in The Co-operative Food stores in four regions by the end of 2009 (page 51).
-  Commence the roll-out of the Trading Group diversity data capture programme to one further business by the end of 2009 (page 51).
-  Formalise disability objectives for the Trading Group and CFS by the end of 2009 (page 52).
-  Achieve the Royal National Institute of Blind People (RNIB) 'See it Right' web accessibility standard for The Co-operative's main website by the end of 2009 (page 54).

 **target achieved**    **close to target**    **target not achieved**  
 **on track**    **behind schedule**

## Targets 2010

- Complete the Trading Group diversity data capture programme in Co-operative Food stores in the three remaining regions by the end of 2010<sup>1</sup>.
- Roll out Trading Group diversity data capture programme to one further business by the end of 2010.
- Design and implement a publicly available CFS strategy, policy and governance structure for diversity for the merged business.
- Deliver diversity awareness training to all CFS employees during 2010.
- Formalise disability objectives for the Trading Group and CFS in 2010.

## Background

The population of the UK is becoming increasingly diverse, making consideration of diversity issues an imperative for any forward-looking business.

Increasing women's participation in the labour market and reducing gender segregation in the workplace is estimated to be

worth between £15bn and £23bn to the UK economy<sup>2</sup>. Of the people employed in the UK, 8.7%<sup>3</sup> are from ethnic minorities. There are over 10 million disabled people in Britain who, together, have an estimated annual spending power of £80bn<sup>4</sup> and, by 2020, the proportion of the labour force over the age of 50 is predicted to rise to 31%, compared with 25% in 2005<sup>5</sup>.


## Materiality and strategy

The Co-operative's commitment to diversity is long-standing, as enshrined in the co-operative Value of 'equality' and the co-operative Principle of 'voluntary and open membership' (inside front cover).

The Trading Group and Co-operative Financial Services (CFS) work to an agreed set of Diversity Principles. These Principles embody a commitment to address diversity, in relation to employees, customers, membership and community involvement in the primary areas of gender, ethnicity, physical ability, age, sexual orientation and religion or belief. The Principles have informed the development of a Trading Group Diversity Policy, and the Trading Group also has a publicly available Diversity Strategy<sup>6</sup>. Following the merger (page 6), CFS is to review its previous activity on diversity with a view to developing a new, aligned strategy, policy and governance structure, which will supersede the current CFS Diversity Policy<sup>7</sup>.


A Diversity Steering Group (DSG) meets quarterly to provide oversight of diversity issues within the Trading Group. During 2009, the DSG included representatives from the Executive team, The Co-operative Group Board, the Values & Principles (V&P) Committee (page 10) and corporate and operational areas of the Trading Group and CFS. A membership Diversity Working Group also oversees the implementation of diversity initiatives amongst The Co-operative's membership and participation in governance (page 91).

## Accounting

Diversity information relating to employees is recorded separately for the Trading Group<sup>8</sup>, CFS and former Britannia employees. Former Somerfield employee diversity data is not available to report. Further details of reporting periods for diversity data is available in the online Report .

### Completeness of employee diversity data 2009<sup>9</sup>

	Trading Group	CFS
Gender	100%	100%
Ethnicity	n/a	82%
Disability	n/a	100%
Age	100%	100%

 To better manage employee data, the Trading Group has developed a new human resources system, which includes fields for six diversity strands: gender, age, disability, ethnicity, sexual orientation, and religion and belief. A programme to capture missing diversity data in the new system has been rolled out to The Co-operative Food stores in the Central & Eastern, South West, Cymru/Wales and South East regions, and across The Co-operative Travel. In 2010, the data capture programme will be rolled out to The Co-operative Food stores in the three remaining regions<sup>10</sup> and to a further Co-operative business.

