

MBS Intelligence

Tracking progress on diversity and inclusion in UK retail

The fourth edition of in-depth research and analysis from The MBS Group and BRC



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Foreword

Retail serves the needs of millions of people every day. Men, women, people of all ethnic backgrounds, sexual orientations, those with disabilities, young and old. To deliver the best customer experience to everyone, we need a truly diverse workforce with a diversity of thought and ideas from the storeroom to the boardroom and truly inclusive cultures.

There is much to celebrate in this year's report. We are proud to see the progress the industry has made in the three years since we started this survey. At a time when budgets are under more pressure than ever, it would be easy to see Diversity and Inclusion (D&I) budgets as an easy place to make cuts. Yet we see retailers remaining hyper-focused on achieving a truly equitable playing field, and treating D&I as a priority.

Thanks to this report and the D&I Charter, we have been able to analyse what has been working in driving D&I forward. Last year we noticed that strategies were not having enough impact on diversity outcomes, and recommended that businesses assessed what worked, and ditched what did not. Many acted on these recommendations, streamlining initiatives, prioritising quality over quantity – and this has quickly bore fruit.

The percentage of women at Board-level has gone from 32.6% in 2021 to 42.3%, and over half of direct reports are women. The percentage of ethnic minority leaders has risen from 4.5% to 12% over the same period, and 98% of retailers now have a D&I strategy in place.

But, while the numbers have shifted as senior leadership teams across the industry have become more diverse, this has not necessarily translated into inclusive workplaces. In the "Employee Inclusion Index", feelings of inclusion are low and employees who chose "other" or "prefer not to say" to describe their sexual orientation, and those who are Black/African/Caribbean reported the lowest levels of feeling included in the workplace.

Retailers must continue to drive forward the initiatives that have been working to boost diversity, but must also now look to make changes to their workplace cultures to ensure the entire workforce feels included. Without both sides of the D and the I coin, our mission is not complete.

As we know, the road is long, and with many a winding turn. But we look forward to seeing the industry continually progress towards the vitally important destination of true diversity and inclusion. This will increase employee engagement, productivity, reduce turnover, sickness absences and will ultimately lead to more successful businesses.

Huge thanks to all the brilliant Charter signatories, and the CEOs, Chairs, and HRDs who contributed to the research, as well as Retail Trust for their insights and hard work – without them this vital report would not be possible.



Helen Dickinson OBE
Chief Executive
British Retail Consortium



Elliott Goldstein
Managing Partner
The MBS Group



At a glance

This is the fourth year of research from The MBS Group and BRC, exploring the status of diversity and inclusion (D&I) in the UK retail industry.

This report encapsulates research on leadership diversity from The MBS Group, workforce diversity from the BRC, and an assessment of employee inclusion, based on the Retail Trust's Better You tool.

Executive summary: where are we now?

98%

Retailers with a co-ordinated D&I strategy

11%

Retailers with at least one Disabled senior leader

67%

Retailers with at least one LGBTQ+ senior leader

70%

Retailers with at least one senior leader who demonstrates social mobility

% OF WOMEN AT TOP THREE LEADERSHIP LEVELS

	2021	2022	2023	2024
Board	32.6	37.5	37.8	42.3
Executive Committee	32.0	34.2	36.7	40.9
Direct Reports	37.5	34.8	42.8	55.2

% OF ETHNIC MINORITY LEADERS AT TOP THREE LEADERSHIP LEVELS

	2021	2022	2023	2024
Board	4.5	9.6	10.0	12.0
Executive Committee	5.8	7.7	9.1	8.9
Direct Reports	6.0	10.3	11.3	10.3

1 Retailers are treating D&I as a core business priority

Almost all retailers have dedicated strategies to drive-up representation and boost inclusion. The industry has taken a more considered approach in the last twelve months, targeting investment towards the most impactful initiatives and in some cases thinking in a “less is more” way.

2 Retail leadership teams have become significantly more diverse since our research began

Today, more than half (55%) of direct reports in the retail sector are women. At the leadership levels above – executive committee and Board – the representation of women has improved by nearly 30% since 2021.

Ethnic diversity presents more of a mixed picture. Ethnic diversity at Board level has improved consistently year on year, and today, 12% of Board roles in retail are held by someone from an ethnic minority background, nearly three times the figure recorded in 2021. On the executive committee and at direct reports level, however, progress is a lot slower, and has dipped in the last year.

There are also more visible senior role models from the LGBTQ+ and disabled communities since our research began.

3 Progress is not always widespread

There’s a risk that smaller companies are deprioritising D&I amid a challenging commercial landscape.

There’s still a large portion of retailers – almost always smaller companies – with no ethnic diversity in their senior teams. More than a third (35%) of retailers we spoke with have zero ethnic diversity on their Board, and more than half have zero ethnic diversity on their executive committee.

4 Diversity and inclusion strategies are not translating to inclusive environments for the retail workforce

Feelings of inclusion are not high among retail workers, and are lowest among those who chose ‘other’ or ‘prefer not to say’ to describe their sexual orientation; those who described their ethnicity as Black/African/Caribbean; and those between the ages of 25 and 34.

Methodology and motivation

About MBS research

Our fourth-year findings are based on data from 200 of our industry's leading businesses, with a focus on the three highest leadership levels: Board, executive committee, and direct reports into the executive committee. We measured representation of women and leaders from an ethnic minority background at the senior levels of retail businesses, analysed the maturity of policies, and explored how companies are embracing aspects of D&I including LGBTQ+, disability, age, and social mobility.

About the BRC D&I Charter and research

The D&I Charter is one of the BRC's leading initiatives. Set up in 2021 by the HR Community, it focuses on six commitments: oversight, recruitment, progression, reporting, inclusivity and responsibility. 92 companies have already signed up to the Charter, to challenge culture and biases, and embed D&I into every aspect of their business. Signatories have access to a strong program of regular workshops and in-person events delivered in partnership with the RPC LLP, to help progress with their D&I strategies. As part of the Charter commitments, the findings of an accompanying signatory survey are published in this report.

This is the third time data has been collected from BRC Charter signatories. The results have been collected directly from a wide range of retail companies. The sample encompassed 53 signatory companies comprising a workforce of more than 1 million (over a third of the total retail workforce in the UK). Not only were there additional member responses compared to last year, the breadth and coverage of the industry response was enhanced, increasing the robustness of the results. The number of retailers committed to the BRC D&I Charter also continues to grow, indicating that D&I remains a priority.

Data collection covered around 60% of the survey categories (the inclusion of social mobility metrics reduced the proportion covered). Respondents' collection capabilities varied, indicating a challenge to gather sensitive workforce characteristics. Of 79 retailers signed up to the Charter at the time of the survey, two thirds were able to engage with it. Many respondents were unable to provide a full survey submission due to lack of data availability or statistical robustness.

The legal context is also important, with specific rules around collection of diversity data. As an example, employers cannot question a candidate's health before shortlisting or making offers, but they may ask about their health to assess diversity to monitor equal opportunities.

Employees are under no obligation to disclose diversity data, and, according to retailers, are often reluctant to provide it.

About The Employee Inclusion Index

Retail Trust's happiness assessment and happiness dashboard provide an in-depth overview of how colleagues are engaging with the Retail Trust services, combined with a health and happiness score on how colleagues are feeling. The Retail Trust uses data collected from people within retail, to assess employee wellbeing. Drawing on that data, we have created an assessment of inclusion – the "Employee Inclusion Index" – based on the views of 12,000 individuals across different demographic characteristics. This represents a significant increase from last year's sample which was based on the views of around 2,000 retail employees.





What is the status of D&I in the retail industry?

This research is based on leadership data captured by MBS from the 200 biggest retail businesses and insight from conversations with Chairs, CEOs and HRDs, combined with analysis of diversity across the workforce conducted by the BRC.

We've found that activity on D&I is translating into meaningful change on the representation of women, but that there is still some progress to be made in other areas such as ethnic diversity and disability inclusion.

D&I strategies: meaningful action is being taken

98%	85%	64%	50%
Companies with a D&I strategy 2023: 93%	Companies collecting data 2023: 82%	Companies with initiatives to drive up representation 2023: 53%	Companies with specific targets in place 2023: 33%

Retailers are taking D&I seriously, and putting programmes in place to improve representation and boost inclusion

The vast majority of retailers in the UK have a co-ordinated D&I strategy, and more businesses than ever before have backed their strategy up with measurable goals and data – although some companies are still in their early stages when it comes to data collection. Encouragingly, this year, the proportion of companies with specific targets in place has risen considerably from 53% to 64%, and targets linked to LTIPs are also more common.

The furthest-ahead companies are now investing in expanding out their D&I efforts across their business, to include franchise partners and suppliers.

Additionally, this year we detected a greater understanding of the importance of D&I activity to employer brand. Leaders told us that new generations of head office colleagues are citing strong D&I credentials as a reason for joining a company, and this has encouraged further action.

Companies are assessing the impact of initiatives

Last year, we found that a very high level of D&I activity was not making a tangible impact to leadership diversity or feelings of inclusion among employees. We recommended that companies assess the impact of their efforts, even perhaps scaling back certain programmes to invest in the initiatives that make a real difference.

Encouragingly, this year, companies are doing this. We found some evidence of businesses targeting investment towards the most impactful initiatives and even, in some cases, taking a “less is more” approach.

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A targeted approach: industry insights

“It feels like we’re coming to a time where we absolutely need to stop and reset, and make sure that our strategies are underpinning the organisational goals.” – HRD, general merchandise retailer

“We have a lot of different programmes in play at the moment. Probably too many, and we’re looking at how we can streamline activities.” – Head of D&I, ecommerce business

“We’re working on aligning our employee networks to our overall EDI strategy. At the moment, the network groups all want to drive change in their specific areas, but it’s creating an unsustainably high volume of work. So, we’re tweaking our approach to employee network groups, and centering them on common topics that we can all get behind and drive.” – CEO, fashion retailer

Efforts on D&I are usually driven by the business, not by investors or owners

In previous editions of this report, we called for D&I to sit on the shareholder agenda. Our 2024 research has shown that, in the main, companies are not receiving adequate support or scrutiny from their investors. Where investors and owners are asking questions about D&I, it is almost exclusively linked to shareholder return and company value, rather than driven by an idea of corporate responsibility.

