

GENDER PAY GAP REPORT

2023

Capco is committed to supporting the talents of all our people, enabling everyone to 'be yourself at work'. We do this by fostering an inclusive and empowering culture based on our shared values – respect, integrity, excellence, commitment and knowledge. We are committed to promoting these values so that everyone at Capco can achieve their full potential.

To achieve this, we now have quarterly reviews with senior leadership and the Diversity, Equity and Inclusion Centre of Excellence (DEI COE) on diversity action plans. Succession planning with leaders has become an integral part of our plan to ensure women are well represented, and that their career progression is supported through development plans and access to our mentorship programme.

Our management and leadership hiring strategy has included a market mapping exercise with a dual focus on gender and ethnic diversity. We've also run inclusion workshops, quarterly listening forums and engagement surveys to better understand the experience of employees across the firm.

In 2022 we established an employee-led Parents & Carers affinity group to build a supportive community for those balancing work and family commitments, with a focus on peer-to-peer support, line manager training and policy change. We recently launched a progressive Workplace Adjustments Policy and Process which, whilst primarily in place to support those with requirements from an ability perspective, also supports colleagues who have specific requirements with regards to removing any barriers at work, such as the option to work flexibly. We also launched an internal menopause support group to provide a community, and resources, for employees who are experiencing the menopause.

This report highlights our current position on gender pay, along with progress against our gender diversity targets, and outlines the actions we're taking to close our pay gaps.

SUMMARY OF OUR RESULTS

As at 5th April 2022, Capco had 1,551 full-pay relevant employee headcount compared to 1,277 previous year (a 21% year on year increase).

During the Annual Pay Period April '21 to April '22, Capco hired 726 employees of which 264 were women (36%) and saw 536 leavers of which 160 were women (30%).

This has led to a positive shift in increasing the overall representation of women at Capco from 33% to 35%, but we need to continue to focus on improving this ratio.

77% of women hires have been at the lower two quartiles. This has increased the overall representation of women at the lower quartiles from 36% to 42%, compared to 26% at the upper two quartiles.

The increase in overall representation of women in the lower two quartiles reflects a clear strategy to achieve gender balance in our Associate (entry level) intakes so that we build a long-term, gender balanced pipeline of talent. We have already achieved our 2025 target of 50% women Associates – as of 30th September 2022 we employed 128 women out of a total Associate population of 256. Whilst this is clearly a good thing, in the shorter term it has prompted an increase in the overall median gender pay gap. Greater representation at any level is a positive change, but we need to ensure that this is replicated across all levels of our business. Hence we remain committed to at least 30% of our senior leaders being women by 2025. This is going to be pivotal to us reducing our pay gap and will be achieved through continued focus on development, retention and progression of diverse talent. We also focus considerable attention on ensuring pay equity at each level, with the data showing that no consulting grade has a mean pay gap bigger than 5%.

The overall Capco gender hourly pay gap, both mean and median for April 2022 is 17%, which is aligned to the sector and industry standard.

