



CO-OP PAY GAP REPORT 2025

Our report on Gender, Ethnicity,
Socioeconomic background,
Sexual orientation and
Disability pay gaps

co
op

OWNED BY YOU.
RIGHT BY YOU.

FOREWORD

CLAIRE COSTELLO

“ AT CO-OP, WE BELIEVE IN THE POWER OF FAIRNESS, TRANSPARENCY AND ACCOUNTABILITY TO SHAPE A BETTER FUTURE. THESE VALUES GUIDE US AS WE CONTINUE TO PUSH BEYOND THE MINIMUM AND LEAD THE WAY. ”

Building on last year's progress - when we published disability data for the first time - we are proud to extend our approach this year with the introduction of sexual orientation pay reporting. This now sits alongside our gender pay report and the socioeconomic, disability and ethnicity data we publish voluntarily, giving us a fully intersectional view of colleague experience at our Co-op.

Publishing data, however, is only the first step. Our ambition is to create lasting, meaningful change - removing barriers, widening access and ensuring every colleague can see and reach their potential. The inequalities behind pay gaps are often rooted in the under-representation of certain groups in senior roles. Through our 2030 Social Mobility, Inclusion and Belonging strategy, we are taking purposeful, long-term action to address this. It is a bold vision supported by a clear, practical plan.

We are encouraged by the progress already made, including increased representation of women and ethnic minorities in leadership roles, yet we recognise that no one individual is a single characteristic, and thus by overlaying multiple characteristics, we begin to see not only the points of under-representation, but the patterns of disadvantage. We recognise that more work lies ahead. Our aim is to build a Co-op that truly reflects the diverse communities we serve - an organisation where every colleague feels valued, supported and empowered to succeed.

This report sets out our latest pay gap data. It reflects the momentum we have built, the gaps that remain and the action we will continue to take. Above all, it confirms our commitment to a fairer, more inclusive Co-op - one where opportunity belongs to all, and where we deliver more value for our colleague member owners every day. ”



Claire Costello
Chief People &
Inclusion Officer

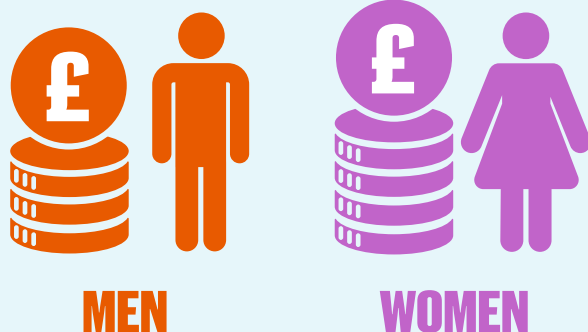
HOW WE CALCULATE OUR PAY GAPS

THE DIFFERENCE BETWEEN GENDER PAY GAP AND EQUAL PAY:

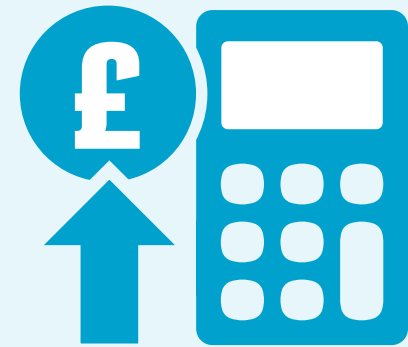
1 Equal pay is where colleagues from all diverse groups should be paid the same for doing equal work.

2 Pay gaps measure the difference between two groups' average earnings across the whole organisation (it compares all salaries, regardless of the job role, and takes average earnings using different mean and median calculations).

USING GENDER PAY GAP AS AN EXAMPLE:



Following the convention set out by the UK Government, a negative number indicates that women on average earn more than men.

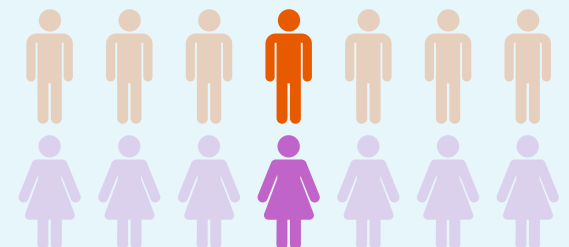


MEAN PAY GAP

The mean gender pay gap is the difference in the hourly pay for women compared to men, within a company.

MEDIAN PAY GAP

The median represents the middle point of a population. If you separately lined up all the women and all the men in a company in order of hourly pay, the median pay gap is the difference between the hourly pay rate for the woman in the middle of the data compared to that of the man in the middle of the data.



GENDER PAY GAP

KEY POINTS IN THIS YEAR'S REPORT:

1

OUR PAY GAP CONTINUES TO REDUCE

We've seen a significant reduction in both our median and mean gender pay gaps since we started to report data in 2017.

2

MOST OF OUR COLLEAGUES ARE ON A FIXED RATE OF PAY

84% of our pay-relevant colleagues (people included in the gender pay gap calculations) are on fixed rates of pay for their job. This means that colleagues are on a set hourly rate.

3

REPRESENTATION IS THE BIGGEST DRIVER FOR OUR PAY GAP

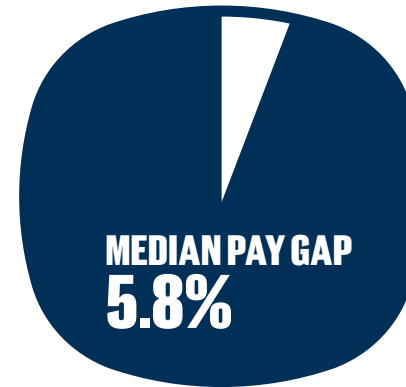
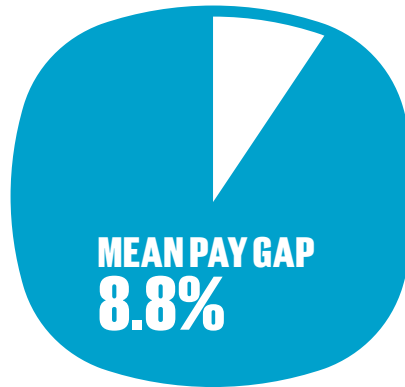
Having more men in senior positions continues to impact our gender pay gap. Our median gap has decreased by 2% this year compared to last year.

In the median calculation, the middle male role is a CTM (Customer Team Member) in a Food store in London and our middle female role is a CTM in a Food store outside of London. The reason for the reduction in the median gap this year is due to the median comparators, with last year's middle male role being a Team Leader in a non-London Food store and the middle female role being a CTM in a non-London Food store.

As last year's differential between a Team Leader and CTM was higher than this year's comparators, this meant that the hourly rate for the male comparator last year was higher than the female role.

This is a key focus area for us in our 2030 strategy to achieve gender parity within leadership roles.