## Diversity communication, training and recruitment

Diversity information for employees is provided in dedicated areas on the Trading Group and CFS intranet sites. In addition, the Trading Group has appointed four diversity champions and these champions have helped establish gender, disability, and Lesbian, Gay, Bisexual and Transgender (LGBT) employee networks. Customers and other stakeholders can access diversity information via the main Co-operative website<sup>11</sup>.

☉ A comprehensive diversity awareness training programme has been developed and will be delivered to all CFS employees during 2010. ☉ A CFS Employee Recruitment Strategy, which includes an appreciation of the benefits of recruiting as diverse a selection of individuals as possible, was launched in June 2009.

### Respect works

The Trading Group operates a Respect works policy to encourage appropriate behaviour in the workplace, which is accompanied by a Respect works diversity modular training programme. Four sessions on championing respect in the workplace were held in October 2009, training 60 managers from across the family of businesses. The programme is to be rolled out to the Legal Services' senior management team in early 2010.

A CFS Respect for All Policy was launched in May 2009. The Policy covers expected conduct in the workplace and relates to all employees and contractors of CFS in all work-related situations.

## Workforce composition

### Gender

#### Proportion (%) of female employees and female managers<sup>12</sup>

Year	Trading Group		CFS (former CFS in brackets)	
	Female employees	Female managers	Female employees	Female managers
2005	61	52	n/a (45)	n/a (38)
2006	63	54	n/a (47)	n/a (39)
2007	64	53	n/a (49)	n/a (41)
2008	64	50	n/a (50)	n/a (42)
2009	64 <sup>13</sup>	53	58 (51)	46 (43)

### Performance benchmark

Women account for 46% of the UK's general workforce<sup>14</sup>, whilst 64% of Trading Group and 58% of CFS employees are women. In 2008, the Trading Group achieved a 'Silver' ranking in the Opportunity Now<sup>15</sup> gender equality benchmark.

The Trading Group has a senior women's network that offers long-term support to help maximise potential, mentor and coach other female employees, and to assist with raising the visibility of senior women within the business. The network held workshops for managers in April and October 2009.

In 2009, CFS was asked, along with 50 other financial services businesses, to take part in the Equality and Human Rights Commission (EHRC) Inquiry into Sex Discrimination and the Gender Pay Gap in the Financial Services Sector. As part of its submission, CFS evidenced its commitment to transparent pay and flexible working policies<sup>16</sup>, which is considered important by the EHRC in reducing the gender pay gap.

The CFS head office has a 'Tommy's Room'<sup>17</sup> facility providing a dedicated space, available at all times, for expectant employees and new mothers. CFS maintained its Tommy's accreditation in 2009, which means that employees can access an information service and written guidelines on any pregnancy-related queries. A total of 191 information packs, which advise about the facilities available, were provided to employees during the year.

### Ethnicity

#### Proportion (%) of employees and managers from ethnic minority groups

Year	Trading Group		CFS (former CFS in brackets)	
	Employees	Managers	Employees	Managers
2005	10	7	n/a (6)	n/a (3)
2006	10	10	n/a (6)	n/a (3)
2007	7	8	n/a (6)	n/a (3)
2008	7	8	n/a (6)	n/a (3)
2009	7	n/a <sup>18</sup>	5 (6)	3 (3)

The Trading Group and CFS are both members of Race for Opportunity (RfO)<sup>19</sup>, a campaign with UK organisations to improve employment opportunities for ethnic minorities.

### Disability

#### Proportion (%) of disabled employees

Year	Trading Group		CFS (former CFS in brackets)	
	Employees	Managers	Employees	Managers
2005		n/a		n/a (2)
2006		n/a		n/a (3)
2007		1		n/a (3)
2008		1		n/a (2)
2009		4		2 (2)

The Trading Group and CFS are both members of the Employers' Forum on Disability (EFD), which provides a research resource and advises on recruiting and retaining disabled employees and on serving disabled customers. In early 2009, both the Trading Group and former CFS completed the EFD Disability Standard; a management tool for employers to accurately evaluate and measure performance on disability. Completion of the standard generated a comprehensive diagnostic report on disability performance for the businesses. ☉ Both the Trading Group and CFS will formalise disability objectives, as a result of the actions identified in the diagnostic reports, in 2010.