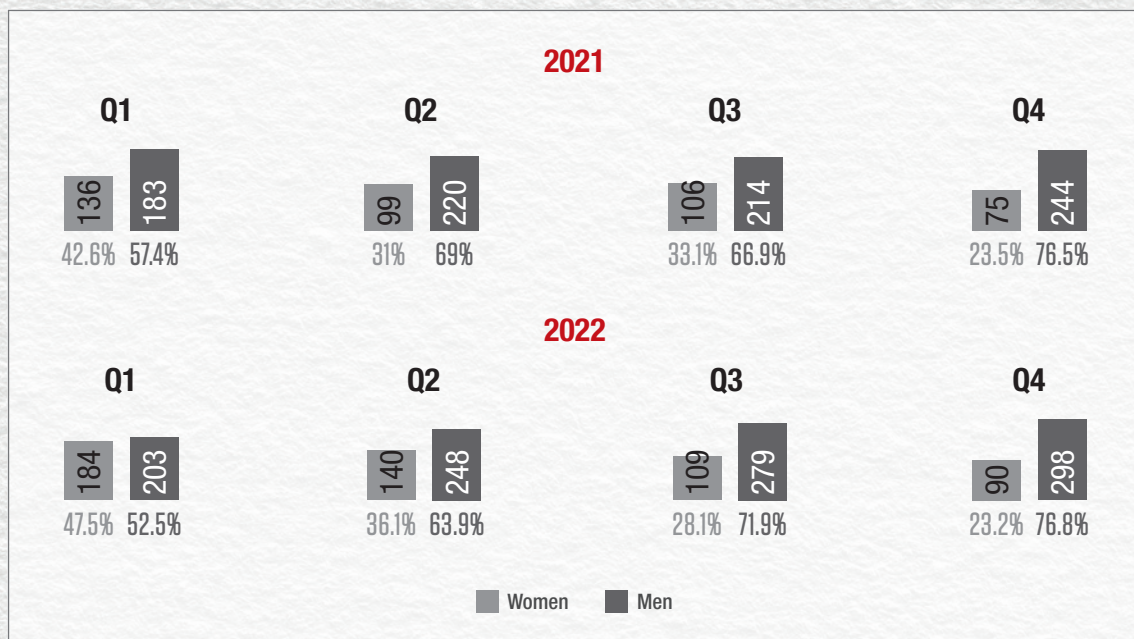
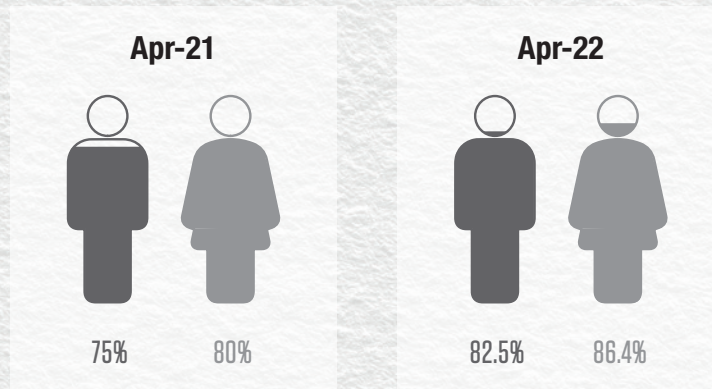
Our median bonus pay gap has reduced considerably and is now below 4%, reflecting the equitable, meritocratic approach to how performance is assessed and rewarded at Capco.

RESULTS COMPARISON

GENDER PAY GAP			BONUS PAY GAP		
	Apr-21	Apr-22		Apr-21	Apr-22
Mean	14%	17.25%	Mean	10%	11.83%
Median	3%	17.18%	Median	9%	3.70%

RESULTS COMPARISON

% of employees receiving a bonus



PAY GAP ACTIONS – PROGRESS AND NEXT STEPS

Advancing Diversity, Equity and Inclusion (DEI)

Capco established a dedicated DEI Centre of Excellence in 2021 that is playing an increasingly vital role in providing best practice guidance, training and advice to managers.

Supported by our DEI Centre of Excellence, we seek to drive an inclusive culture of belonging, amplify the voices of underrepresented groups, and empower diverse communities. We have established aspirational hiring and progression targets for underrepresented groups by recruiting, retaining and developing more inclusively. Our goals are:

- At least 30% of senior leaders will be women by 2025
- 40% of the Capco workforce will be women by 2025
- 50% of Capco Associates will be women by 2025

We are either ahead of, or on track to meet these targets. During the Annual Pay Period April '21 to April '22, our representation of women in senior leadership roles was 24.3% and women represented 36% of our total workforce. At Associate level we achieved the 50% target this past year. We have expanded our network of Affinity Groups to five: Women@Capco, Parents&Carers@Capco, Pride@Capco, Ability@Capco and Race&Equality@Capco. We have grown our partnerships over the past year to further our diversity goals, with Women in Banking and Finance, Women in Tech, SheCanCode, myGwork, Business Disability Forum and Black Young Professionals among those organisations we've established partnerships with.