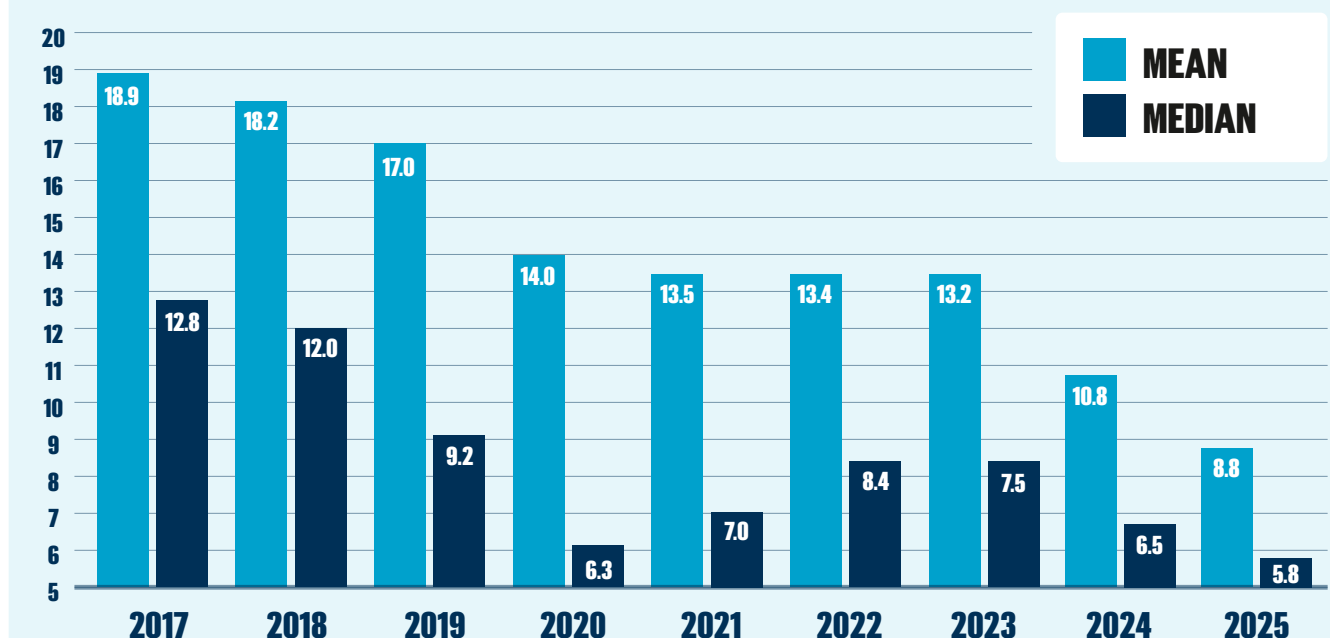
2025 GENDER PAY GAP



TO CONTINUE TO SUPPORT OUR COLLEAGUES IN THE COST-OF-LIVING CRISIS, WE INVESTED HEAVILY IN COLLEAGUE PAY ACROSS OUR CO-OP IN 2025.

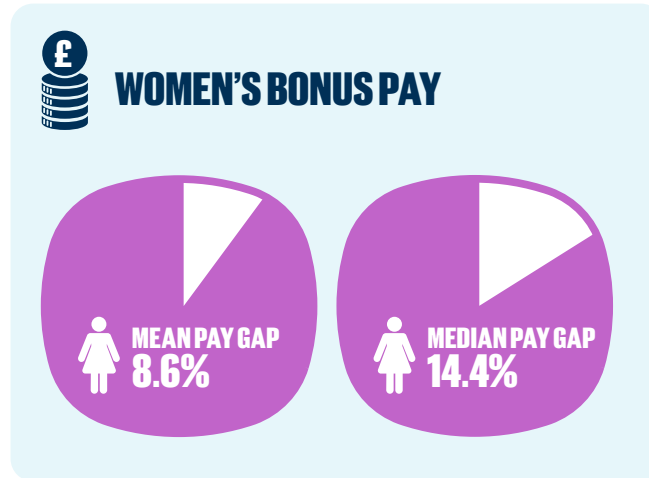
All our Customer Team Members and Team Leaders in our Food stores received a pay increase of 5% to align their pay to the Real Living Wage rate as set by the Living Wage Foundation. This investment, coupled with lower increases for management and head office colleagues, is the main reason for the reduction in our mean pay gap.

OUR PAY GAP HAS BEEN REDUCING SINCE 2017



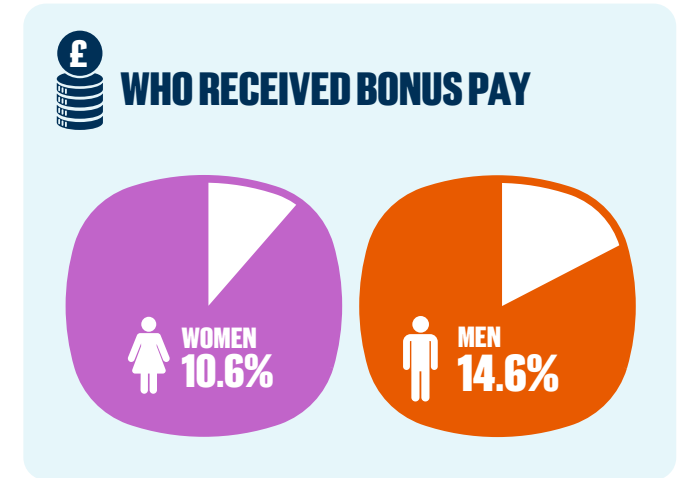
BONUS PAY

APPROXIMATELY 7,000 COLLEAGUES ARE ELIGIBLE TO PARTICIPATE IN OUR BONUS PLAN, THESE ARE PREDOMINATELY HEAD OFFICE ROLES IN OUR WORK LEVEL COLLEAGUE POPULATION AND OUR FOOD STORE MANAGERS. NONE OF OUR OPERATIONAL ROLES PARTICIPATE IN OUR BONUS PLAN.



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

To strengthen the pipeline of women into senior roles, we are rolling out Inclusive Interview Panels across our business areas when recruiting into WL4 roles. Hiring managers are now expected to include at least one trained panel member in every selection process, helping to ensure fair, consistent and inclusive decision-making. We will closely monitor our data, including hiring outcomes and panel composition, to understand the impact of this approach and drive further improvements in female representation at senior levels. To date, we have upskilled 71 colleagues to support with WL4 interviews across eight business areas. Our ambition is for all areas to have trained panel members by the end of Q2.



The percentage of males who receive a bonus payment is higher than females. This is driven by lower levels of representation of female colleagues in roles eligible to participate in our bonus plan as a percentage of our overall headcount. This is also impacted by higher levels of female representation in our food operational roles that are not eligible for our bonus plan.

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, however, the percentage of females in this top quartile has increased by 0.5% for the second year running. The other quartiles have seen a slight increase in the male percentage compared to the previous year. This has been driven by the overall percentage of male full pay-relevant colleagues increasing by 1% compared to the previous year.

QUARTILE	MEN	WOMEN
Top Quartile	67.2%	32.8%
Upper Middle Quartile	50.4%	49.6%
Lower Middle Quartile	41.1%	58.9%
Lower Quartile	34.1%	65.9%



REPRESENTATION ACROSS OUR CO-OP

We know that our pay gap is predominantly driven by imbalances in representation in more senior roles in our Co-op. Looking at representation in our key career paths across our Co-op along with our head office grading structure helps us to show how our demographics are impacting our pay gaps.

FOOD STORES

When examining career pathways within our food operations, it is noted that 63% of Customer Team Member colleagues are women. As we move through the levels in our Food stores up to Store Manager and then on to Head of Operations, we can see that the percentage of females in these roles gradually decreases by approximately 10% at each step in the hierarchy. The overall percentage of females in the Food store hierarchy has not changed from the previous year (58%).