Increased crime rates are impacting inclusion and wellbeing

Throughout our research, some leaders noted the increase in abuse, harassment, and crime within the retail industry – and how these can have a negative impact on feelings of inclusion among front-line retail workers. The BRC 2024 Crime Survey found that there were more than 1,300 violent or abusive incidents a day last year, up from 870 the year before. Some leaders reported that this was negatively impacting job applications from women for shop-floor roles, due to fears about violent behaviour.

In small companies, D&I has been deprioritised

Against the backdrop of a highly challenging trading environment, some smaller companies reported reducing their investment in D&I, in favour of initiatives designed to boost sales. Some companies told us that D&I leaders had taken on broader roles, and others said that they had wound down D&I-focused colleague engagement activity in order to reduce costs.

By contrast, larger companies with more embedded strategies told us that, despite broad cost-cutting measures, D&I activity had remained consistent.

Women leaders: more than half of leaders reporting into the executive committee are women

Significant progress has been made on the representation of women at senior leadership level

Our research has found that there has been a sharp increase in the proportion of senior roles held by women in the last year. This conclusion was reflected in both the BRC's analysis of Charter signatory companies and MBS' research into the broader industry. Particular attention should be paid to the direct reports level, where the representation of women now stands at 55%.

Retailers are mandating balanced short-lists

Across the retail industry, more companies are demanding 50:50 gender balanced short-lists from their recruitment and search partners.

There is strong representation of women in the retail workforce

The representation of women sits at 57% in the workforce. A gender balance in favour of women exists across both store and head-office roles but is higher in the former (58%) than the latter (56%).

The furthest-ahead companies are using data to target initiatives towards specific levels

The businesses are building out detailed information of leadership 'spines' and pinpointing where the representation of women drops off in their organisation. This could be when operational roles grow to take responsibility for multiple sites, for example.



Industry insights

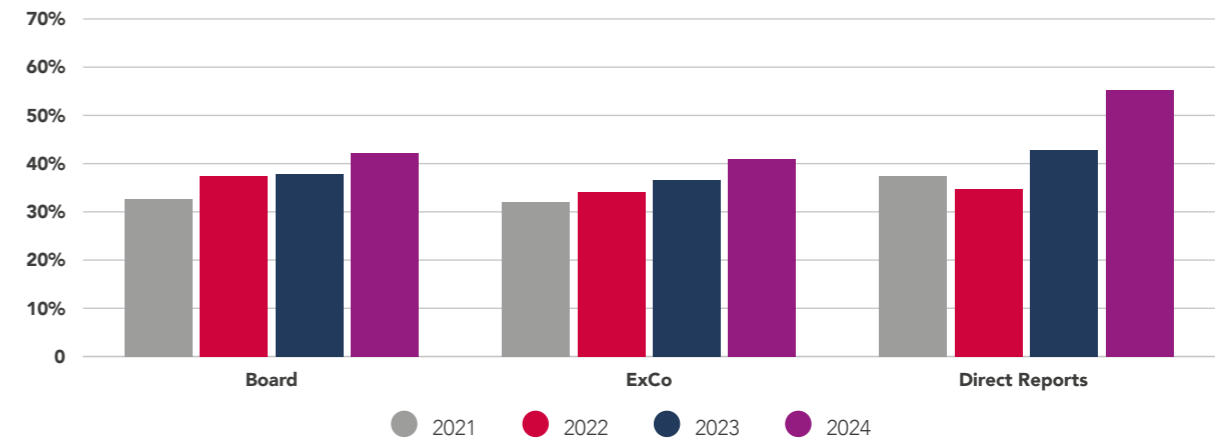
"I recently hired externally for an area manager position, and we had over 200 applications, and of the 200, there were only 5 women that applied." – HRD, sports retailer

"We're really pushing our search firms and recruitment agencies to find the great women." – CEO, health and beauty retailer

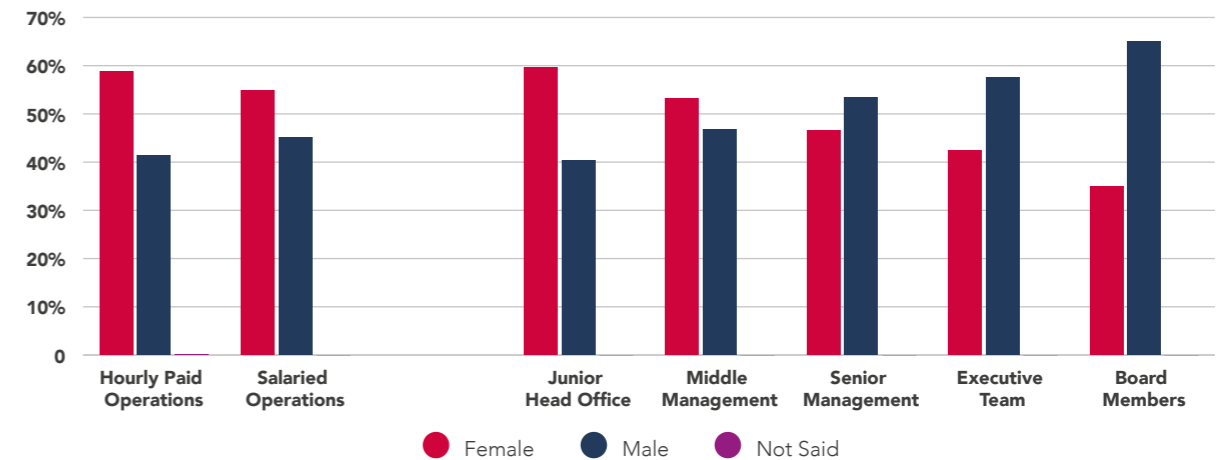
"When we make external hires, we're good at identifying and appointing women. Our challenge is when we feel we want to retain and promote talent internally, those candidates are more likely to be men." – CEO, fashion retailer

"We had 80% diverse majority shortlists last year, which translated into around 60% of our appointments going to women. We were really happy with that." CPO general merchandise retailer

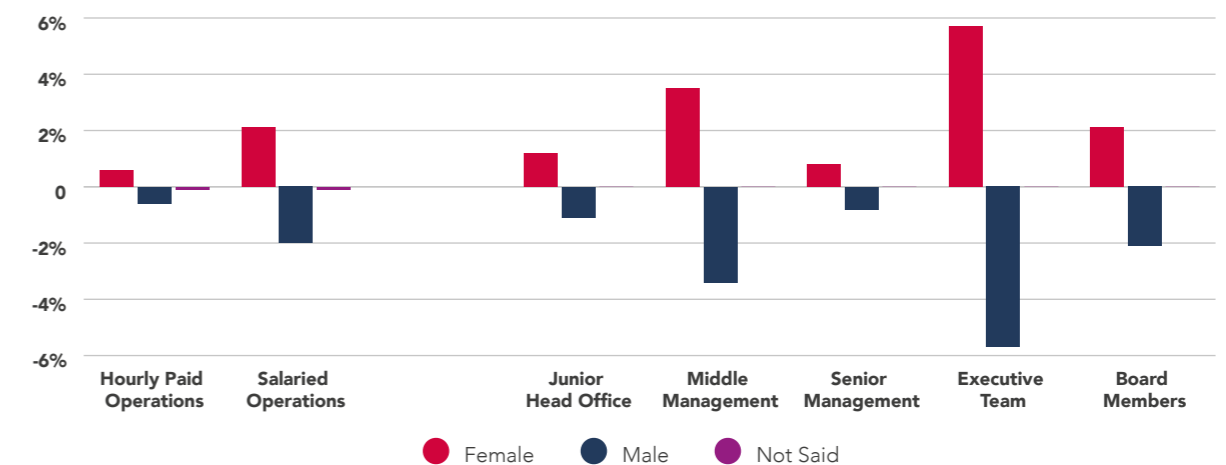
WOMEN AT TOP-THREE LEADERSHIP LEVELS



GENDER IN THE RETAIL WORKFORCE



PERCENTAGE CHANGE IN GENDER REPRESENTATION 2023-24 COMPARED TO 2022-23



Ethnically diverse leaders: strong improvement on the Board, but slowing progress elsewhere

Board-level diversity has improved in UK retail

Good progress has been made on the representation of leaders from an ethnic minority background at Board level, which has risen from 10% to 12% in the last year. Among BRC Charter signatories, representation of ethnic minority leaders on the Board has risen from 3% to 8%, helped by higher Black and Mixed representation at the highest level of seniority. This is good progress, but is still a way off reflecting the UK, where 18.3% of people identify as 'non-white'.

Progress is slower at executive committee and direct reports level

At executive committee level in the industry as a whole, representation of ethnic minority leaders has remained flat, and it has dipped by one percentage point at direct reports level.

Interestingly, BRC data of Charter signatories found more promising results: compared to last year, there is evidence of increased career progression for ethnic minorities at these levels, with improvements at the middle-management (11.3% up from 10.9%) and executive levels (8.1% up from 6.3%).

However, lower representation was recorded in middle management roles for those identifying as Black (1.4% down from 1.6%). This may be because those who occupied a middle-management role may now occupy a senior role. Ethnic representation in junior head-office roles also improved (16.0% up from 14.3%).

There are still many companies with no ethnic minority representation on their Boards and executive committees

Our research found that the proportion of retailers with all-white Boards has risen over the past year, to 35%, and more than half of the retailers we spoke with have zero ethnic diversity on their executive committee. Of companies with all-white Boards or executive committees, almost all are small retailers (with only four or five seats on their Boards).