The Trading Group and CFS are holders of the 'Two Ticks' symbol, awarded by JobCentre Plus, which signals agreement to five commitments connected with the recruitment, employment, retention and career development of disabled people<sup>20</sup>. In 2009, CFS provided customer-facing employees with updated information on 'Serving Customers with Particular Needs'.

Around 90% of the 1.5 million people in the UK with a learning disability are out of work. However, according to Mencap, over 65% of these people want to work<sup>21</sup>. For a number of years, selected Co-operative Food stores<sup>22</sup> have been providing work placements for Mencap clients through the Mencap Pathway programme<sup>23</sup>. Since 2008, over 110 Mencap clients have participated in work trials in Co-operative Food stores. The Co-operative has committed to permanently recruit all participants who complete their work trial successfully and who wish to take up a position, regardless of whether a vacancy existed at the store – a guarantee offered by no other Mencap partner.

**Performance benchmark**  
At the Springboard Awards for Excellence in November 2009, The Co-operative won the 'Diversity Employment Award' for its Mencap programme.

**Age**

**Proportion (%) of employees in each age band<sup>24</sup>**

Year		≤24	25–34	35–49	50–64	65+
2005	Trading Group	29	18	31	22	0
	CFS	15	27	43	15	0
2006	Trading Group	29	18	31	21	1
	CFS	18	27	40	15	<1
2007	Trading Group	26	18	32	22	2
	CFS	20	26	39	15	<1
2008	Trading Group	26	18	32	22	2
	CFS	16	30	39	15	<1
2009	Trading Group	25	19	32	22	2
	CFS (former CFS in brackets)	14 (13)	32 (30)	39 (41)	15 (15)	<1 (<1)

**Performance benchmark**  
In the UK, 27% of people in employment are over 50 years of age<sup>25</sup>, whilst 24% of Trading Group and 15% of CFS employees are over 50 years of age.

The Trading Group and CFS are both members of the Employers' Forum on Age (EFA), which supports employers on age and employment issues.

**Sexual orientation**

Both the Trading Group and CFS are members of the Stonewall Diversity Champions programme, a good practice forum, which provides opportunities for employers to engage with one another on sexual orientation issues.

**Performance benchmark**

The Trading Group was ranked 112th in Stonewall's<sup>26</sup> Workplace Equality Index 2009 (2008: 29th)<sup>27</sup>. Stonewall also conducts an employee feedback questionnaire, which around 50 LGBT Trading Group employees completed in 2008<sup>28</sup>. The Trading Group scored average or above average on all indicators<sup>29</sup>.

Questions on sexual orientation are included in both the Trading Group's and CFS' employee attitude surveys, with a view to better understanding and engaging with LGBT employees. In 2009, 94% (2008: 94%) of Trading Group employees and 93% of CFS employees were willing to declare their sexual orientation.

In 2009, The Co-operative was the main sponsor of Manchester Pride<sup>30</sup> for the first time, and participated in the Manchester Pride parade. Additionally, The Co-operative is a member of the Northern Employers and Organisations Network (NEON), through which organisations can exchange ideas and best practice on LGBT advocacy.



Employees took part in the Manchester Pride parade, in which The Co-operative won the award for the 'best commercial entrant'.

**Religion and belief**

The CFS employee attitude survey includes a question on employee religion and belief. In 2009, 63% of employees identified themselves as having a religion or belief<sup>31</sup>.