ROLE	HEADCOUNT	MALE	FEMALE
Head of Operations	17	76%	24%
Operations Manager	96	69%	31%
Store Manager	2,185	66%	34%
Team Manager	230	53%	47%
Team Leader	10,468	48%	52%
Customer Team Member	26,342	37%	63%
Total	39,338	42%	58%

LOGISTICS

Examining career pathways in our Logistic business, we can see that 83% of our colleagues are male

and 17% are female. There is an increase in female representation as we move through the lower three operational roles before male representation increases in the middle to upper management positions.

ROLE	HEADCOUNT	MALE	FEMALE
Distribution General Manager	8	88%	13%
Warehouse Manager	9	89%	11%
Shift Manager	54	91%	9%
Team Manager	334	78%	22%
Warehouse Operative	3,230	83%	17%
De-Kit Operative	87	92%	8%
Total	3,722	83%	17%

FUNERALCARE

Looking at the career pathways in our Funeralcare operations business, we can see that 65% of our colleagues are female. Again, we see a higher percentage of males in our more senior roles.

ROLE	HEADCOUNT	MALE	FEMALE
Regional Operations Manager	16	56%	44%
Care Logistics Manager	52	73%	27%
Care Logistics Lead	57	56%	44%
Funeral Director	503	51%	49%
Funeral Arranger	1,191	7%	93%
Funeral Service Crew	905	58%	42%
Total	2,724	35%	65%

HEAD OFFICE AND MANAGEMENT GRADING STRUCTURE

Data for our colleagues in our Work Level graded head office roles shows that female representation typically decreases as you move up the grading structure. Overall, the percentage of female colleagues in Work Levels has increased by 2% compared to last year. This has been driven by higher percentages of females, compared to last year, in all work levels apart from WL1 and WL4.

ROLE	HEADCOUNT	MALE	FEMALE
WL 1	3	33%	67%
WL 2	25	56%	44%
WL 3	92	61%	39%
WL 4	416	61%	39%
WL 5	1,344	53%	47%
WL 6	3,342	42%	58%
Total	5,222	47%	53%

When considering the impact of representation, it's important to remember that 84% of our colleagues are on fixed rates of pay for their role, as a result we can fairly confidently say that representation is the biggest factor driving our pay gap.

ETHNICITY PAY GAP

KEY POINTS IN THIS YEAR'S REPORT:

1 ETHNICALLY DIVERSE REPRESENTATION CONTINUES TO INCREASE

The proportion of colleagues from ethnically diverse backgrounds has increased to **17.2% in 2025**, up from **16.2% in 2024**. Data disclosure has also improved, with **89.2% of colleagues sharing their ethnicity data**, enabling us to better understand representation across our workforce and monitor progress over time.

2 OUR MEAN ETHNICITY PAY GAP HAS INCREASED SLIGHTLY

Our **mean ethnicity pay gap has increased from 1.7% in 2024 to 2.2% in 2025**. As with previous years, the primary driver of the gap is the distribution of colleagues across different levels of the organisation, with white colleagues more represented in senior leadership roles where salaries are higher.

3 THE MEDIAN PAY GAP REMAINS NEGATIVE

Our **median pay gap is -3.2%**, meaning the median ethnically diverse colleague earns slightly more than the median white colleague. This is influenced by the structure of our workforce and the location of roles included in the median comparison.



WHAT IS ETHNICITY PAY GAP REPORTING?

The ethnicity pay gap shows the difference in average pay between colleagues from ethnically diverse backgrounds and white colleagues across our Co-op.

As with our gender pay gap analysis, we calculate both the **mean and median pay gaps** to understand the overall distribution of earnings across the organisation.

A **negative pay gap** indicates that the average hourly pay of ethnically diverse colleagues is higher than that of white colleagues.

OUR CO-OP'S ETHNICITY PROFILE

WE'VE PRODUCED OUR ANALYSIS USING THE SAME DATA SET AND APPROACH THAT WE'VE USED TO PRODUCE OUR 2025 GENDER PAY GAP ANALYSIS.

We have **53,705 pay-relevant colleagues**, and **89.2% of colleagues have shared their ethnicity data**, an increase of 2.6% from the previous year.

This continued improvement in data completeness enables us to better understand representation across our workforce and monitor progress over time.

Ethnically diverse colleagues represent **17.2% of our workforce**, continuing the gradual increase seen over recent years.

Improving data disclosure remains an important priority as it enables us to better understand representation across the organisation and track progress over time.

	2025	2024	2023	2022	2021
White	82.8%	83.8%	85.0%	85.5%	85.8%
Ethnically Diverse	17.2%	16.2%	15.0%	14.5%	14.2%

The pay gap analysis covers all ethnicities.



WHAT IS THE DATA TELLING US?



	2025	2024	2023	2022	2021
Mean Pay Gap	2.2%	1.7%	0.9%	1.8%	2.6%
Median Pay Gap	-3.2%	-5.2%	-6.1%	-6.6%	-4.6%

Our **mean ethnicity pay gap** has increased slightly to **2.2% in 2025**, compared with **1.7% in 2024**.

At the same time, our **median pay gap remains negative at -3.2%**, meaning the median ethnically diverse colleague earns slightly more than the median white colleague.

This difference is largely explained by the structure of our workforce.

In the dataset used for the analysis:

- the **median white colleague** is a **Team Leader in a Food store outside London**
- the **median ethnically diverse colleague** is a **Customer Team Member in a London store**

While Customer Team Members and Team Leaders are paid fixed hourly rates nationally, colleagues working in London receive an additional **London allowance**, which increases their hourly pay.

As a result, the London weighting influences the median comparison.

Our **mean pay gap is primarily driven by representation**, as white colleagues remain more represented in senior leadership roles where salaries are higher.

WHAT IS THE QUARTILE DATA TELLING US?

To understand how pay is distributed across the organisation, we arranged colleagues from highest to lowest paid and divided them into four equal groups.

Customer Team Members and Team Leaders in our Food stores account for **67% of our workforce**, which largely makes up the first three pay quartiles.

London-based store roles also appear within the **top quartile** due to the London allowance.

This distribution reflects the unique profile of our Food store workforce in London compared with the national picture.

2025

QUARTILE	WHITE	ETHNICALLY DIVERSE
Top Quartile	80.75%	19.25%
Upper Middle Quartile	75.25%	24.75%
Lower Middle Quartile	85.75%	14.25%
Lower Quartile	87.99%	12.01%



OVERALL FOOD OPERATIONS DATA

NATIONAL

WHITE
81.5%



ETHNICALLY DIVERSE
18.5%



LONDON

WHITE
18.9%



ETHNICALLY DIVERSE
81.1%



This means London-based roles, which receive a London allowance, have a higher concentration of ethnically diverse colleagues.

INTERSECTIONALITY – ETHNICITY AND GENDER



AS IN PREVIOUS REPORTS, WE CONTINUE TO EXAMINE HOW ETHNICITY INTERSECTS WITH OTHER ASPECTS OF IDENTITY.

Our data tells us that individuals can face compounded barriers when multiple aspects of identity intersect, particularly for women from ethnically diverse backgrounds.