Ethnic diversity has increased in the workforce

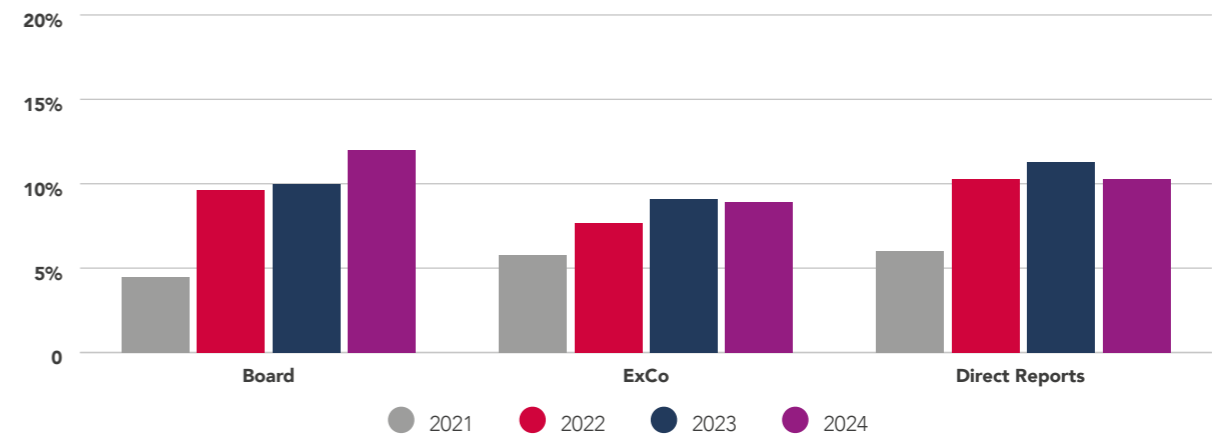
Encouragingly, there was a significant increase in ethnic representation in retail. Compared to previous years, the proportion identifying as Asian rose from 7.2% to 9.6%, as Black from 2.8% to 3.2% and as Mixed from 1.5% to 2.2%. Underpinning this was significantly greater Asian representation at both store and head office level.

Industry insights

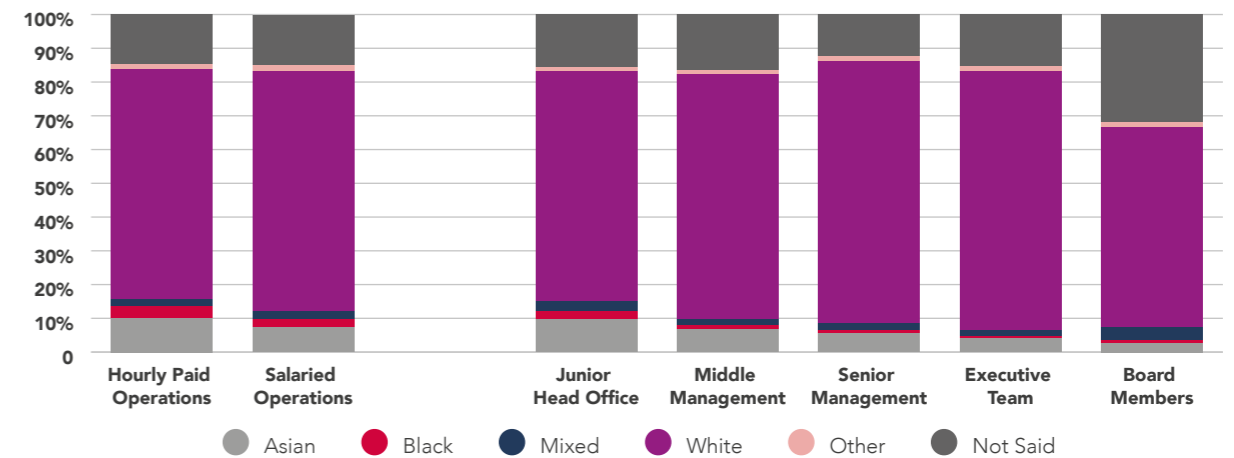
“We’ve got a programme specifically designed to support our black colleagues as they move around the business and get promoted into more senior roles. It’s all about visibility and sponsorship.” – CPO, ecommerce retailer

“We have the highest completion rate in our data on race and ethnicity, I think because our race network has been pushing for it.” – HRD, discount grocer

LEADERS FROM AN ETHNIC MINORITY BACKGROUND AT TOP-THREE LEADERSHIP LEVELS



ETHNIC REPRESENTATION IN THE RETAIL WORKFORCE



PERCENTAGE CHANGE IN ETHNIC MINORITY REPRESENTATION 2023-24 COMPARED TO 2022-23



Disability: the retail industry lacks visible role models

11%

Retailers with at least one disabled senior leader
2023: 17%

81%

Retailers which include disability in their D&I strategy
2023: 81%

There remains a stark lack of disabled role models in UK retail

This year, only 11% of respondents could identify a disabled senior leader in their business. This figure has dipped from 17% last year, possibly related to inconsistent understanding of what's meant by disabled across the industry.

In the workforce, 13.8% of employees noted they had some form of disability and 86.2% indicated having no disability. Disabled employees are more greatly represented in store roles and are most likely to occupy an hourly-paid store role.

There was an increase in those describing themselves as having a disability of some type when compared to last year (13.8% compared to 6.0% in the preceding year). Disabled representation in head-office roles increased most at the middle-management (11.5% up from 7.2%) and board level (9.5% up from 4.7%) in the latest set of responses.

There was a considerable proportion of 'prefer not to say' responses as well as no disclosure responses, leading to a higher margin of error. Positively, the explicit response rate saw an increase, suggesting a greater willingness to disclose personal characteristics such as disability or lack thereof.

Activity on disability inclusion varies widely across UK retail

There is no consistent approach to advancing disability inclusion within UK retail. There are pockets of best practice within companies, who are investing heavily in driving accessibility. In lots of companies, there is a large focus on neurodiversity and invisible disabilities, with very little investment made towards supporting colleagues who have physical disabilities.

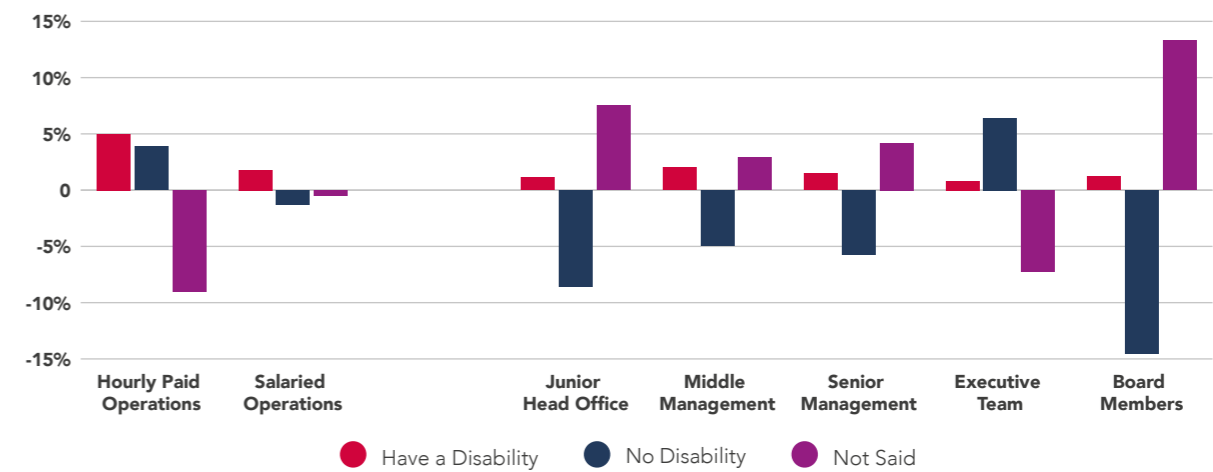
Across the industry, we detected an encouraging trend of companies providing line manager training around disability inclusion. This is a positive step, and one which takes the onus away from the individual employee to advocate for themselves and for reasonable adjustments.

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Industry insights

“We have introduced a disability passport – documentation which includes details of an individual’s accommodations. This way, a person with a disability doesn’t have to be re-assessed each time they move within the company.” – CPO, ecommerce business

PERCENTAGE CHANGE IN DISABILITY STATUS 2023-2024 COMPARED TO 2022-23



Source: BFC Survey

LGBTQ+: representation of the LGBTQ+ population is high

67%

Retailers with at least one LGBTQ+ senior leader
2023: 64%

88%

Retailers which include LGBTQ+ in their D&I strategy
2023: 88%

There is a high level of LGBTQ+ inclusion activity in retail

Almost all (88%) of D&I strategies in retail include activities to improve inclusion of LGBTQ+ colleagues. In particular, we're seeing increasing momentum on initiatives designed to support trans and non-binary colleagues. A few respondents mentioned that launching trans-inclusive activity is a strong symbol of support to the wider LGBTQ+ community.

There is good representation of the LGBTQ+ community

Looking at the industry as a whole, 67% of respondents could identify an LGBTQ+ senior leader in their organisation.

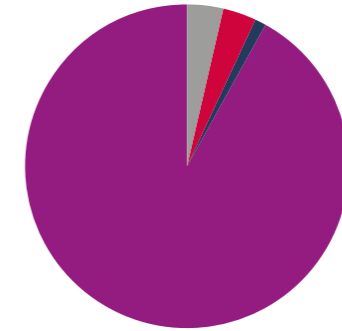
In the workforce, 91.7% of respondents are heterosexual with 8.3% identifying as bisexual, gay or lesbian, and other. LGBTQ+ representation is higher than the reported population level of 4.3% (source: Office for National Statistics). This is marginally greater at store level with 8.4% identifying as LGBT, in contrast with 7.7% at head-office-level.

There was an overall improvement in sexual orientation when compared to last year's survey. The LGBTQ+ cohort within the retail workforce was estimated at 8.2%, now having risen marginally to 8.3%. This was driven by growing bisexual representation across store and head-office roles.

