

GENDER AND ETHNICITY PAY GAP REPORT 2023

PUBLISHED ON 4TH APRIL 2024

A commitment to innovation and delivering transformational outcomes for our clients is central to everything we do at Capco. We believe that diversity and inclusion, in all its forms, powers this innovation and is the cornerstone of our success. Our commitment to diversity and inclusion is underpinned by our recently refreshed values of #MakeADifference, #ActWithIntegrity and most importantly #BeYourselfAtWork. These values promote a culture where everyone in Capco can achieve their full potential.

As of 1st of April 2024 Anne-Marie Rowland, our UK Managing Partner, became Capco's new CEO. Annie is the first woman CEO in Capco's 25-year history and is one of the few female CEOs of a global consultancy. She joined Capco in 2010 as a Principal Consultant and progressed rapidly to serve on the global leadership team in a number of executive roles, including sponsor of our Women@Capco network. Her appointment reflects the best of our meritocratic and inclusive culture. Annie will remain Managing Partner for Capco UK and continue to champion diversity, equity and inclusion as a female role model, working parent and industry leader.

In parallel to Annie's appointment, Capco's Global Leadership Team has also been expanded. The expanded structure includes the roles, skills and strategic focus required to drive growth in our business, and to promote more inclusion and greater paths to leadership succession in Capco. With the recent changes, for the first time, the global leadership team will have >40% female representation and greater diversity. A high proportion of the female leaders in this global team are based in the UK.

Succession planning is an integral pillar of our approach to ensure women are represented and supported in Capco. It is rewarding to see the focus on this strategy come to fruition with our recent leadership changes. In 2023, to continue this commitment to proactive planning, we have introduced a Women's Leadership Development Programme, for high-performing senior and emerging women leaders. The programme is designed to support participants to advance their careers at Capco and is an investment to develop the diverse leadership of the future.

We continue to hold the UK leadership team accountable by including a goal on inclusion and culture in all Partner and Executive Director scorecards. We also regularly review progress against diversity and inclusion objectives within core business processes, e.g. talent acquisition, performance enablement and our "Shape Our Future" pulse surveys.

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

SUMMARY OF OUR RESULTS

As at 5th April 2023, Capco had 1,537 full-pay relevant headcount compared to 1,551 the previous year (-0.9% year on year decrease).

During the Annual Pay Period April '22 to April' 23, Capco hired 410 employees of which 152 were women (37%) and saw 534 leavers of which 177 were women (33%).

This resulted in a net positive shift in the representation of women at Capco to 35% and we remain on track to meet our target that 40% of the Capco workforce will be women by 2025.

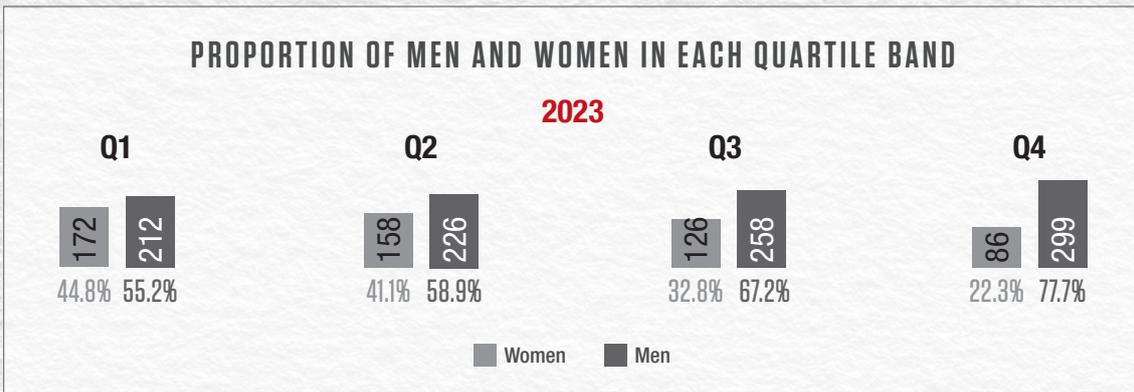
Representation of women has improved at both the lower quartiles (from 42% to 43%) and upper quartiles (from 26% to 28%), which demonstrates positive progress. The progress in the upper quartiles has enabled an improvement of 5%+ in both our mean and median pay gap. This reflects our strategy of proactive development and retention of women within the organisation. This will continue to be an important focus as women remain relatively under-represented in the upper quartiles and therefore further progression is pivotal to reducing our pay gap.