MALE

AVERAGE	WHITE	ETHNICALLY DIVERSE	PAY GAP
Mean	£15.81	£14.83	6.2%
Median	£13.03	£13.45	-3.2%

FEMALE

AVERAGE	WHITE	ETHNICALLY DIVERSE	PAY GAP
Mean	£14.04	£13.99	11.5%
Median	£12.37	£12.88	-4.1%

Our continued focus on inclusive hiring, progression programmes and leadership development is designed to support greater representation across all levels of the organisation and help reduce structural barriers that can influence pay outcomes.

IN SUMMARY

Our ethnicity pay gap remains relatively small and continues to be driven primarily by representation within senior leadership roles. The pay gap is particularly marked for ethnic minority women.

Increasing representation across leadership levels, alongside improving access to development opportunities and career progression pathways, will remain a key focus as we continue working towards greater equity across our workforce.

SOCIOECONOMIC PAY GAP

KEY POINTS IN THIS YEAR'S REPORT:

1

WE'RE COMPARING THE PAY GAP BETWEEN COLLEAGUES FROM PROFESSIONAL AND LOWER SOCIOECONOMIC BACKGROUNDS (SEBS)

As with previous reports, we are sharing the pay differences between colleagues from professional (or higher) socioeconomic backgrounds (SEBs) and those from lower SEBs.

2

OUR SOCIOECONOMIC PAY GAP HAS INCREASED SLIGHTLY AND WE KNOW WHY

We have seen a small increase in our mean pay gap between colleagues from professional backgrounds and those from lower SEBs, driven by changes to the timing of variable pay payments in 2025.

3

WOMEN FROM A LOWER SEB STILL EXPERIENCE THE BIGGEST PAY GAP AT OUR CO-OP

Our widest pay gap is between female colleagues from lower SEBs and those from professional backgrounds, where intersecting gender and socioeconomic barriers can limit progression and earnings.

4

REPRESENTATION ACROSS WORK LEVELS REMAINS LARGELY UNCHANGED SINCE 2024

Representation within our operational leadership roles remains largely consistent across leadership levels, illustrating the potential of operational career pathways to act as enablers of social mobility. In contrast, our organisation-wide quartile data indicates that colleagues from lower SEBs face reduced progression into more senior roles.

WHAT IS SOCIOECONOMIC PAY GAP REPORTING?

SOCIOECONOMIC PAY GAP REPORTING INVOLVES MEASURING AND PUBLISHING THE DIFFERENCES IN AVERAGE PAY BETWEEN EMPLOYEES FROM DIFFERENT SOCIOECONOMIC BACKGROUNDS (SEBS) – TYPICALLY COMPARING THOSE FROM LOWER SOCIOECONOMIC BACKGROUNDS WITH THOSE FROM PROFESSIONAL OR MORE PRIVILEGED BACKGROUNDS.

Although it is not currently mandatory in the UK, the practice is becoming increasingly common as organisations recognise the impact that socioeconomic background has on pay, progression and career outcomes. Research shows that professionals from lower SEBs earn **£6,291 less per year** – around 12% lower – than their more privileged peers in the same occupations. This means they effectively work **one in every eight days for free**. In 2025, **17 November** was marked as “class pay gap day” – the point in the year when professionals from lower SEBs effectively stopped earning relative to their peers. By comparison, gender pay gap day fell on 22 November.



WHAT IS SOCIOECONOMIC BACKGROUND?

According to the Social Mobility Commission, an individual’s socioeconomic background (SEB) is defined by the occupation of their highest-earning parent.

The most effective way to assess someone’s SEB is to ask: “What was the occupation of your main household earner when you were aged about 14?”

Responses are then grouped into the following categories:

- **Professional backgrounds** – modern professional and traditional occupations; senior or junior managers; administrators
- **Intermediate backgrounds** – clerical and intermediate occupations; small-business owners
- **Working-class backgrounds** – technical and craft roles; long-term unemployment; routine or semi-routine manual and service occupations

OUR CO-OP'S SEB PROFILE

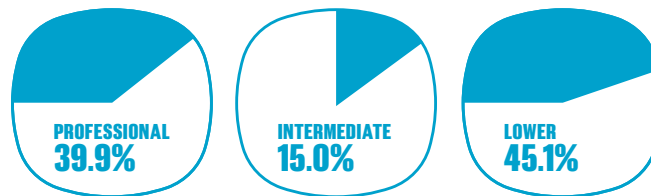
WE'VE PRODUCED OUR ANALYSIS USING THE SAME DATA SET AND APPROACH THAT WE'VE USED TO PRODUCE OUR 2025 GENDER PAY GAP ANALYSIS.

We have 53,705 relevant colleagues. In 2025, 34,799 colleagues shared their SEB with us which represents 65% of our workforce (an increase of 6% from the previous year). Our completion rate at the time of writing stands at **85%** across the organisation.

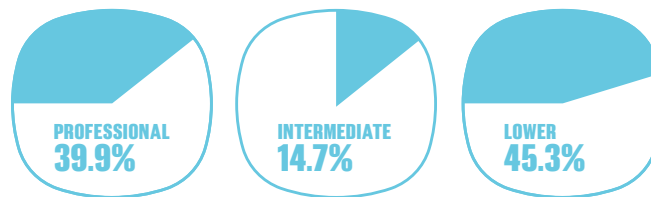
We have seen some subtle shifts in our data as a result of improved completion rates. However, colleagues from intermediate backgrounds remain under-represented.

Our 2026 plan will establish whether this reflects under-reporting or a genuine representation gap.

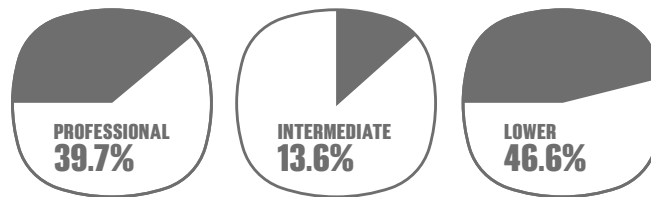
2025 DATA



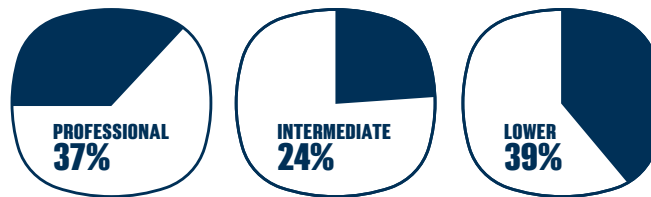
2024 DATA



2023 DATA



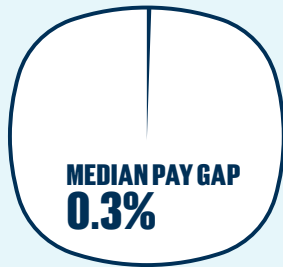
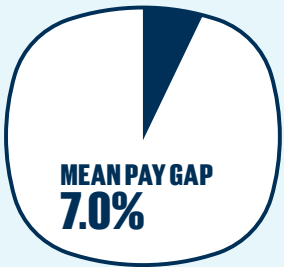
NATIONAL DATA



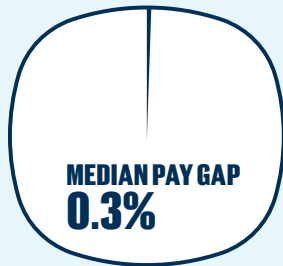
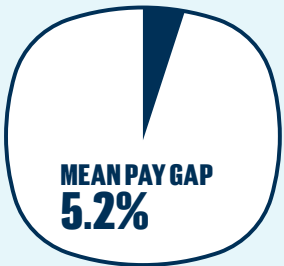
WHAT IS THE DATA TELLING US?