Industry insights

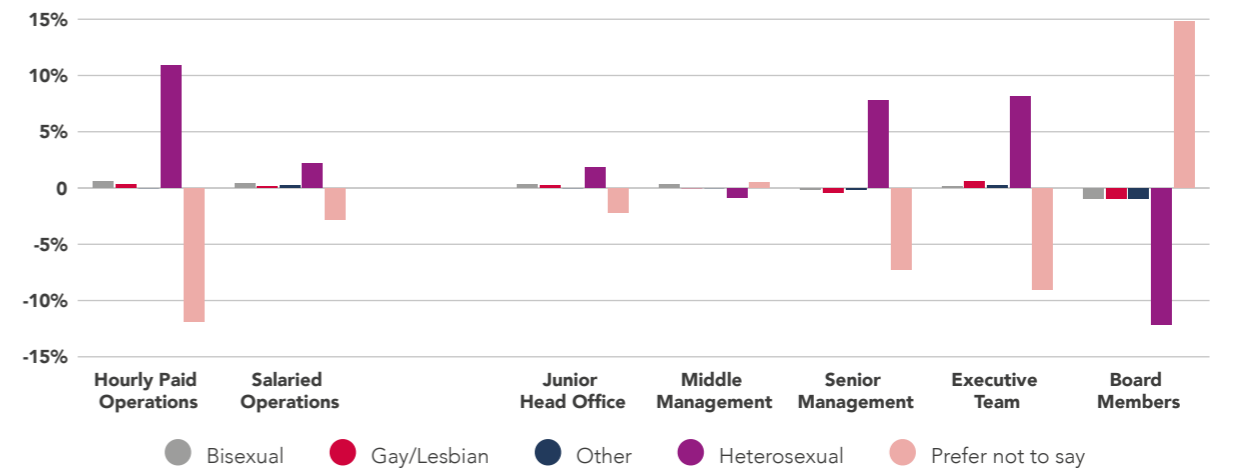
"We're early in our journey, but some practical measures include having a comprehensive raft of Pride activities, and introducing gender neutral toilets." – CPO, coffee retailer

REPRESENTATION BY SEXUAL ORIENTATION IN THE RETAIL WORKFORCE



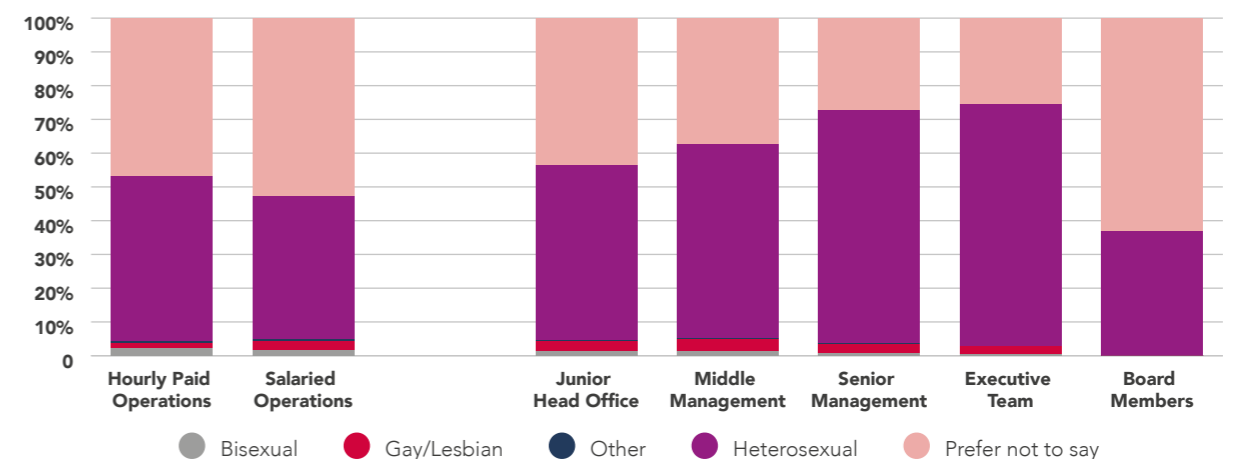
● Bisexual ● Gay/Lesbian ● Other ● Heterosexual

PERCENTAGE CHANGE IN REPRESENTATION BY SEXUAL ORIENTATION 2023-24 COMPARED TO 2022-23



● Bisexual ● Gay/Lesbian ● Other ● Heterosexual ● Prefer not to say

SEXUAL ORIENTATION IN THE RETAIL WORKFORCE



● Bisexual ● Gay/Lesbian ● Other ● Heterosexual ● Prefer not to say

Social mobility: UK retail is driving up social mobility

70%

Retailers with at least one senior leader who demonstrates social mobility
2023: 75%

67%

Retailers which include social mobility in their D&I strategy
2023: 65%

Retailers recognise their role in driving social mobility

Since our research began in 2021, there has been a dramatic increase in companies rolling out initiatives designed to improve social mobility. In 2021, only 20% of companies had social mobility-focused activities, and in 2024, 67% of retailers include social mobility in their strategy.

From a strategies perspective, businesses are focusing on social mobility through their recruitment, often by partnering with charities, schools or colleges to reach a wider pool of candidates from different socio-economic backgrounds. The retailers with the most mature strategies have apprenticeship schemes in place, and mentoring programmes to support colleagues through their careers.

Retail faces ongoing challenges

There remains an ongoing challenge with collecting data and measuring company- or even industry-wide progress. In retail, there is no precedent set for collecting data. As seen in the box opposite, most retailers are using one of the four questions suggested by the Social Mobility Commission. Further industry-specific barriers include a lack of (but demand for) additional training opportunities, and the disproportionate distribution of managerial and professional roles. Examples of best practice can be found in the Social Mobility Commission's toolkit, which was developed in partnership with BRC.

Social mobility in the workforce

For the first time, we included questions related to social mobility in the Survey. Whilst coverage of social mobility data varies across business types, we were able to identify which types of data are currently being captured by organisations.

By far the most common type of data captured was the number of apprenticeships completed (54%), followed by minority ethnic background turnover rates (14%). In comparison, other types of social mobility data on parental occupation, social background as well as free school meals were only captured by 6% of retail organisations. It's important to note that only a small number of organisations responded to this question.

SOCIAL MOBILITY DATA COLLECTION RATES



Source: BRC Survey

How to measure social mobility?

The UK's social mobility commission provides three suggestions of questions to ask applicants and employees in order to measure social mobility. They are:

- Question 1:** What was the occupation of your main household earner when you were aged about 14?
- Question 2:** Which type of school did you attend for the most time between the ages of 11 and 16?
- Question 3:** If you finished school after 1980, were you eligible for free school meals at any point during your school years?

Age: age does not inhibit progression in retail

Retail is known for being an industry with a diverse range of ages in the workforce

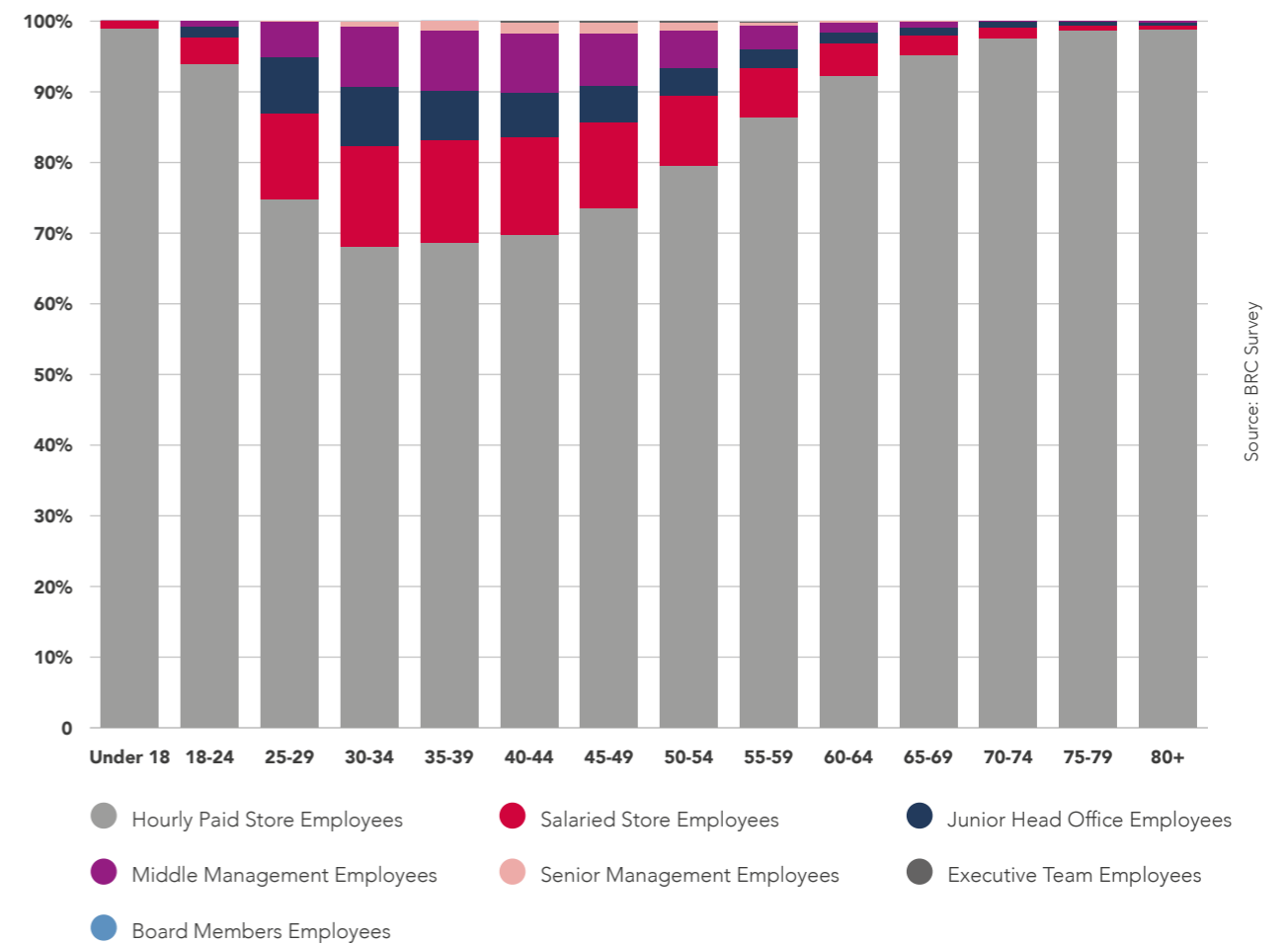
Only a small proportion of the companies we spoke with had specific initiatives in place designed to drive up age diversity in their business.