**Proportion of CFS employees identifying a religion or belief**

Religion or belief	Proportion (%)
None	37
Buddhist	<1
Christian	55
Hindu	1
Humanist	<1
Jewish	<1
Muslim	3
Sikh	<1
Other religion or belief	2

## Products, services and communications

### Pharmacy: religion and belief

In 2009, Muslim patients fasting during Ramadan were offered help to manage their medicines by around 90 (2008: 40) Co-operative Pharmacy branches in areas with a high proportion of Muslim customers. Targeted marketing in several languages was used to advertise the free 'medicines check' service to Muslim patients. Branches taking part in the initiative gave advice to around 800 (2008: 400) Muslim patients, including around 300 (2008: 200) who were provided with specially-tailored reviews of their medicine use. In 2010, The Co-operative Pharmacy is planning to launch an additional service to help Muslim patients stop smoking during Ramadan.



Poster promoting The Co-operative Pharmacy 'medicines check'.

### Travel: disability

In 2009, The Co-operative Travel worked to develop a new service for disabled customers, which will be piloted in early 2010 in 40 branches. Each of the branches will have a specialist travel adviser trained in general disability awareness.

### Disability Discrimination Act (DDA) compliance

The Co-operative has a business-wide policy on DDA compliance. All businesses are required to work towards achieving the highest standards of DDA compliance and a Compliance Review Group monitors progress on this.

### Websites

The Co-operative considers that its main website and the Trading Group intranet meet level 'AA' of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG)<sup>32</sup>. An accessibility page, providing guidance for site users, is available on The Co-operative's website<sup>33</sup>. Steps were taken in 2009 to improve the accessibility of the main website, with a view to meeting the Royal National Institute of Blind People (RNIB) 'See it Right' standard; this features most of W3C's 'AA' guidelines and some 'AAA' guidelines. The site will be audited by RNIB in 2010 with a view to achieving the 'See it Right' standard.

CFS' main website is considered to comply with the W3C 'AA' standard and is Shaw Trust-accredited for accessibility standards compliance<sup>34</sup>. The **smile** website is considered to comply with the W3C 'A' standard. CFS continues to work with Shaw Trust and aims to improve its accessibility accreditation rating to ensure full 'AA' compliance across the websites by the end of 2010.

## Corporate literature and labelling

During 2009, over 30,000 requests for alternative format information were fulfilled by the Trading Group and CFS (2008: 12,400)<sup>35</sup>. It is The Co-operative's practice to add Braille on all product packaging, where technically and commercially possible. During 2009, Braille packaging appeared on approximately 1,000 own-brand product lines.

## CFS and ethical finance

### Bank screening of finance

In 2009, nine finance opportunities (2008: seven) were referred to the Ethical Policy Unit in connection with discrimination, of which one was declined at a cost of £1,000 in terms of income foregone in 2009.

### Diversity-related business declines 2009

	Estimated income foregone 2009
<b>Non-governmental organisation</b> Banking facilities for a lobbying organisation. Leading members were linked to proscribed terrorist organisations and to statements inciting hatred.	£1,000

### The Co-operative Asset Management overseas shareholder resolutions

In 2009, The Co-operative Asset Management (TCAM) was presented with 20 overseas shareholder resolutions relating to diversity, all of which were supported.

Company	Resolution	Vote registered
Ten businesses <sup>36</sup>	To take steps towards gender parity on the company board.	Supported <sup>37</sup>
Anadarko Petroleum Corporation, Chesapeake Energy Corp, Eastman Chemical, Exxon Mobil Corp., Leggett & Platt, Murphy Oil Corp.	To amend policies to prohibit discrimination based on sexual orientation and gender identity.	Supported
Exxon Mobil Corp.	To review anti-discrimination policies in relation to corporate sponsorships and executive incentives.	Supported
Liberty Global	To take steps to ensure that women and minority candidates are in the pool from which Board nominees are chosen.	Supported
Manpower Incorporated	To promote the 'McBride Principles' to support workplace diversity and ban 'provocative religious or political emblems' in the workplace.	Supported

## The Co-operative Asset Management – gender survey

In 2009, TCAM carried out a survey into the number of executive director positions held by women in FTSE 350 companies. This found that only 242 of 2,742 such positions were held by women. Women account for over half of graduates in the EU and US, and, as such, significant talent is being lost through poor boardroom diversity. In addition, research shows that companies with more diverse boards have higher performance on key financial measures, such as return on equity, sales and invested capital<sup>38</sup>. TCAM has now pledged to start taking account of women's representation on boards when it assesses companies from an ethical, social and corporate governance perspective.