2025 DATA



2024 DATA



We have a mean pay gap of **7%** and a median pay gap of **0.3%**.

The median compares the hourly rate of the middle-ranked colleague from a professional SEB background with the middle-ranked colleague from a lower SEB background.

The mean compares the average hourly rate of all colleagues from professional SEBs with the average hourly rate of all colleagues from lower SEBs.

In the dataset used for this analysis, the median role for both SEB groups is a Team Leader (TL) in a Food store, which explains why the gaps at median level are very small. We pay all TLs the same fixed hourly rate, and 84% of our pay-relevant employees are on fixed rates of pay for their role. The small variances that do appear are driven by the way holiday pay is calculated based on hours worked, as required by legislation.

Having a higher proportion of colleagues from professional SEBs in our most senior roles continues to influence our mean pay gap, as senior positions typically attract higher rates of pay. In addition, changes made to our variable pay cycle in 2025 have also contributed to the shift in our mean pay gap.



QUARTILES 2025

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 quartile data shows that we have a slightly higher index of colleagues from a professional SEB in the top quartile when compared to the overall percentage of our colleagues from a professional SEB (41.93% vs 39.9% overall).

QUARTILES	PROFESSIONAL	INTERMEDIATE	LOWER
Top Quartile	41.93%	14.86%	43.21%
Upper Middle Quartile	39.41%	15.94%	44.64%
Lower Middle Quartile	40.45%	14.73%	44.82%
Lower Quartile	37.92%	14.32%	47.76%
Overall	39.9%	15.0%	45.1%



INTERSECTIONALITY

We recognise that when socioeconomic background intersects with a protected characteristic, individuals may face additional systemic barriers. As in our previous reports, we have undertaken detailed analysis to understand how socioeconomic background interacts with other aspects of diversity. Our findings show that the most significant pay gap arises at the intersection of **gender and socioeconomic background**, where the combined effect of these factors has the greatest impact on colleague outcomes.



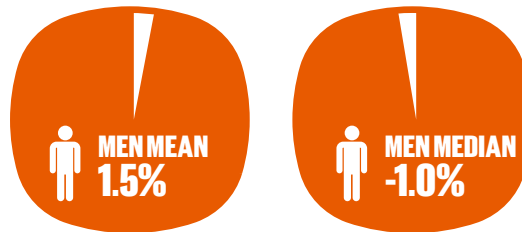
25.3% of our male colleagues are from a lower SEB compared to 26.0% of male colleagues from a professional SEB.

When we look at our male representation data, we typically have more male colleagues from a lower SEB in our senior operational roles (47% of colleagues in food management roles are from a lower SEB, 47% in Funeralcare and 49% in Logistics) compared to colleagues from a professional SEB. This is what's driving our small negative median pay gap and, while

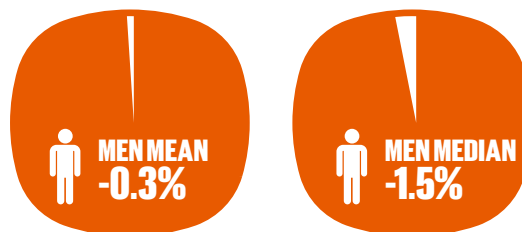
we have seen an increase in our mean pay gap, we remain close to parity.

29.6% of our female colleagues are from a lower SEB compared to 22.8% of female colleagues from a professional SEB. This has increased since 2024. When we look at our female representation data, we typically have more female colleagues from a professional SEB in our most senior roles compared to colleagues from a lower SEB. This is what's driving our pay gap.

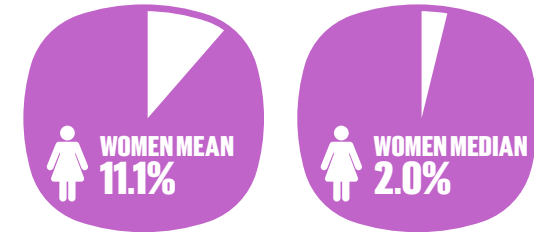
£ 2025 P vs L PAY GAP



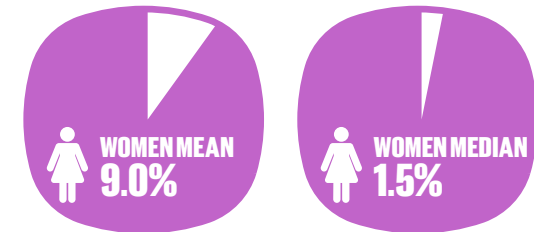
£ 2024 P vs L PAY GAP



£ 2025 P vs L PAY GAP



£ 2024 P vs L PAY GAP



REPRESENTATION IN OUR OPERATIONAL CAREER PATHS

The following analysis shows how representation changes through the career paths in operational roles across our businesses. At our Co-op, we define operational roles as those which are directly involved with the service provided by our Food stores, Logistics depots and Funeralcare teams.

FOOD STORE OPERATIONS	PROFESSIONAL	INTERMEDIATE	LOWER
Head of Operations	50%	7%	43%
Operations Manager	41%	11%	48%
Store Manager	38%	12%	50%
Team Manager	31%	11%	59%
Team Leader	38%	15%	47%
Customer Team Member	40%	16%	45%
Total	39%	15%	46%

LOGISTICS OPERATIONS	PROFESSIONAL	INTERMEDIATE	LOWER
Distribution General Manager	63%	0%	38%
Warehouse Manager	33%	11%	56%
Shift Manager	41%	10%	49%
Team Manager	39%	12%	50%
Warehouse Operative	35%	14%	52%
De-Kit Operative	42%	12%	46%
Total	35%	13%	51%

FUNERALCARE OPERATIONS	PROFESSIONAL	INTERMEDIATE	LOWER
Regional Operations Manager	50%	6%	44%
Funeral Director	36%	16%	48%
Funeral Arranger	38%	15%	47%
Funeral Service Crew	39%	15%	46%
Care Logistics Manager	31%	17%	53%
Care Logistics Lead	27%	24%	49%
Total	38%	15%	47%



With the exception of the intermediate classification, representation across operational roles broadly aligns with national benchmarks. Aside from the most senior role in Logistics, the data suggests our operational career pathways continue to support social mobility.

SEXUAL ORIENTATION PAY GAP

KEY POINTS IN THIS YEAR'S REPORT:



1 THIS IS OUR FIRST SEXUAL ORIENTATION PAY GAP REPORT

Including this data with other characteristics gives a more complete, intersectional view and helps target action.

3 WE HAVE A PAY GAP AND WE KNOW WHY

The representation gap is most pronounced in our senior leader cohorts. This is what drives our pay gap.

2 WE'RE COMPARING THE PAY GAP BETWEEN HETEROSEXUAL COLLEAGUES AND THOSE WHO IDENTIFY AS LESBIAN, GAY, BISEXUAL OR ANOTHER SEXUALITY

At the time of reporting, 9.4% of colleagues identified with a sexual orientation other than heterosexual.

