

# 2021 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 (e.g. a 4% gender pay gap shows women earn 4% less an hour, on average). To work out 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. This is the legal right for men and women to be paid the same for doing equal work. Equal pay and the gender pay gap measure different things, but they both provide valuable insight.

We regularly review the pay of associates who do equal work. This process 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.

In 2021, Capital One UK's mean and median gender pay gaps decreased.

<b>2020</b>	Mean - 19.9%
	Median - 23.8%
<b>2021</b>	Mean - 18.4% ▼
	Median - 20.4% ▼

\*Capital One UK in this report refers to Capital One (Europe) PLC



# 2021 RESULTS

## MEAN HOURLY GAP

18%

## MEDIAN HOURLY GAP

20%

## MEAN BONUS GAP

20%

## MEDIAN BONUS GAP

16%

## PROPORTION RECEIVING BONUS PAY



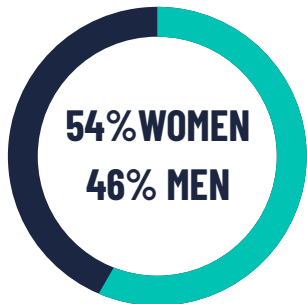
78%  
MEN



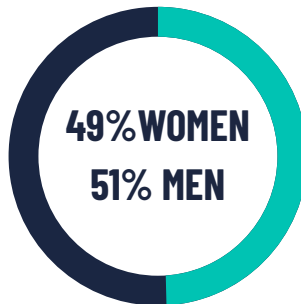
62%  
WOMEN

## PAY QUARTILES

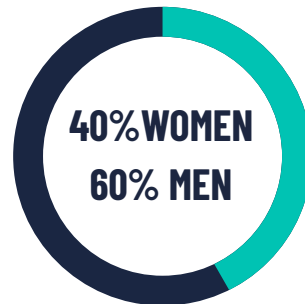
### LOWER



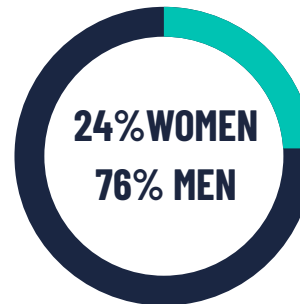
### LOWER MIDDLE



### UPPER MIDDLE



### UPPER



Women Men

## 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 the 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.

In recent years, some of the associates at the lower end of our pay spectrum have had their discretionary bonus pay incorporated into their base pay. This was a deliberate strategy to enable them to receive a guaranteed fixed salary, giving them access to wider benefits (such as clarity of earnings for mortgage applications). As in wider society, a larger proportion of those lower-paid employees were women and this is reflected in our bonus pay gap.

We're really pleased to report that outside of this group of associates, for the second year in a row, the proportion of women receiving bonus pay increased. And in 2021, we have seen the bonus pay gap reduce significantly.

# WHAT ARE WE DOING TO MAKE A DIFFERENCE?

We've made significant progress this year, but we know we still have some distance to go to close the gender pay gap.

Having more women in higher-paying roles is one of the best ways to make real progress in addressing the gap. Increasing the representation of women in our senior leadership team remains a key priority of our Diversity, Inclusion and Belonging strategy. And we're really proud that we now have 50/50 gender parity on our Board.

In 2021, we really scrutinised our initiatives to better direct our resources. In addition, we've made improvements to our data collection and insight gathering so that we can see what's working and what isn't. This allows us to identify the areas of improvement that will add the most value - such as career progression, flexible working and ensuring robust hiring decisions.

We're continuing to build the gender diversity of our talent pipeline, paying particular attention to roles where women have traditionally been underrepresented (such as Analytics and Technology). We've created a talent acquisition team that understands how to access diverse talent in the market. And, at the same time, we are engaging with our existing associates to ensure that they can develop their careers at a pace that suits them.

As we emerge from the pandemic and move to a hybrid working model, we're keeping diversity and inclusion at the forefront of our planning. This will minimise the barriers women face at work and enable them to leverage new opportunities.

Our Business Resource Groups are working in partnership with our Human Resources team to make sure that women at Capital One can get the resources and support they need to be successful.

We've set ourselves some challenging targets which we're checking regularly to make sure we reach the goals we're aspiring to achieve. These are underpinned with action plans which include:

- Investing in talent strategies that enable the hiring and internal mobility of women
- Driving Change in the Middle - an insight gathering project designed to address barriers to progression, promotion and retention for women in mid-tier levels, creating a healthy pipeline for senior leadership
- Taking positive action to ensure women and ethnic minority women are accessing development opportunities
- Leveraging our networks to proactively engage with the women who work for us so we can truly understand how to meet their needs in a changing world of work
- Celebrating women role models, as well as working with allies at all levels, to elevate our commitments to women, in particular those from underrepresented groups
- Planning for the future with initiatives such as school and university partnerships and programmes designed to promote numeracy skills and careers in technology, especially to young women.



# A MESSAGE FROM OUR CEO

I'm committed to making it possible for everyone to thrive at Capital One UK - regardless of gender, ethnicity or background.

As CEO, I'm determined to create more opportunities for women to secure roles that are more highly paid, and will support them to succeed in those roles.

This year, we've made significant progress - the gender pay gap has decreased, the bonus pay gap has decreased, and we've continued to build the gender diversity of our talent pipeline. This improvement is a direct result of our effort to make change happen at Capital One UK.

We're proud of the progress we've made this year and the representation of women in senior leadership roles continues to be a priority for us.

We're adapting our approach to recruitment to make sure we attract diverse talent and we're engaging with our women associates to help them advance their careers within Capital One UK.

2021 was another step on our journey towards parity. I'm determined to address the gender pay gap. It will take time but I believe we will get there.

I confirm that the figures in this report are accurate.

**Lucy-Marie Hagues**  
CEO, Capital One UK