The overall Capco gender hourly pay gap, both mean and median for April 2023 is 16%, which is aligned to the sector and industry. We also put significant focus on ensuring pay equity at each level, with the data showing that no consulting grade has a mean pay gap above 4%, down from 5% last year.

Consistent with last year a slightly higher proportion of women than men received a bonus based on the strength of their individual performance. Our overall bonus pay gap is materially influenced by underrepresentation of women in the upper quartiles but is aligned to the sector and industry. Whilst representation is improving, as outlined above, due to performance cycles there is a natural delay in this reflecting within bonus pay. Bonus pay equity at level, for similar performance, is also a key focus. The data shows that no consulting grade has a mean bonus pay gap of more than 10.5%, aside from Executive Director which, along with several other levels, favours women.

2023 RESULTS*

GENDER PAY GAP		% OF EMPLOYEES RECEIVING A BONUS		BONUS PAY GAP	
Mean	16.22%	Men	68.99%	Mean	31.00%
Median	16.37%	Women	71.45%	Median	29.06%



*We have amended the methodology for bonus pay gap calculation in 2023 based on improved understanding of the guidelines. Our bonus payment schedule also changed between 2022 and 2023.

PAY GAP ACTIONS – PROGRESS AND NEXT STEPS

Advancing Diversity, Equity and Inclusion (DEI)

Supported by our DEI Centre of Excellence, we seek to drive an inclusive culture, amplify voices of underrepresented groups and empower diverse communities. We have had established aspirational targets for gender representation for several years now, that we remain on track to achieve:

- 30% of all Capco leaders will be women by 2025
- 40% of the Capco workforce will be women by 2025
- 50% of Capco Associates (entry level consultants) will be women by 2025

Across key business processes, from attraction to development and retention, we proactively monitor the impact of our strategy and actions on our progress towards targets. In 2023 we launched a refreshed employee survey, “Shape Our Future”, enabling us to gather a quarterly pulse on important diversity and inclusion topics. Our network of Affinity Groups and external partnerships also play an important role in providing feedback, new ideas and industry best practice to enable further improvement. Highlights of our focus areas are provided below.

Attraction

- All recruiters have completed an inclusive hiring workshop focused on recognising potential biases and how to overcome them.
- We continue our focus on market mapping to increase gender diversity within our talent pools for senior roles and future leaders. In 2023 this helped us to add new female talent to the UK Leadership Team.

Retention

- External partnerships remain a key pillar of our strategy and include Women in Banking and Finance, Women in Technology, Women in Data, SheCanCode, Business Disability Forum, myGwork and Black Young Professionals. We have been recognised by several of these organisations for both company initiatives and individual contributions, building on our success in prior years:
 - Women in Tech: Best Returnship Programme
 - Women in Tech: Best Marketing Campaign
 - Tech 100 Winners: Emma Cudal, Klaudia Zawrotna
 - DevelopHer: Winner Tech Star, Lorina Castroverde
- Women@Capco, continues to be a very active and well supported affinity group. This year they have placed a particular focus on helping women to expand their networks, after feedback that women felt this connection had been impacted by COVID-19. Women of all levels, including the UK Managing Partner, have benefitted from regular “Coffee Roulettes”, “Empower Hours”, as well as hosting a variety of engaging events with our external partners.
- We continue to offer hybrid working, which enables more flexibility across the workforce, lifting some of the barriers for many of our employees. In response to feedback from focus forums we have updated our approach to work events, adjusting timing and duration to enable those with caring responsibilities to attend more regularly.