4 FOR CONSISTENCY, WE HAVE ALSO SHOWN 2024 DATA

Both our representation data and our pay gap have remained stable since 2024.

OUR CO-OP'S SEXUAL ORIENTATION PROFILE

WE'VE PRODUCED OUR ANALYSIS USING THE SAME DATA SET AND APPROACH THAT WE'VE USED TO PRODUCE OUR 2025 GENDER PAY GAP ANALYSIS.

We have 53,705 relevant colleagues. In 2025, 45,155 colleagues shared their sexual orientation data with us which represents 84% of our workforce. This is an increase of 2% from the previous year, and we'll continue to seek to increase this figure.



COLLEAGUE PROFILES

2025

HETEROSEXUAL

90.6%



LGB+

9.4%



2024

HETEROSEXUAL

90.7%



LGB+

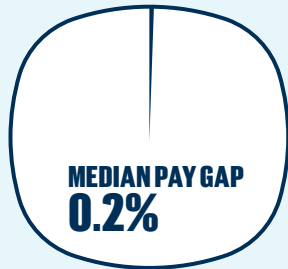
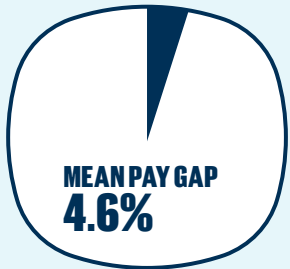
9.3%



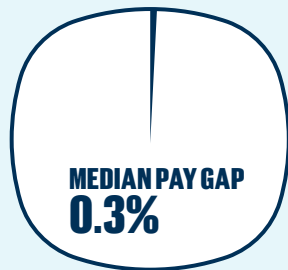
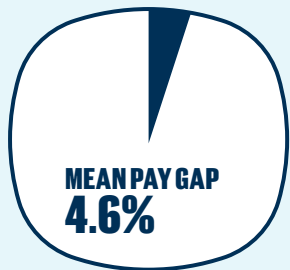
WHAT IS THE DATA TELLING US?



2025 DATA



2024 DATA



We have a mean pay gap of **4.6%** and a median pay gap of **0.2%**.

The median compares the hourly rate of the middle heterosexual colleague to the middle colleague who identifies as LGB+, and the mean compares the average hourly rate of heterosexual colleagues to the average hourly rate for colleagues who identify as LGB+.

In the data set used to complete the analysis, the median role for each category is a Team Leader (TL) in a Food store which explains why the gap is very small.

We pay all our TLs the same fixed hourly rate (84% of our pay-relevant employees are on fixed rates of pay for their job), the small variances are due to the way holiday pay is calculated based on hours worked, as set by legislation.

Having more heterosexual colleagues in most senior positions than those of other sexual orientations is impacting our mean pay gap.



QUARTILES 2025

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 quartile data shows that we have a higher index of heterosexual colleagues in the top quartile when compared to the overall percentage of heterosexual colleagues (92.43% vs 90.66% overall).

QUARTILE	HETEROSEXUAL	LGBTQ+
Top Quartile	92.43%	7.57%
Upper Middle Quartile	89.56%	10.44%
Lower Middle Quartile	89.29%	10.71%
Lower Quartile	91.36%	8.64%
Overall	90.66%	9.34%



REPRESENTATION IN OUR OPERATIONAL CAREER PATHS

The following analysis shows how representation changes through the career paths in operational roles across our businesses. At our Co-op, we define operational roles as those which are directly involved with the service provided by our Food stores, Logistics depots and Funeralcare teams.

The proportion of heterosexual colleagues in our career paths in Food stores and Funeralcare is largely in line with our overall colleague population (approx. 90%). In Logistics the gap is more pronounced, particularly in leadership positions.

FOOD STORE OPERATIONS

ROLE	HETEROSEXUAL	LGBTQ+
Head of Operations	88%	12%
Operations Manager	93%	7%
Store Manager	92%	8%
Team Manager	93%	7%
Team Leader	89%	11%
Customer Team Member	90%	10%
Total	90%	10%

FUNERALCARE

ROLE	HETEROSEXUAL	LGBTQ+
Regional Operations Manager	100%	0%
Care Logistics Manager	91%	9%
Care Logistics Lead	92%	8%
Funeral Director	92%	8%
Funeral Arranger	91%	9%
Funeral Service Crew	89%	11%
Total	91%	9%

LOGISTICS

ROLE	HETEROSEXUAL	LGBTQ+
Distribution General Manager	88%	13%
Warehouse Manager	100%	0%
Shift Manager	96%	4%
Team Manager	96%	4%
Warehouse Operative	94%	6%
De-Kit Operative	89%	11%
Total	94%	6%

DISABILITY PAY GAP

KEY POINTS IN THIS YEAR'S REPORT:

1

THIS IS OUR CO-OP'S SECOND DISABILITY PAY GAP REPORT

Publishing again matters because it lets us track progress year on year, stay transparent and keep focus on the actions that remove barriers for disabled colleagues.

3

REPRESENTATION IS THE BIGGEST DRIVER

Disabled colleagues are under-represented in the highest pay quartile (17.6%) and over-represented in the lowest pay quartile (27.2%), which shows the structural nature of the gap and why progression remains the priority focus.

2

THE DATA HIGHLIGHTS DISPARITIES IN EARNINGS FOR DISABLED COLLEAGUES

The mean disability pay gap is 7.0% in 2025, down from 7.6% in 2024, which shows some improvement. The median disability pay gap is 2.5% in 2025 compared with 2.4% in 2024, which is broadly stable. Overall, the gap remains and continues to reinforce the need for targeted action.

4

WORKPLACE ADJUSTMENTS ARE A KEY ENabler TO CLOSING THE GAP

Access to effective reasonable adjustments profoundly impacts on the ability of disabled colleagues to thrive, feel engaged and engenders a sense of belonging at the Co-op.

HOW WE CATEGORISE DISABILITY AT CO-OP

At our Co-op, colleagues self-identify as having a disability in line with the Equality Act 2010. A disability is defined as a physical or mental impairment that has a substantial and long-term impact on a person's ability to carry out day-to-day activities. This includes both visible and non-visible disabilities, ensuring that all colleagues who need support and adjustments are recognised, included and valued.



OUR CO-OP'S DISABILITY PROFILE

WE HAVE PRODUCED OUR ANALYSIS USING THE SAME DATA SET AND APPROACH THAT WE HAVE USED TO PRODUCE OUR 2025 GENDER PAY GAP ANALYSIS.

We have 53,705 pay-relevant colleagues in scope for this year's analysis. In 2025, 23.2% of colleagues in this population have shared that they have a disability, compared with 23.7% in 2024.

UNDERSTANDING THE DISABILITY PAY GAP AT OUR CO-OP

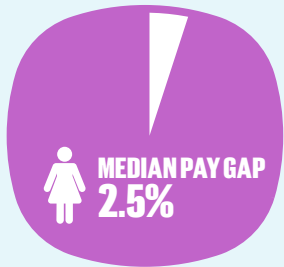
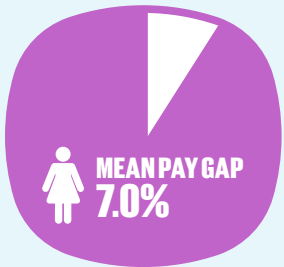
The disability pay gap measures the difference in average earnings between disabled and non-disabled colleagues across the whole organisation. It is important to note that this does not indicate unequal pay for equal work. It highlights differences in representation across our roles and seniority levels.