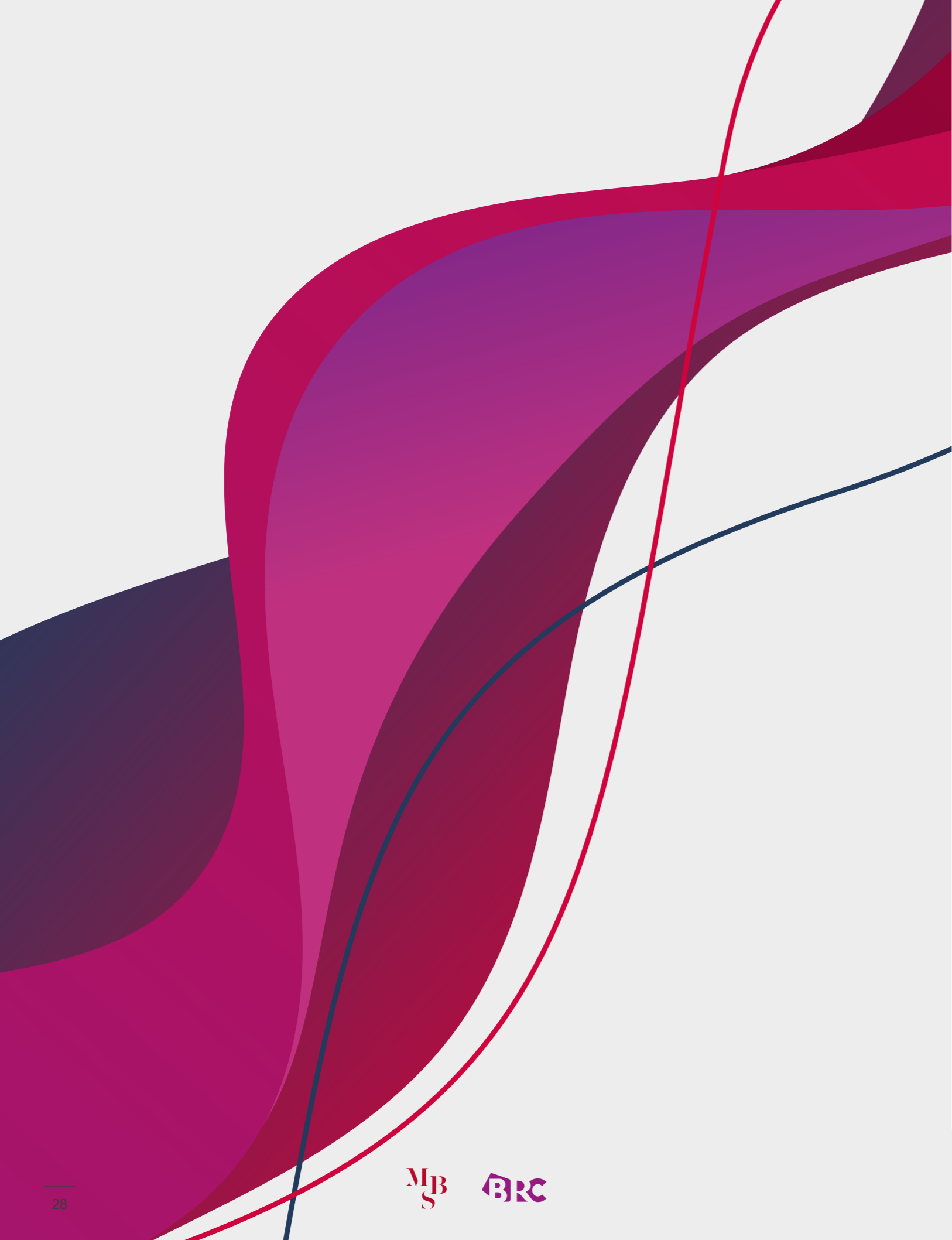
Retail is a diverse sector in terms of the age of its workforce: while a significant proportion tends to be younger, all age groups have considerable operational role representation. The sector offers meaningful opportunities for a broad age range of colleagues. The role of a "gateway" employer is clear in the significant representation of young people in the workforce.

Opportunities in head office and at senior levels are also clearly demonstrated. There is no evidence that a colleague's age inhibits progression. The workforce at store level is getting younger. Compared to the previous year's survey, the age distribution and skew remains similar. The younger you are, the more likely you are to be in an operational or junior role. The older (up to retirement age), the more likely you are to occupy a senior role.

Age distribution has one main peak and extends further towards higher age groups, hence hourly paid operations roles are greatly represented at both the youngest and oldest age cohorts. The flexible nature of retail means it attracts a variety of people from different backgrounds at different stages of life.

AGE IN THE RETAIL WOKFORCE





The Employee Inclusion Index

For the second year, we have partnered with the Retail Trust to try to understand feelings of inclusion and belonging across the retail workforce.

The employee perspective: an assessment of inclusion

At a glance

- Most retail employees feel that they have a good relationship with their manager and enough information to get the job done – and people feel more positive about these areas than they did last year
- Retail employees feel less positive about their pay, their recognition, and their “overall feelings of happiness”
- Under-represented groups (in particular those who have chosen “prefer not to say” or “other” to describe their sexual orientation, or Black/African/Caribbean people) registered lower feelings of inclusion.

For the second year, we have partnered with the Retail Trust to try to understand feelings of inclusion and belonging across the retail workforce.

There is no straightforward methodology to assess the views of people within a business on how included they feel. But there are data sources that can give us a perspective, including the Retail Trust’s happiness assessment and happiness dashboard, which provide an in-depth overview of how colleagues are engaging with the Retail Trust services, combined with a health and happiness score on how colleagues are feeling. The Retail Trust uses data collected from people within retail, to assess employee wellbeing in the industry.

Drawing on that data, we have created an assessment of inclusion – the “Employee Inclusion Index” – based on the views of 12,000 individuals across different demographic characteristics. This represents a significant increase from last year’s sample which was based on the views of around 2,000 retail employees.

Looking at the data, the question set was chosen to provide indicators of an individual’s perspective and feeling of inclusion: fair treatment; trust/communications; involvement in decision-making; sense of belonging; and feelings of psychological safety.

What is unique about this assessment is that we are able to closely examine different characteristics in the retail workforce, identifying areas for improvement.

Compared to last year, we saw an increase in all metrics of the Inclusion Index, which overall currently stands at 7.1, a marked improvement on the 6.2 recorded 12 months ago. It is important to note that we cannot definitively conclude if there was a real improvement, or if the increase is reflective of the larger sample size. We hope to be able to draw a clearer picture as we build the analysis year on year.

Key findings

Looking at the wider sample, feelings of having ‘a good relationship with my manager’ and having ‘enough information to do the job well’ score relatively highly whereas pay, recognition and an overall feeling of “happiness” in work score the lowest.

The picture varies when we break the data down by different characteristics:

Lower feelings of inclusion were registered by those who ‘prefer not to say’ and those that have chosen ‘other’ to describe their sexual orientation.

The widest variation in feelings of inclusion was across different ethnic groups: Mixed/Multiple ethnic group cohorts scoring highest, followed by White and Asian/Arab cohorts. Those identifying as ‘other’ or ‘prefer not to say’ scored lowest of all ethnicity groups, followed by Black/African/Caribbean.

Across different age ranges, there is less variation but 25–34-year-olds have the most negative assessment of inclusion (fair pay, feeling happy at work and recognition are all areas of concern) whereas the youngest cohort (16–24) provided the best assessment, feeling proud to work for their organisation and having good relationships with their managers.

The gender breakdown suggests females feel slightly more included than males, though both assessed well their relationship with their manager and being treated with respect (overarching and psychological safety themes). However, a lower score was observed in the “other/prefer not to say” cohort, which rated belonging the lowest.

To give a broader context in relation to employee sentiment in the industry, we have also looked at other data sources:

The WorkL Workplace Happiness Test, a live ranking of how happy and engaged employees are at organisations, includes crowdsourced employee experience data from over 300,000 individuals in different industries. Retail is the third “unhappiest” industry to work in according to WorkL’s most recent Employee Experience Report with employee engagement at 67%, while the “happiest” sector is technology (79%).

According to the Retail Trust’s 2023 Health of Retail report, 80% of retail employees have experienced a deterioration in their mental health in the past 12 months, and 50% of managers noticed an increase in absence due to mental health issues. On a more positive note, half of the respondents said they were content in their roles, an improvement on 2022 when fewer were content and over one in five wanted to leave retail, compared to 18% now.