## Community involvement

### Charity of the Year

The Co-operative supported The Royal National Institute for Deaf People (RNID) as its Charity of the Year for 2009, raising £3.7m to help deaf or hard-of-hearing people in the UK (pages 17–18).



Over 1,150 runners took part in The Co-operative 5km Santa Dash in Manchester, November 2009, in support of RNID.

### Read more in this Report

- Flexible working (page 105).
- Employee Assistance Programme (page 105).
- Membership and elected member diversity (page 91).
- Sound sourcing: discrimination breaches (pages 23–24).

### Accompanying notes

- This will continue to help address the currently incomplete records for employee ethnicity and disability, and gather data on sexual orientation and religion and belief. The target excludes former Somerfield.
- Shaping a Fairer Future, Women and Work Commission 2006.
- House of Commons Committee of Public Accounts, Increasing Employment Rates for Ethnic Minorities, 34th Report of Session 2007/08.
- [www.eftd.org.uk/disability/disability-facts](http://www.eftd.org.uk/disability/disability-facts)
- [www.statistics.gov.uk/downloads/theme\\_labour/projections\\_LMTJan06.pdf](http://www.statistics.gov.uk/downloads/theme_labour/projections_LMTJan06.pdf)
- The Trading Group Diversity Strategy has been in place since 2004. [www.co-operative.coop/corporate/diversity/diversitystrategy](http://www.co-operative.coop/corporate/diversity/diversitystrategy)
- The CFS Diversity Policy was launched in May 2009.
- Data from Plymouth & South West Society, which merged with The Co-operative in September 2009, was not available to report at the time of publication. Relevant information from the society will be included in future Sustainability Reports.
- An historic breakdown of the completeness of employee diversity data is available in the online version of this Report [↔](#).
- Scotland & Northern Ireland, North and North West Regions.
- [www.co-operative.coop/corporate/diversity](http://www.co-operative.coop/corporate/diversity)
- Trading Group: reported as % of female managers/all managers and where manager is taken to be any employee with 'manager' in their job title. CFS: reported as % of female managers/all managers and where manager is taken to be any employee paid £20,800 or more (excluding Co-operative Insurance Financial Advisers, who receive the majority of remuneration on the basis of commission).
- The proportion of female employees varies significantly across the different businesses: ranging from over 87% in specialist retail businesses, to 16% in specialist commercial businesses.