WHAT IS THE DATA TELLING US?



DISABILITY PAY GAP 2025



In the dataset used to complete the analysis, the median non-disabled colleague was a Team Leader in a Food store, and the median disabled colleague was a Customer Team Member in a Food store. We pay Customer Team Members and Team Leaders the same fixed hourly rate, and 84% of our pay-relevant colleagues are on fixed rates of pay for their job. The difference is driven by role distribution, including a higher representation of disabled colleagues in Customer Team Member roles than in Team Leader roles (26% of Customer Team Members have a disability compared to 21% of Team Leaders).

WHAT SITS BEHIND THE MEAN IN OUR DATA?

The mean gap is influenced most by representation in higher paid roles. Having more non-disabled colleagues in our most senior positions than disabled colleagues is impacting our mean pay gap.

REPRESENTATION ACROSS PAY QUARTILES

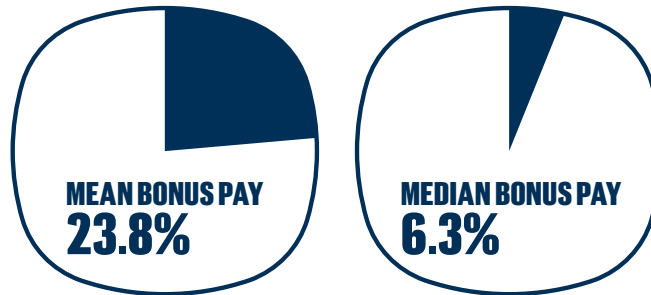
Disabled colleagues are over-represented in lower pay quartiles and under-represented in higher pay quartiles.

PAY QUARTILE	NON-DISABLED COLLEAGUES	DISABLED COLLEAGUES
Upper Quartile (Highest Pay)	82.4%	17.6%
Upper Middle Quartile	79.4%	20.6%
Lower Middle Quartile	76.1%	23.9%
Lower Quartile (Lowest Pay)	72.8%	27.2%

Our aim is for our colleagues to reflect the demographic makeup of the communities we serve at each level within our organisation. Our ambition is to achieve a 23% representation in the upper-middle, and upper quartiles.

DISABILITY BONUS PAY GAP

This year we are expanding our disability reporting to include bonus pay gap figures. This gives a clearer view of both fixed pay and variable pay across our colleague population.



WHO RECEIVED BONUS PAY

As with hourly pay, this does not indicate unequal pay for equal work. Bonus outcomes are influenced by eligibility and by the distribution of colleagues across roles and levels where bonus pay applies and where bonus values are higher. This is another reason representation and progression are central to closing the gap.

Non-disabled colleagues who received a bonus: 14.0%

Disabled colleagues who received a bonus: 9.8%

WHO RECEIVED BONUS PAY

14.0%

NON-DISABLED COLLEAGUES



9.8%

DISABLED COLLEAGUES



IN SUMMARY

Our 'Talkback' colleague survey shows a clear and consistent message. Disabled colleagues who feel supported to access workplace adjustments report a significantly better experience than disabled colleagues who do not feel supported. That difference shows up in day-to-day experience and in how confident people feel about their future at our Co-op.

PROGRESS MADE AND ACTIONS TO FURTHER MINIMISE PAY DISPARITIES

CLOSING PAY GAPS FOR MARGINALISED GROUPS IS FUNDAMENTAL TO BUILDING AN INCLUSIVE AND HIGH-PERFORMING WORKPLACE. TO ACHIEVE THIS, WE ARE FOCUSED ON IDENTIFYING UNDER-REPRESENTATION AND ENSURING OUR PROCESSES ARE FAIR AND EQUITABLE.

We have implemented a range of interventions, recognising that while there is no single solution to the structural inequities people face, we can better understand disparities and take action to reduce them. Our investment in a strong data culture across our Co-op enables interventions that are both targeted and measurable. Our work is intentionally holistic and intersectional, acknowledging that people experience the workplace through multiple, overlapping identities.



OUR ACTIONS

ADVOCACY

As a national employer, our Co-op recognises its responsibility to lead by example. Sharing our learning – and encouraging others to exceed minimum reporting requirements – forms a core part of our commitment to a fairer, more equitable society. Through continued transparency and action on pay gap reporting, we aim to accelerate change not just within our organisation, but across the UK.

CONSULTATIONS

A key part of our advocacy work involves responding to public consultations on pay gap reporting. Over the past 12 months, we have contributed to the following consultations, either directly or through trade bodies:

1. [Equality \(Race and Disability\) Bill: mandatory ethnicity and disability pay gap reporting - GOV.UK](#)

The Bill proposes extending mandatory pay gap reporting to include ethnicity and disability. We strongly supported this expansion and used our response as an opportunity to recommend a further extension to socioeconomic background, which we have long campaigned to make the tenth protected characteristic. We emphasised that socioeconomic data is essential for understanding and addressing structural inequalities.

2. [Equality law call for evidence - GOV.UK](#)

We reinforced these points in the Equality law call for evidence, which focused on pay discrimination. We highlighted that pay reporting is a vital tool for identifying and challenging unjustified disparities linked to gender, ethnicity, disability and socioeconomic background. Strengthening reporting requirements is crucial to ensuring transparency, accountability and meaningful action.

TOOLKITS

In 2025, we published our [Social Mobility Employer toolkit](#), offering practical guidance to help organisations measure, understand and improve social mobility within their workforce, including through pay gap reporting. It draws on Co-op's experience over the past three years and focuses on the most relevant and actionable steps for organisations beginning to prioritise social mobility.

We also launched a set of [Employability toolkits](#), designed to support anyone looking to build job-ready skills and confidence, including people who face barriers to work such as young people, returners, refugees and those with convictions. While these resources may help more people access opportunities at our Co-op, they are free and open to all – regardless of whether they are applying for a role with us.

Most recently, we published our gender pay gap toolkit, created to help organisations develop practical, relevant and impactful action plans that go beyond reporting requirements and contribute to meaningful, sector-wide progress.

DATA COLLECTION

We've achieved a **93%** completion rate for colleague diversity data, giving us an exceptionally strong foundation to track trends, identify gaps and take action where needed.

In Q2 2026, we'll launch a refreshed data campaign for all colleagues, with a particular focus on improving socioeconomic data collection and increasing participation in areas of the business that consistently show lower completion rates. Our insight shows that colleagues who select "Prefer not to say" are also more likely to have lower overall engagement. This creates gaps in our understanding of colleague experience and means we may be missing the perspectives of people who feel less connected to the organisation. Addressing this will help us build greater confidence in how we use data and ensure our inclusion efforts reach those who need them most.