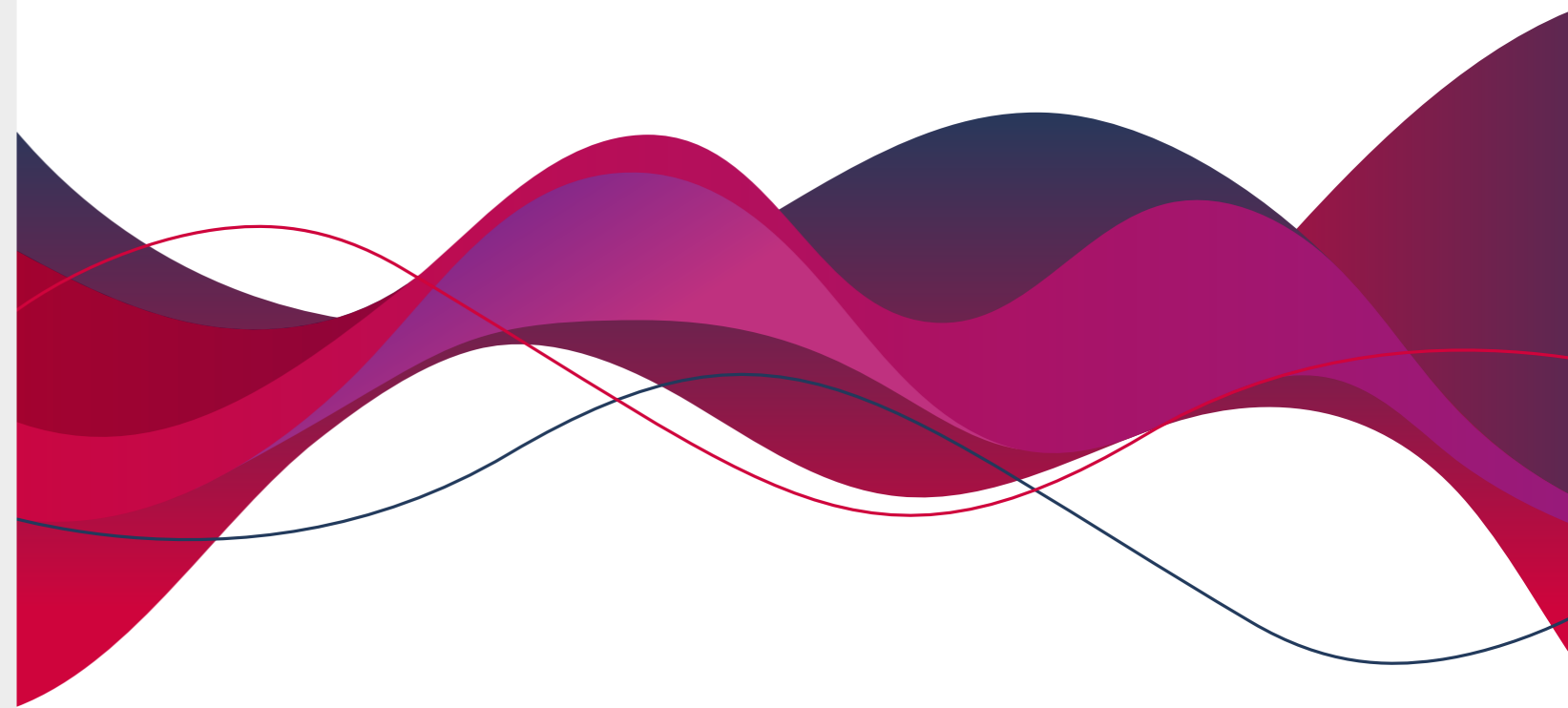
A detailed breakdown of the Employee Inclusion Index data is below but looking at the wider picture, retail has a long way to go in looking after its workforce, and we hope that this provides a starting point for the industry to build on and assess progress.

In detail

Across our series of twelve questions each respondent gives an assessment between 0 and 10, where 0 is disagree and 10 is agree. The questions are chosen to assess feelings of inclusion (fair treatment; trust/communications; involvement in decision-making; sense of belonging; feelings of psychological safety; and two overarching questions).

We have created an index of the average of the answers to track progress over time. The “Employee Inclusion Index” currently stands at 7.1, well up on the 6.2 figure in the year preceding. All metrics have increased comparing to last year, however, as mentioned previously, this might be due to the increased sample size and not necessarily an indication of improvement.

QUESTION	2024	2023	INCLUSION THEME
I have a good relationship with my manager	7.9	7.0	Overarching
I am trusted to make decisions	7.5	6.7	Decision-Making
I have enough information (and training) to do my job well	7.5	6.7	Trust/Communication
I am treated with respect	7.5	6.5	Psychological Safety
I am fairly paid	6.5	6.3	Fair Treatment
I feel proud to work for my organisation	7.2	6.3	Overarching
I am happy (and feel safe) with my working environment	7.3	6.2	Psychological Safety
My employer cares for my well-being	7.0	6.0	Belonging
Information is regularly and openly shared with me	6.8	5.9	Trust/Communication
My views are heard at work	6.8	5.8	Decision-Making
I am recognised when I do something well	6.7	5.7	Fair-Treatment
I feel happy at work	6.7	5.6	Belonging
Overall	7.1	6.2	



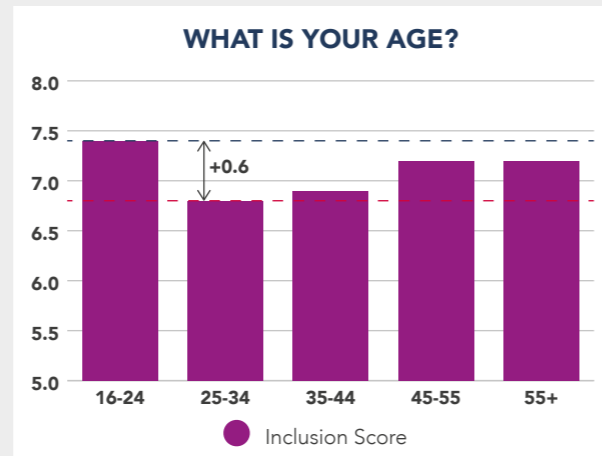
Source: BRC analysis of the Retail Trust survey data.

Age

25-34-year-olds had the most negative assessment of inclusion whereas 16-24-year-olds the best.

The 16-24 age bracket recorded the highest scores in overarching and in trust/communications. Respondents were particularly positive about 'having a good relationship with their manager' as well as having 'enough information (and training) to do my job well'. Scores in this cohort were generally above the 7-mark.

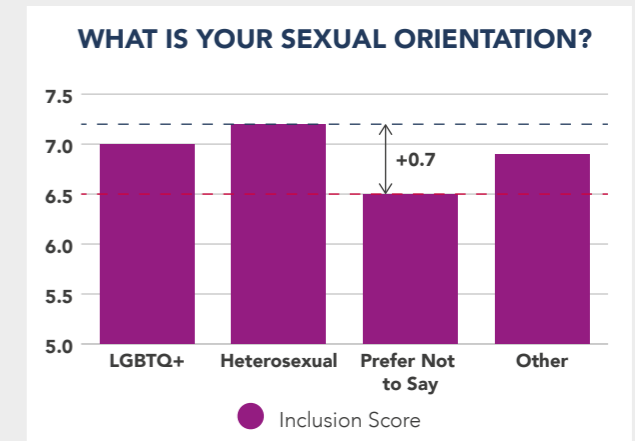
The 25-34 age bracket scored highest in overarching and psychological safety questions, noting good relations with management and feeling that they are treated with respect. However, lower inclusion scores were registered under the themes of fair treatment and belonging, with 'feeling happy at work' being scored low and 'I am fairly paid' scoring the lowest.



Sexual orientation

Across the themes, inclusion scores were again highest in the overarching and psychological safety questions but lowest in fair treatment. Scores were similar across heterosexual and LGBTQ+ cohorts, though there was a notable difference in how many felt proud to work for their organisation, with the former scoring this higher than the latter.

The LGBTQ+ cohort recorded higher scores in the trust/communications and overarching questions, particularly around feeling they had 'enough information (and training) to do my job well' and having 'a good relationship with my manager'. This group scored lowest on questions relating to the feeling of belonging and fair treatment. These sentiments resulted from a lower score for 'I am fairly paid' as well as fewer individuals feeling happy at work.

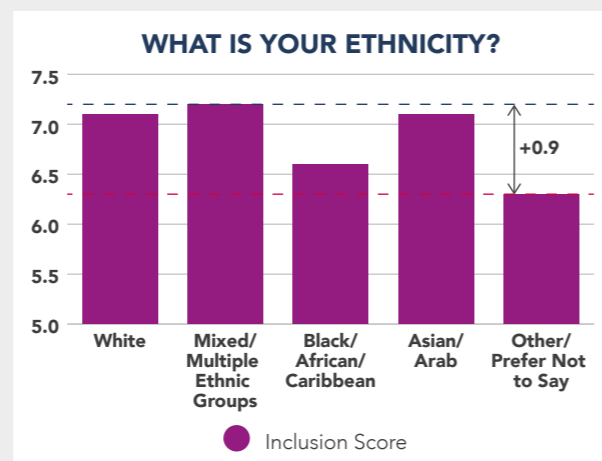


Ethnicity

Looking at ethnicity, inclusion scores were highest in responding to the overarching question (particularly around good relationships with managers) and the trust/communications question but lowest in belonging and fair treatment.

The Mixed/Multiple Ethnic Group marginally scored higher, while the White and Asian/Arab cohorts were a close second and third, both scoring 7.1. Greater progress is needed in relation to Black/African/Caribbean and 'other/prefer not to say' cohorts, which scored lower.

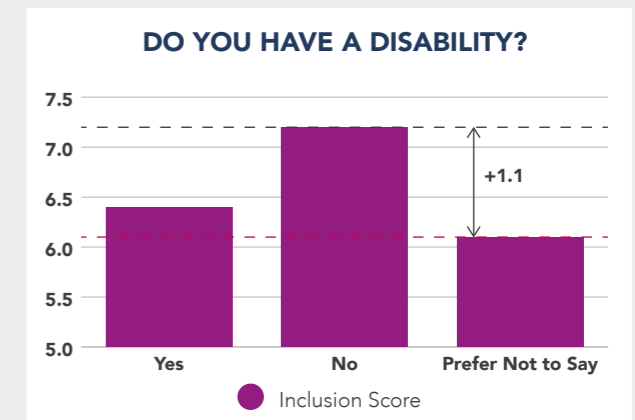
Asian-Arab as well as Black/African/Caribbean responses suggest that these groups feel proud to work for their organisation and had a good relationship with their managers.



