

2023 UK GENDER PAY GAP REPORT



UNDERSTANDING THE GENDER PAY GAP

What is the gender pay gap?

The gender pay gap is the difference between the average hourly earnings of men and women. For example, a 4% gender pay gap shows women earn 4% less per hour (on average) than men. To calculate the gap, we measure the difference between men and women's average pay. In Great Britain, it's a legal requirement for employers with more than 250 employees to report their gender pay gap.

What is equal pay?

Equal pay is different to the gender pay gap. It looks at the legal right for men and women to be paid the same for doing equal work.

While equal pay and the gender pay gap measure different things, they both provide valuable insights.

We regularly review the pay of associates who do equal work. This process also takes into consideration things like location and experience as these can affect someone's salary, regardless of gender.

At Capital One UK, we pay women 100% of what men are paid for equal work.

How do we calculate our gender pay gap?

We measure the difference between the salary of men and women in two different ways: the mean and the median (as required by law).

- **The mean figure** is the sum of all the men's or women's salaries, divided by the number of men or women respectively. The women's figure is shown as a proportion of the men's and the difference between these two figures is the gap. This is the figure we officially report.
- **The median figure** lists all the men's salaries from lowest to highest and takes the middle number, then compares this to the same figure for the women's salaries.

We also report our mean and median gaps in relation to bonus pay, as well as the proportion of men and women who receive a bonus in addition to their salary.

For the purposes of this report, Capital One UK refers to Capital One (Europe) PLC.



2023 RESULTS

MEAN HOURLY GAP

17.9%

MEDIAN HOURLY GAP

22.7%

PROPORTION RECEIVING BONUS PAY



90%
MEN



88%
WOMEN

MEAN BONUS GAP

22.9%

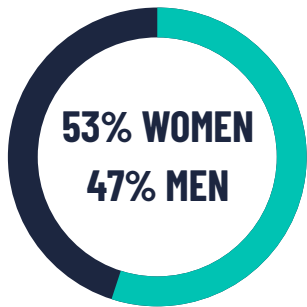
MEDIAN BONUS GAP

26.4%

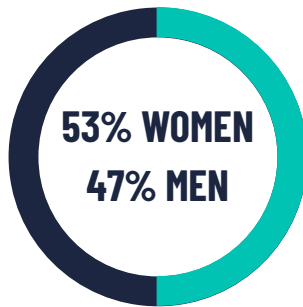
PAY QUANTILES



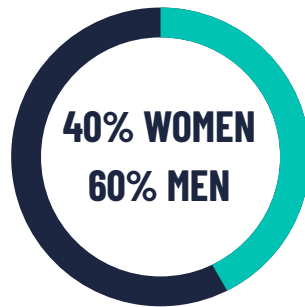
LOWER



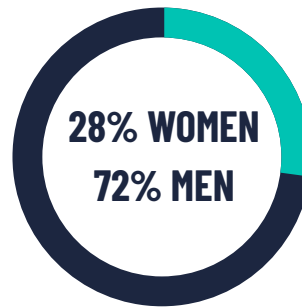
LOWER MIDDLE



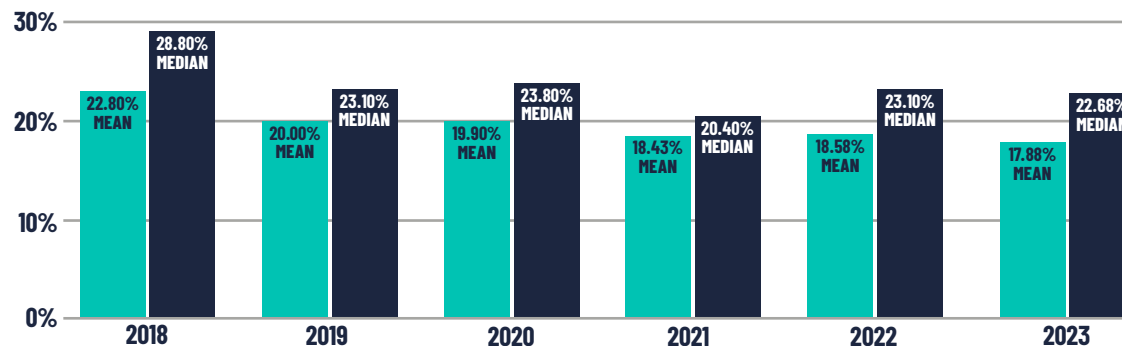
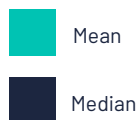
UPPER MIDDLE



UPPER



GENDER PAY GAP OVER TIME



WHAT DO THESE FIGURES MEAN?