OUR ACTIONS

INCLUSIVE HIRING

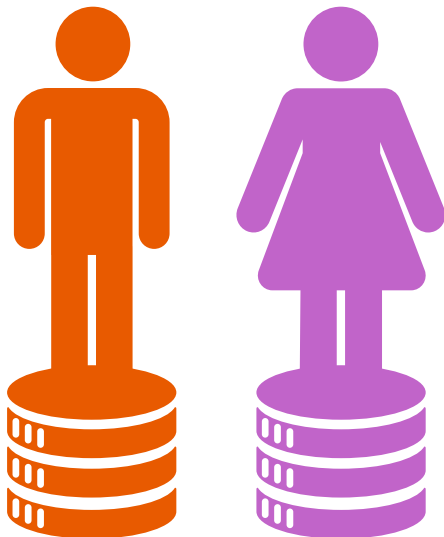
We audited our end-to-end recruitment process and have been working to continuously improve it. Our current and planned interventions include:

- Mandating inclusive hiring training for all managers to raise awareness of bias in decision-making and how to overcome it.
 - Refreshing our interview assessment packs to further mitigate bias during the interview stage of the process.
 - To strengthen the pipeline of under-represented groups into senior roles, we are rolling out **Inclusive Interview Panels** across our business areas for senior manager recruitment. Hiring managers are now expected to include at least one trained panel member in selected recruitment processes, supporting fair, consistent and inclusive decision-making. We will closely monitor our data - including hiring outcomes and panel composition - to assess the impact of this approach and drive further improvements in diverse representation at senior levels. To date, 71 colleagues have been up-skilled to support interviews across eight business areas, with all areas expected to have active panels in place by the end of Q2 2026.
- We're continuing to focus on candidate attraction campaigns in those parts of the business where applicant diversity is low. Some of these areas are reflective of sectoral challenges but we will continue to target under-represented groups and drive better representation.
 - In 2026, we will be reviewing how we work with external organisations that advocate for inclusion and employment equity, to ensure even better outcomes. There will be a particular focus on organisations supporting social mobility and the rehabilitation through employment of people with convictions.

CASE STUDY

INCLUSIVE HIRING – DRIVING PROGRESS ON GENDER REPRESENTATION

We carried out a full end-to-end audit of our hiring processes - from candidate attraction through to appointment - to ensure our approach is fair for all applicants and to identify any barriers experienced by marginalised groups. The audit provided valuable insight into root causes and helped us target our interventions where they will have the greatest impact.



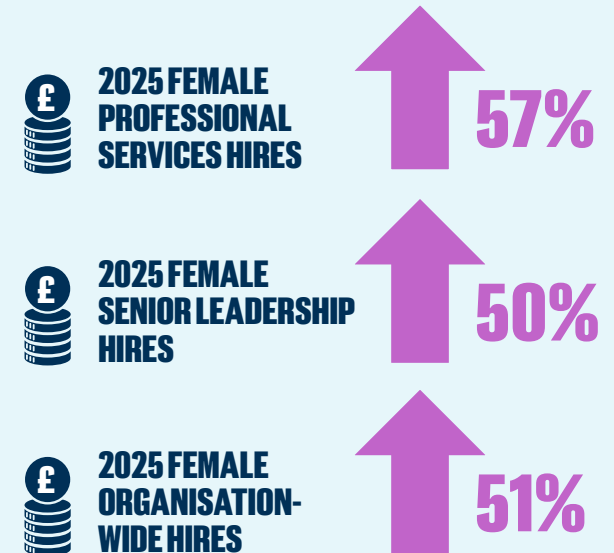
OUTCOME

Since introducing diversity data tracking into our hiring processes, we've seen measurable progress towards gender equity:

- **Professional Services:** Female hires increased from 54% in 2022 to 57% in 2025, showing steady improvement.
- **Senior Leadership:** Among our top 130 leaders, the proportion of women hired rose from 42% in 2022 to 50% in 2025 - a significant milestone.
- **Organisation-wide:** Across our Co-op, female hires increased from 47% in 2022 to 51% in 2025, helping to build a more balanced workforce.

While the wider retail sector typically attracts a higher proportion of women, we're particularly proud of the progress in senior roles. This reflects our commitment to achieving equal gender representation at every level by 2030.

Our progress is not the result of one initiative, but of multiple, data-led actions working together. By continuously monitoring outcomes, we're ensuring that every change moves us closer to our goal.



REDUCING DISADVANTAGE FROM OUR PROCESSES AND PRACTICES

Improving workplace accessibility

We continue to strengthen accessibility across our Co-op. In 2025, we created and tested a Digital Inclusion Passport, supported by easy-to-use guidance for colleagues and managers, to make agreeing, recording and reviewing workplace adjustments simpler and more consistent. The organisation-wide rollout will be completed in 2026.

We also ran a successful trial of accessibility audits in our Food stores to better understand how we can improve the shopping experience for disabled customers.

In addition, we extended our partnership with Sign Solutions to enhance communication and accessibility for both colleagues and customers, helping to remove barriers in service settings.

Policy changes

To support any colleague affected by pregnancy loss, in 2025 we strengthened an already pioneering people policy to provide up to ten days of fully paid bereavement leave as standard. Our policy, first launched in 2021, recognises pregnancy loss as a bereavement – not an illness – and provides compassionate, practical help to any colleagues affected. The policy applies regardless of length of service, contracted hours and the stage or circumstances of the loss. It also supports both parents – including partners and intended parents – via surrogacy.

BEHAVIOURAL AND CULTURAL INITIATIVES

Inclusive behaviours are central to the Co-op's workplace culture, with the All-Colleague Code providing a clear standard for respectful conduct. All colleagues participate in training designed to help recognise and tackle non-inclusive behaviours, supporting our commitment to a speak-up culture where concerns are addressed quickly and fairly.

We operate a zero-tolerance approach to bullying and harassment, recognising that such behaviours undermine organisational culture and have a damaging effect on individual experiences. These issues are not only acknowledged but are actively addressed, reinforcing our shared responsibility to maintain a safe and supportive environment for everyone.

SUPPORTING CAREER PROGRESSION

In 2025, we continued with development programmes which address the under-representation of marginalised groups in leadership positions at our Co-op.

Our **Elevating Women in Leadership** programme continues to improve internal mobility outcomes, with demonstrable improvements in progression and performance ratings for participants in comparison to the wider colleague population at the same level. In 2026, we will scale and strengthen this work with the introduction of new programmes supporting under-represented groups to thrive at the Co-op.

EXTERNAL RECOGNITION

We're proud to be recognised for the following:

- Ranked **3rd** in the Top 50 Inclusive Employers
- Ranked Top Ten in the FTSE 100 women's leaders review for representation at Executive and Board level. We are proud that our Chair, CEO and CFO are women
- Ranked **17th** in the Social Mobility Employer Index

COLLEAGUE NETWORKS

Our networks help us to raise awareness and amplify colleague voices, working in collaboration with the business to address barriers. We have six colleague networks:



Aspire – Women



PACT – Parents and Carers



Rise – Ethnicity and religion



Represent – Disability



Prism – LGBTQ+



Strive – Youth

We also have active colleague Communities of Interest including **Co-operating in Crisis**, which is committed to responding to humanitarian crises around the world.

AFTERWORD

AS WE CLOSE THIS YEAR'S REPORT, WE ARE ENCOURAGED BY THE PROGRESS WE ARE BEGINNING TO SEE AND THE MOMENTUM BUILDING ACROSS OUR INCLUSION WORK.

The inclusion of sexual orientation data marks a significant new chapter, and we will continue to deepen and expand this analysis in the years ahead.

Crucially, no characteristic sits in isolation. Intersectionality will remain central to how we understand colleagues' experiences and design meaningful interventions. The power of combined action is becoming increasingly clear, and we are committed to strengthening this approach as we continue driving long term, sustainable change.