Disability

Within respondents reporting a disability, the lowest inclusion scores were noted in relation to belonging and fair treatment. Those with disabilities had fewer individuals feeling recognised and many did not feel their views were heard.

Across the cohort reporting no disability, the highest scores were in the overarching questions and psychological safety.

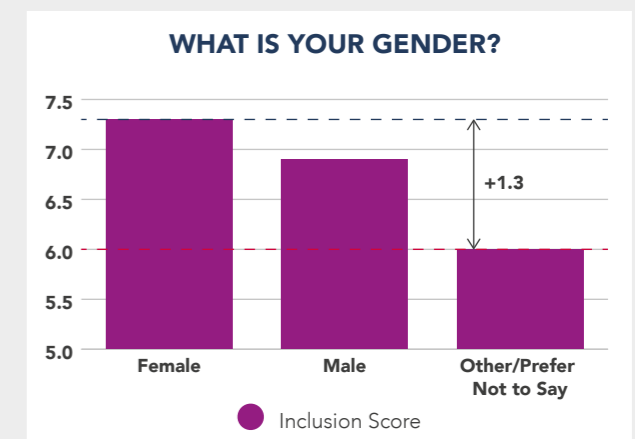


Gender

Inclusion scores split by gender gave the most positive responses in the psychological safety (with respondents feeling respected) and overarching themes but lowest in belonging and fair treatment (recognition was scored at a low level).

Females scored highest, followed closely by males (7.3 and 6.9 respectively). Further improvements are needed on the 'other/prefer not to say' group.

Females encouragingly rated being trusted to make decisions highly, however, they responded less positively on being fairly paid. The male cohort rated highly 'having a good relationship with their manager' though rated the lowest feeling happy at work.





Industry insights: case studies from retailers

Examples of best practice can be found right across the industry, in companies of all sizes and scopes. In the case studies over the next few pages, businesses at different stages of their D&I journey share insight on how they are driving up diversity and promoting inclusion in their organisation. These case studies provide practical examples of effective ways to increase representation and foster an inclusive environment in retail.



Nicola Kowalczyk
Chief People Officer

What are the top priorities for diversity and inclusion at JD Sports?

At JD Group we have a culture of continuous learning. We work hard to celebrate all forms of diversity and implement initiatives that continue to drive inclusivity.

We run internal training sessions and workshops covering topics such as an introduction to DEI, unconscious bias, inclusive recruitment, inclusive leadership, and more. We offer Apprenticeships along with Graduate, Internships and Work Experience Programmes.

Further to this, we're proud to continue our roll out of employee resource groups; bringing individuals together to share lived experiences, put forward initiatives to drive change, and empower all colleagues. We currently have a growing DEI network and specific groups for Wellbeing and Engagement. We are growing these employee resource groups, initially focused on Ethnicity, LGBTQIA+, and Disability/ Neurodiversity.

We are proud to be a 'Disability Committed Employer' and encourage disabled and neurodiverse candidates to utilise the Disability Confident Scheme.

We continue to support our colleagues' mental health and wellbeing by partnering with colleague assistance providers globally to support all employees to access free and comprehensive support.

The JD Foundation is doing some incredible work to support organisations working with young people in the UK. Can you tell us a bit about this?

JD Foundation is dedicated to uplifting and empowering young people across the UK. Founded

in 2015, the Foundation has a focus on high-impact partnerships, innovative career and employability initiatives, and community-driven support. It's committed to shaping a brighter future for the next generation, working with mental health organisations, homeless charities, and other groups to make a real difference.

In particular, JD Sports has some incredibly initiatives designed to support young people into work and provide work experience. Can you tell us about the JD Up Programme?

The JD Foundation and JD Group are reinventing their approach to careers and employability, with the evolution of the JD UP Programme. Working closely with schools, colleges and other educational establishments, JD is raising awareness of early careers options to inspire young people, and connect them to opportunities on a global scale.

Our first JD UP immersive careers event brought together 2500+ young people, 200+ JD colleagues, 20+ charity partners, 16+ JD departments and 14+ schools into the centre of Manchester. Our JD colleagues volunteered their time to deliver immersive career-based activities, to highlight the range of future careers within JD with the aim of inspiring and informing young people.

The recent Manchester event was on-brand and linked to youth culture, with Social Content Creator and JD Ambassador, Chunkz spending time interacting and inspiring the young people. We also welcomed some of our online Models to take part in the photography tasks and Kyle Walker, Sky Sports Presenter, took to the stage to co-host a Q&As and present awards to some amazing young people. We were thrilled to see 25% of the young people complete an expression of interest

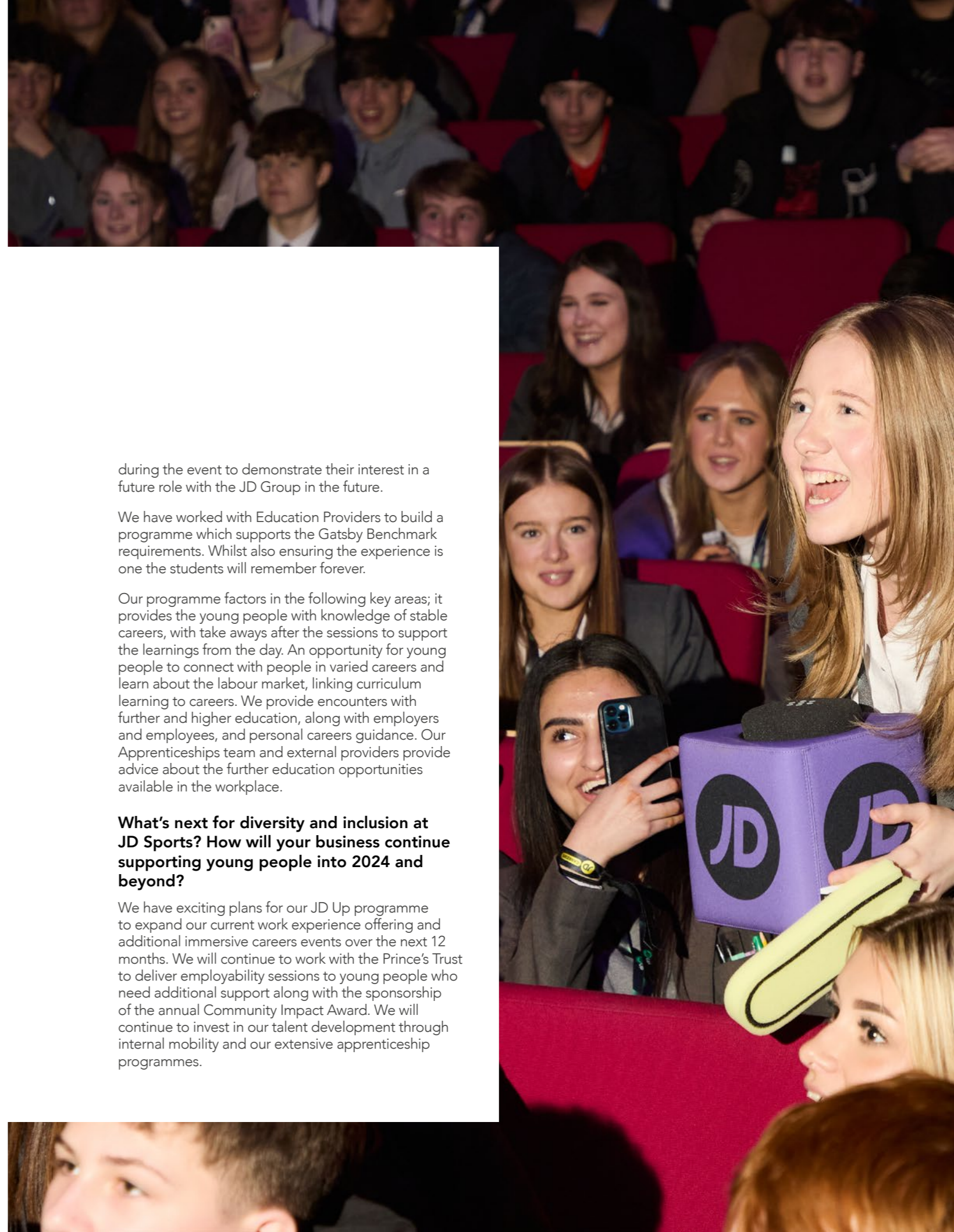
during the event to demonstrate their interest in a future role with the JD Group in the future.

We have worked with Education Providers to build a programme which supports the Gatsby Benchmark requirements. Whilst also ensuring the experience is one the students will remember forever.

Our programme factors in the following key areas; it provides the young people with knowledge of stable careers, with take aways after the sessions to support the learnings from the day. An opportunity for young people to connect with people in varied careers and learn about the labour market, linking curriculum learning to careers. We provide encounters with further and higher education, along with employers and employees, and personal careers guidance. Our Apprenticeships team and external providers provide advice about the further education opportunities available in the workplace.

What's next for diversity and inclusion at JD Sports? How will your business continue supporting young people into 2024 and beyond?

We have exciting plans for our JD Up programme to expand our current work experience offering and additional immersive careers events over the next 12 months. We will continue to work with the Prince's Trust to deliver employability sessions to young people who need additional support along with the sponsorship of the annual Community Impact Award. We will continue to invest in our talent development through internal mobility and our extensive apprenticeship programmes.





Kate Seljeflot
Chief People Officer

In 2024, how would you describe Kingfisher’s approach to D&I?

Our approach to D&I is co-created with our colleagues through various forums and networks. We are focused on embracing the cultural diversity of the different banners that make up Kingfisher Group, while also making employee experience (and by extension customer experiences) consistently better.

Are there any highlights you can share from the last twelve months?