These figures show the gap between the average (mean and median) pay for men and women across all roles, levels of experience and seniority at Capital One UK.

We're happy to report that both our mean and median gender pay gaps have reduced this year. This is primarily as a result of women being promoted into more senior, higher-paying roles - a trend we're committed to continuing in the future.

After three years of seeing our annual mean and median gender bonus pay gaps reduce, our gaps for bonus pay have widened in 2023. While it's a break in trend, it's one that's been driven by positive action. In October 2022 we, like many other large employers, made the decision to give our lower-paid employees a one-off payment to support them through the rising cost of living. We were proud to be able to offer this safety net as an employer already committed to paying all our associates a National Living Wage. However, this disproportionately impacted those earning around the UK median pay.

The one-off payment was given to lower-paid associates, where we see a higher representation of women who are not normally eligible for bonuses based on our pay structures. This meant that the number of associates receiving a bonus increased for both men and women, and the increase in the number of women receiving bonuses was greater than the increase in men.

However, because this one-time payment amount was smaller than the average bonus received by typically bonus-eligible associates, the average and median bonus amounts decreased. Ultimately, because a greater proportion of women are receiving a smaller bonus compared to men, the bonus pay gap widens. We expect our figures in the future to be back in line with the positive trend we've seen in previous years.

Overall, we're making positive progress since we started reporting on our pay gaps in 2018.

WHAT ARE WE DOING TO MAKE A DIFFERENCE?

We've made progress towards closing our gender pay gap in 2023, but we know we have further to go to achieve our goals.

A key priority of our Diversity, Inclusion and Belonging strategy is increasing the representation of women in our senior leadership team. We know that having more women in higher-paying roles is one of the best ways to make real progress in tackling the gap.

As of August 2023, we reported a 7:11 (women:men) gender balance in our senior management team as part of our Women in Finance Charter commitment, which means that 39% of this group are women. We're on track to meet our target to increase the representation of women in our senior management population to 40% by the end of 2025.

We're aspiring to meet some challenging goals, so we regularly check in to help us stay on track. Our ongoing action plans include:

- Continuing our recruitment efforts to attract more women to roles where they have traditionally been underrepresented. We've taken a detailed look at our metrics and pipeline for future talent and are putting plans in place to support the progression of women at all levels of the organisation.
- Continuing to invest in our external partnerships, like with National Numeracy. Through this partnership, we've supported the research they've done to ensure the impact and importance of number confidence in women is fully explored and addressed. This partnership also involves corporate volunteering activities designed to encourage girls and young women to consider mathematical and technical professions.
- In 2023 we launched a Data Literacy apprenticeship where 47% of the associates are women. We partner with Women In Banking Finance, whose work develops and champions women in the financial sector.
- We're continuing to work with Code First Girls, who seek to remove barriers to employment and provide training placements for young women. This year we've more than doubled the number of employees joining us through the Code First Girls programme and we're committed to the future of this partnership.
- Continuing to invest in the development of women throughout the organisation, and particularly in how women experience the workplace. This includes learnings around health and wellbeing, family, leadership and mentoring opportunities, and active allyship to elevate our commitments to women, particularly those from underrepresented groups.



A MESSAGE FROM OUR CEO

I continue to be committed to making it possible for everyone to thrive at Capital One UK - regardless of gender, ethnicity or background. We've made progress this year and the gender pay gap has decreased. We've continued to stretch and develop our talented women. We've also been thoughtful and creative, recognising that women who show great capability in one part of our business are often talented leaders whose skills are equally applicable to other roles. These side-steps open up a path to senior leadership, and the pay that accompanies that. We will continue to build on our progress here.

We also recognise that for more women to have access to the widest range of opportunities, there are imbalances in skills that need to be addressed. The National Numeracy research on numeracy and social mobility that we sponsored, demonstrated that women in particular can find their opportunities are limited by a lack of confidence with numbers. Addressing this gap is something we're determined to play our part in. I'm particularly proud of the women who've come forward to take advantage of the Data Literacy Apprenticeship we launched for our team this year. The skills they'll develop will create new career options for them, and even better paid roles should follow. There is always more to do. I look forward to building on our momentum in 2024.

I confirm that the figures in this report are accurate.

Lucy-Marie Hagues
CEO, Capital One UK