Development

- We have enhanced our talent and succession planning process with the expansion of formal talent reviews to the Senior Consultant and Principal Consultant level, enabling us to better understand our talent pipeline and identify where there might be themes impacting underrepresented groups on which we can act.
- A cohort of UK women are participating in a global Women’s Leadership Development programme, providing these high-performing senior and emerging women leaders with coaching, more opportunities for learning and global connection. The programme will also support them with promotion readiness at the appropriate time.
- Following a successful 2022 pilot in Scotland, we have also launched a mentoring programme across the UK. This programme is aimed at developing the confidence and leadership skills of women who are in the early stages of their leadership journey over the course of 6 months.

Ethnicity Pay Gap

We are pleased to share Ethnicity Pay Gap information for 2023. Being able to share this data for the first time is important progress and reinforces our commitment to equity for all underrepresented groups.

We have established aspirational targets for representation of racially and ethnically diverse employees in the UK:

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

We have achieved and exceeded the target for minority ethnic representation early, with 40% representation. We remain on track to achieve the 7% target for representation of Black employees in 2025.

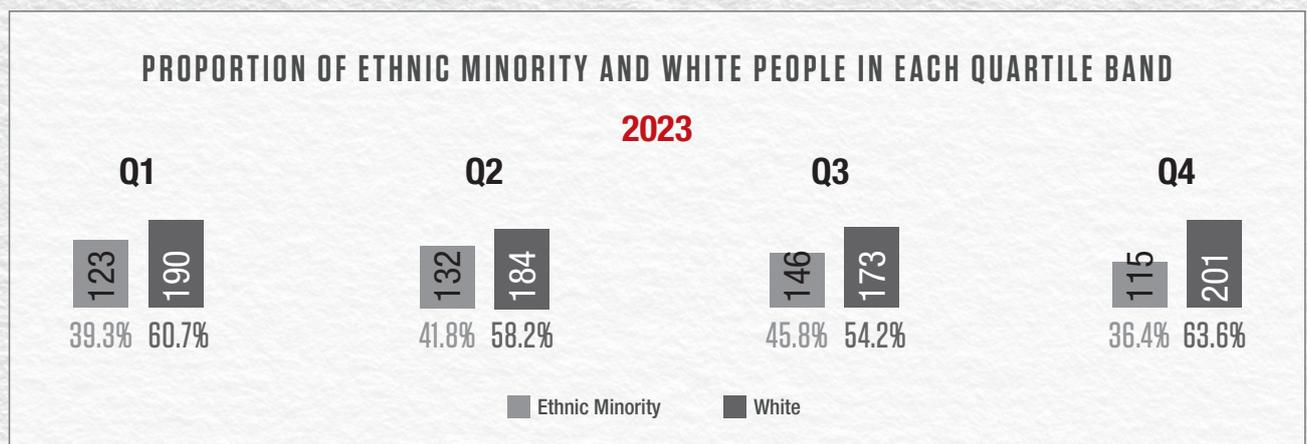
The overall Capco ethnicity hourly mean and median pay gap reflect good representation across all 4 quartiles and pay equity at each level. The mean gap of 7% demonstrates the need to further strengthen representation at senior management levels and build a diverse pipeline to support this.

The data shows that a higher proportion of white employees receive a bonus based on the strength of their individual performance. Detailed analysis is underway to understand the factors contributing to this gap and to determine whether there are any unconscious barriers or biases that require intervention.

Our overall bonus pay gap is materially influenced by underrepresentation of employees from an ethnic minority in the upper quartile and particularly at Partner level. Bonus pay equity at level for performance is also important and the data shows that no consulting grade has a mean bonus pay gap of more than 13%.

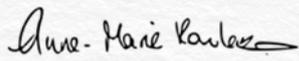
Market mapping to increase diversity within our talent pools for senior roles and future leaders is a key area of focus for 2024.

ETHNICITY PAY GAP		% OF EMPLOYEES RECEIVING A BONUS		BONUS PAY GAP	
Mean	6.75%	White	67.02%	Mean	46.91%
Median	-1.24%	Ethnic Minority	63.00%	Median	33.00%



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 in this report have been confirmed by our Leadership Team, who confirmed that the methodology provided in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 have been applied correctly.



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Capco CEO



AMY CLARK
HR Director



DEE McDOUGAL
Head of Diversity, Equity & Inclusion