The main highlight has to be our work on allyship across the Group. We started with employee listening, building a picture of data and insight which emphasised the strengths and opportunities in our culture.

We partnered with our Kingfisher I&D Forum (a group of colleague representatives from all businesses across Kingfisher Group) to launch a campaign called “Together. Stronger”, designed with colleagues globally and customised for local contexts. Part of this launch was an allyship e-learning, featuring real-life scenarios from our colleagues and tailored learning based on individual responses – all supported by an “Allyship Hub” that our colleague networks curated.

The response was better than we expected, with many of our colleagues electing to make a voluntary “allyship pledge” about the contribution they want to make to making Kingfisher a place where everyone belongs.

We know that Board engagement is critical in driving D&I. How much support do you get from the non-executive Board?

Twice a year, I present to the Board on our culture (including I&D) at Kingfisher. I show them the data that demonstrates our progress, update them on new initiatives, and they will provide feedback, support and challenge.

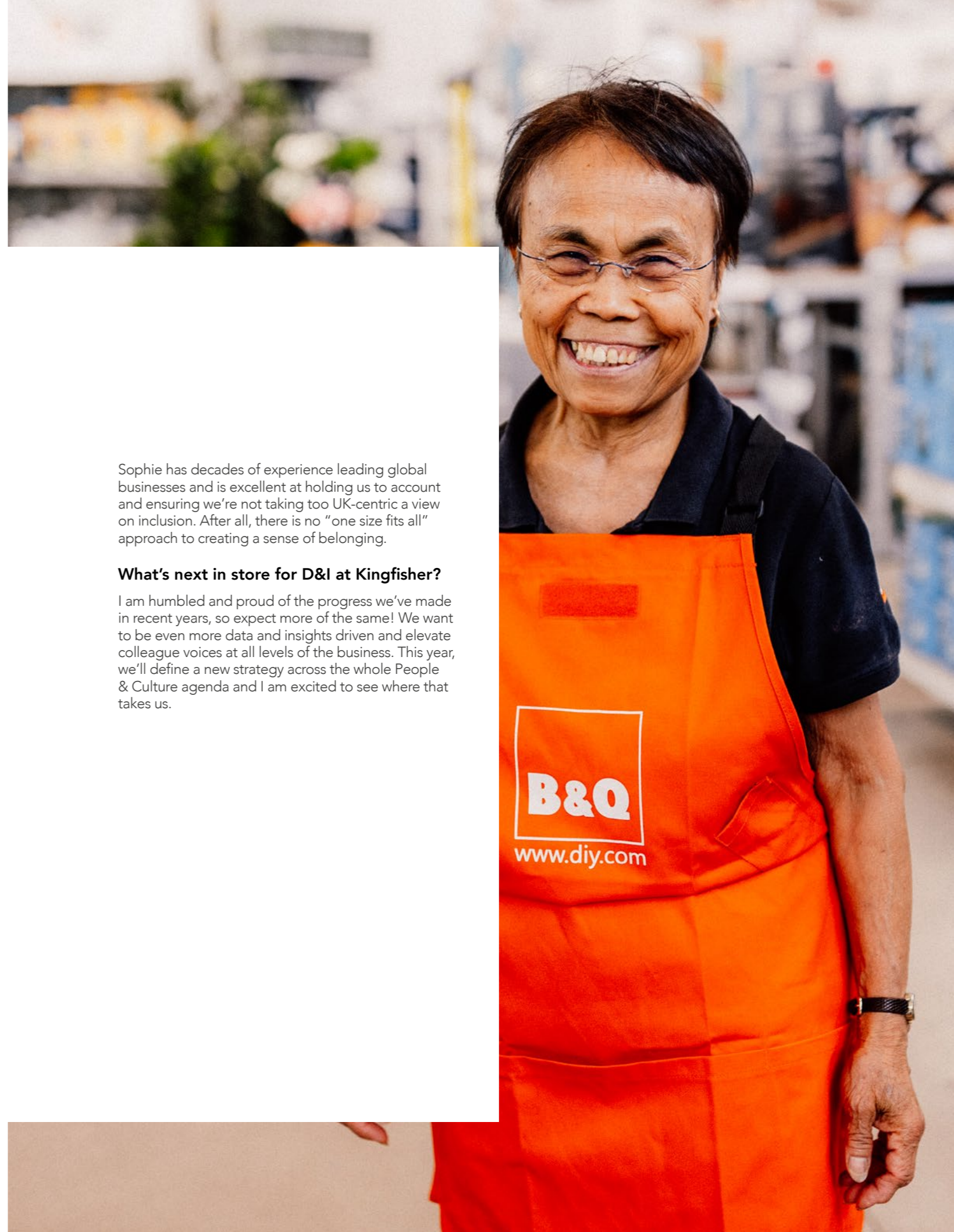
We also have a Responsible Business sub-committee, where we look at different parts of our D&I strategy in detail. We recently did a deep-dive on our allyship campaign, for example, and many of the committee chose to complete our allyship e-learning to understand the colleague experience and provide feedback.

And lastly, we have visible D&I role models on our Board. One of our NEDs, Sophie Gasperment, was our keynote speaker on International Women’s Day, and spoke at an event with 1,900 people in attendance.

Sophie has decades of experience leading global businesses and is excellent at holding us to account and ensuring we’re not taking too UK-centric a view on inclusion. After all, there is no “one size fits all” approach to creating a sense of belonging.

What’s next in store for D&I at Kingfisher?

I am humbled and proud of the progress we’ve made in recent years, so expect more of the same! We want to be even more data and insights driven and elevate colleague voices at all levels of the business. This year, we’ll define a new strategy across the whole People & Culture agenda and I am excited to see where that takes us.





Sarah Boyd
Managing Director

How important is D&I for Sephora?

Diversity and inclusion is one of our key differentiators in the market. I'd say that it is one of the most important parts of our DNA, and the reason that brands want to partner with us to sell their products. And our customers expect us to have a voice on the issues that matter, and to support under-represented communities.

Each year, we decide on pillars we're going to focus on. In 2024 it's gender, LGBTQIA+ and disability – those are our key anchor areas. We also commit to localisation, so each of our different markets also have their own D&I priorities and strategies.

We're also seeing D&I really become a bigger part of strategy, which is exciting.

Over the past year or so, some retailers have invested in initiatives to support the trans community. How are you doing this at Sephora?

For us, supporting and being allies of the trans and non-binary community is a signal of solidarity with the wider LGBTQIA+ community. It's an important part of our internal people strategy, which also signals the importance of diversity in all guises as a brand. In the

last year, we have hosted 'Classes for Confidence' – an in-store programming activity that is aimed at the trans community, which is focused on providing education to support a person's skin and skincare needs as it changes when going through hormonal changes. Additionally, we always invite drag queens and kings to host and provide entertainment at in-store events, and we have a raft of activities and activations planned around Pride, for the month of June and throughout the year.

How are you becoming more inclusive for disabled colleagues and customers?

Disability inclusion is a real passion of mine. I'm proud that we're taking proactive steps to make our business an inclusive place for members of the disabled community. All our stores and our offices are built to be disabled-friendly. Every store and office will have fully disabled facilities, like toilets, ramps, and fixtures far enough apart from each other so people can move around easily.

We are inclusive in our recruitment. We are always open to hiring people who have disabilities including those using wheelchairs into Support Centre, stock and shop-floor positions, and we insist that our logistics partners work with local charities to hire disabled people where possible. Globally, we've had a lot of

success with hiring disabled team members into our warehouses. We do a lot of training around how to support people with different disabilities, and what accommodations different groups might need. For example, if someone comes to an interview and they have a visual impairment, we would absolutely invest in whatever technology or machinery they need to be able to do the job.

And when it comes to recruitment strategies, we're very open-minded. We don't just look for talent in the obvious places like LinkedIn. We go to specific job boards where different groups look for jobs to ensure that we have a diverse talent pool that represents all backgrounds.

It's clear that D&I is completely embedded into the business at Sephora UK. Who is responsible for leading the agenda?

Our efforts are lead from the top, but truly informed by the employee voice. We have a D&I Committee in the UK, with six or seven members, plus our HR Director and myself. So we hear from all levels, functions and areas of the business, and discuss specific areas, topics that are close to people's hearts, and how we can integrate and tailor Sephora's global strategy into our organisation in the UK.



About Us

About the British Retail Consortium

The BRC is the lead trade association for UK retail. Our purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future. Retail is the 'everywhere economy', a vital part of the socio-economic fabric of the UK. The industry makes up 5% of the UK GDP and is the largest private sector employer, providing 3 million direct jobs and 2.7 million more in the supply chain. Retail has a presence in every village, town and city across the country. Over 200 major retailers are members of the BRC, with thousands of smaller, independents represented by BRC's trade association members. Together, these businesses operate across all retail channels and categories and deliver over £350 billion of retail sales

per year. We build the reputation of the retail industry, work with our members to drive change, develop exceptional retail leaders, and use our expertise to influence government policy so retail businesses thrive and consumers benefit. Our work helps retailers trade legally, safely, ethically, profitably and sustainably.

For more information, visit: www.brc.org.uk

About the BRC D&I Charter

The D&I Charter is one of the BRC's leading initiatives. Set up in 2021 by the HR Community, it focuses on six commitments: oversight, recruitment, progression, reporting, inclusivity and responsibility. Logos of signatories to the BRC D&I Charter are below.

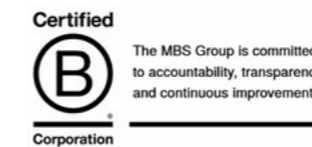


About The MBS Group

For more than 30 years, The MBS Group has been a leading sector-specialist executive search firm advising all consumer-facing industries, with a particular focus on the retail sector. In 2023, MBS gained B Corp accreditation. Clients consider us to be the partner of choice when searching for critical leadership roles that make a difference. We work at board level and on executive positions across all functions of strategic importance. For more information, visit www.thembgroup.co.uk

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