- Office for National Statistics Economic and Labour Market Review – January 2009 Edition. [www.statistics.gov.uk/elmr/01\\_09/downloads/Table2\\_01.xls](http://www.statistics.gov.uk/elmr/01_09/downloads/Table2_01.xls)
- Opportunity Now is a business-led campaign that works with employers to realise the potential of women in the workplace. The Opportunity Now benchmark is a voluntary, self-assessment survey that benchmarks management, measurement and reporting in connection with gender equality in the workplace. The Trading Group and CFS are both members of Opportunity Now.
- CFS has a published pay structure; it undertakes an annual pay review in negotiation with its trades unions; it has a bonus scheme developed in consultation with its trades unions; and it has a flexible working policy that supports work/life balance for colleagues at all levels of the organisation.
- [www.tommys.org](http://www.tommys.org)
- It is not possible to report on the proportion of Trading Group managers from an ethnic minority group as this data is not captured by the Talkback survey, from which 2009 ethnicity data was drawn (see [↔](#)).
- [www.bitc.org.uk/workplace/diversity\\_and\\_inclusion/race/rfo.html](http://www.bitc.org.uk/workplace/diversity_and_inclusion/race/rfo.html)
- [www.direct.gov.uk/en/DisabledPeople/EmploymentSupport/LookingForWork/DG\\_4000314](http://www.direct.gov.uk/en/DisabledPeople/EmploymentSupport/LookingForWork/DG_4000314)
- [www.mencap.org.uk/page.asp?id=1703](http://www.mencap.org.uk/page.asp?id=1703)
- Stores in Nottingham, Staffordshire, Worcestershire, West Yorkshire, Suffolk, Essex, Bristol, Portsmouth and Hampshire.
- Mencap Pathway aims to give people with a learning disability equal opportunities to get and keep rewarding jobs that match their individual needs and preferences.
- The figures for the proportion of employees in each age band are expressed as a proportion of the relevant total workforce.
- Office for National Statistics Economic and Labour Market Review, January 2009 Edition. [www.statistics.gov.uk/elmr/01\\_09/downloads/Table2\\_02.xls](http://www.statistics.gov.uk/elmr/01_09/downloads/Table2_02.xls)
- Stonewall campaigns for equality for lesbians, gay men and bisexuals. [www.stonewall.org.uk](http://www.stonewall.org.uk). The 2009 Index refers to 2008 performance.
- A number of changes were made to the survey compared with the previous year and so, despite some progress by the business on Lesbian, Gay, Bisexual and Transgender (LGBT) issues during 2008, the Trading Group ranked outside the top 100 for the first time. For example, the Trading Group scored highly for diversity training and LGBT role models, but fell down on community engagement and career development, [www.stonewall.org.uk/workplace/1477.asp](http://www.stonewall.org.uk/workplace/1477.asp)
- The feedback questionnaire was conducted in 2008, with results published in 2009. A feedback questionnaire was also conducted in 2009; results will be published in 2010 and reported in the 2010 Sustainability Report.
- Indicators are: LGBT-friendly workplace culture, commitment to equality, easy to be out at work, confident reporting anti-bullying, straight employees well-informed, recommend employer to other LGBT people, supportive line managers, and supportive senior management.
- Manchester Pride is an annual festival which raises money for a variety of LGBT organisations and groups within Greater Manchester. [www.manchesterpride.com](http://www.manchesterpride.com)
- The figure for employees identifying themselves as having a religion or belief is calculated as a percentage of the 91% of employees who gave a response to this question.
- The World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) are the globally-accepted standards for website accessibility, taking into account the specific problems encountered by people with physical, visual, hearing and cognitive or neurological disabilities. Websites are rated as 'A', 'AA' or 'AAA' in relation to their level of accessibility (where 'A' is considered the minimum level of compliance and 'AAA' the optimum), [www.w3.org](http://www.w3.org)
- [www.co-operative.coop/help/accessibility](http://www.co-operative.coop/help/accessibility)
- Shaw Trust is a national charity providing training and work opportunities for people with disabilities. [www.shaw-trust.org.uk](http://www.shaw-trust.org.uk)
- The marked increase in requests for alternative formats was due to increased completeness of CFS data, with data captured for insurance and life-savings documents for the first time in 2009.
- BCE Inc (two resolutions); Bank of Montreal, Bank of Nova Scotia, Bombardier Inc; Canadian Imperial Bank of Commerce; Manulife Financial Corp; Power Corp Canada; Royal Bank of Canada; Toronto Dominion Bank and Wal-Mart Stores Inc.
- TCAM has opposed resolutions proposing the use of quotas to achieve gender parity in the past. However, in 2009, following research into board diversity for the Good Companies Guide (page 46), this view was revised and TCAM has supported these resolutions.
- CaIPERS (2008) Board Diversification Strategy: Realising Competitive Advantage and Shareowner Value.