These networks and partnerships have helped to promote inclusion of, and generate awareness around, gender and underrepresented groups, and to create an environment for people to connect, engage, educate, inspire, and celebrate each other. They also play an important role in our strategy to attract and retain women and underrepresented talent, outlined in more detail below.

Attraction

- We set a target that women will represent 50% of our Associates by 2025. We have met this target early but will continue to monitor to ensure we maintain this balance. Several of our current leaders came through our Associate Trainee Programme, so we consider the gender balance at this level to be central to our long-term strategy of building a diverse talent pipeline and increasing representation at senior management levels.
- At more senior levels, we are currently focusing on market mapping through a DEI lens. This is already helping us to attract passive candidates who are women and/or ethnically diverse and will remain a key part of our talent sourcing strategy over the next year.
- We have continued to run our Return to Work programme, with a focus on women who have been out of the workforce for at least two years. This has been successful in reaching women at junior manager level in particular and we have had two successful intakes this year.

Retention

- We continue to offer hybrid working which enables more flexibility across the workforce, lifting some of the barriers for many of our employees. We have promoted inclusive, hybrid working approaches for teams to foster a sense of belonging for all colleagues, irrespective of their working pattern or caring responsibilities.
- We are increasingly recognising and celebrating talented women in our workforce by nominating individuals for external awards. In 2022, we submitted 23 women for a wide range of awards, with two winning awards with Women in Banking and Finance.
- Women@Capco, one of our affinity groups, supports the professional advancement of women within our organisation and across the wider financial services sector. It provides women with opportunities to grow their network, learn from one another, and give back to the community. It also collaborates closely with other Capco affinity groups to help ensure that we give voice to underrepresented groups, as well as managing mentoring programs and identifying opportunities to spotlight female talent both internally and externally.

Development

- We piloted a Women in Leadership programme in our Scotland Office. The pilot aimed to build the next generation of female leaders in Capco Scotland through developing confidence and leadership skills, ensuring senior sponsorship and having the opportunity to build a strong network within the business. We will be monitoring the impact of these sessions over the coming year.

- We developed a toolkit to help individuals spot where biases can show up in performance, promotion and compensation conversations and processes, including ways to act on this so that our processes remain fair and equitable. We are committed to ensuring an equitable workplace experience for employees, as evidenced by high scores on Fair Treatment in our most recent employee engagement survey.
- We hosted a series of guided discussions to help us better understand the experiences of women at Capco globally. By speaking with women at all levels across the business, we learn more about their needs, the challenges they face, and their views on career development and growth opportunities. Feedback and insights from the sessions will inform and influence decisions and strategy so that we can shape more equitable practices at Capco.

Ethnicity Pay Gap

We are continuing to improve the richness of our data collection and analysis on ethnicity and we will further improve this reporting, analysing trends in performance ratings and promotion nominations, as well as pay and bonuses.

We have established representation targets for Black and minority ethnic employees in the UK as below:

- 7% of employees will be Black by 2025
- 30% of employees will be from a minority ethnic group by 2025

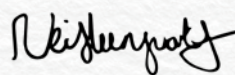
We have achieved the 30% target two years early and are on track to achieve the 7% target ahead of schedule. Our focus for the coming year will be on further strengthening representation at senior management levels and building a diverse talent pipeline in support of this.

DECLARATION

We confirm that Capco UK's Gender Pay Gap calculations are accurate and meet the requirements of the Regulations. The calculations, data and commentary contained in this report have been confirmed by our Leadership Team, who have confirmed that the methodology provided in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 have been applied correctly.



DEE McDOUGAL
Head of Diversity, Equity & Inclusion



NEIL HUNSWORTH
HR Director