

Creating a more inclusive workplace

Capita's Gender and Ethnicity Pay Gap Report | 2024





Contents

- 03** A message from Scott Hill, Chief People Officer
- 04** 2023 Highlights
- 05** Responsible Business Strategy
- 07** Our Action Plan
- 11** UK Gender Pay Gap
- 18** UK Ethnicity Pay Gap
- 23** Statutory Disclosures 2024

A message from Scott Hill, Chief People Officer



At Capita, we believe that fostering an inclusive environment where everyone feels valued and respected is not only the right thing to do but also drives innovation and success.

Equity, diversity, and inclusion are more than just buzzwords for us - they are integral to our culture and operations.

We strive to create a workplace where every individual, regardless of their background, can thrive and contribute their unique perspectives. This commitment extends beyond our internal practices to our interactions with clients, partners, and the communities we serve.

As Chief People Officer of Capita plc, I am proud to oversee the responsible business function and the growth of, and focus on, diversity and inclusion in our global operations. Change isn't easy, and for many organisations like us, creating a truly inclusive environment requires multi-year adjustments. However, we are committed to doing the hard work year after year.

Among the significant range of activities delivered, I am most proud of:

- refreshing and publishing our new responsible business strategy earlier this year.
- being recognised by Forbes as one of the top companies for women for the second consecutive year.
- our continued commitment to flexible working.
- our Employee Network Groups, which now have 12,000 members.
- improving our median pay gap by 10.39% and our mean pay gap by 8.40% since we began reporting.
- winning Most Dynamic Mentoring Organisations award for our Moving Ahead mentoring programme.

“Our median pay gap has improved by 10.39% since we began reporting, and our mean by 8.40%.”

Our journey towards being a truly inclusive and diverse employer and workplace has seen significant progress, but we acknowledge that there is still more work to be done. We remain dedicated to achieving our goals and continuing to make strides in this important area.

A stylized, handwritten signature in blue ink, appearing to read 'Scott Hill'.

Scott Hill

Chief People Officer

2023 Highlights*

Moving Ahead Most Dynamic
Mentoring Organisation
award

Recognised by Forbes as a
Top Employer for Women
(second consecutive year)

Employee Network Groups
over 12,000 members

In our 2023 People Survey
our global Inclusion index
rose to 77%

Silver tidemark in Employers
Network for Equality and
Inclusion's benchmark (TIDE)

Our median pay gap has
improved by 10.39% since
we began reporting, and our
mean by 8.40%



I am incredibly proud of the strides we have made in advancing gender diversity at Capita and our ongoing focus on increasing diverse representation at senior levels will help us to continue to close our pay gaps over time. This year, I have been so pleased to see our focus on diversity and inclusiveness has garnered external recognition. Through the work my team do we will continue to ensure our values and behaviours are built into business processes and activities

globally, and act on survey feedback to drive measurable improvements in inclusion and belonging. We are working to scale our programmes and initiatives that have proven successful for example career path framework or development and mentoring programmes and are also innovating new approaches as we plan for 2025 and beyond.

Lisa Pinfield

Group Director of Performance and Development at Capita plc

Our Responsible Business Strategy 2024 – 2026

We refreshed our responsible business strategy in the second half of 2024.

It prioritises our action through one cross-cutting theme and our company purpose: to create better outcomes for all our stakeholders, and our four key themes.

Our people are at the heart of the strategy, and we are committed to being an employer with a healthy, safe, diverse and inclusive workforce.



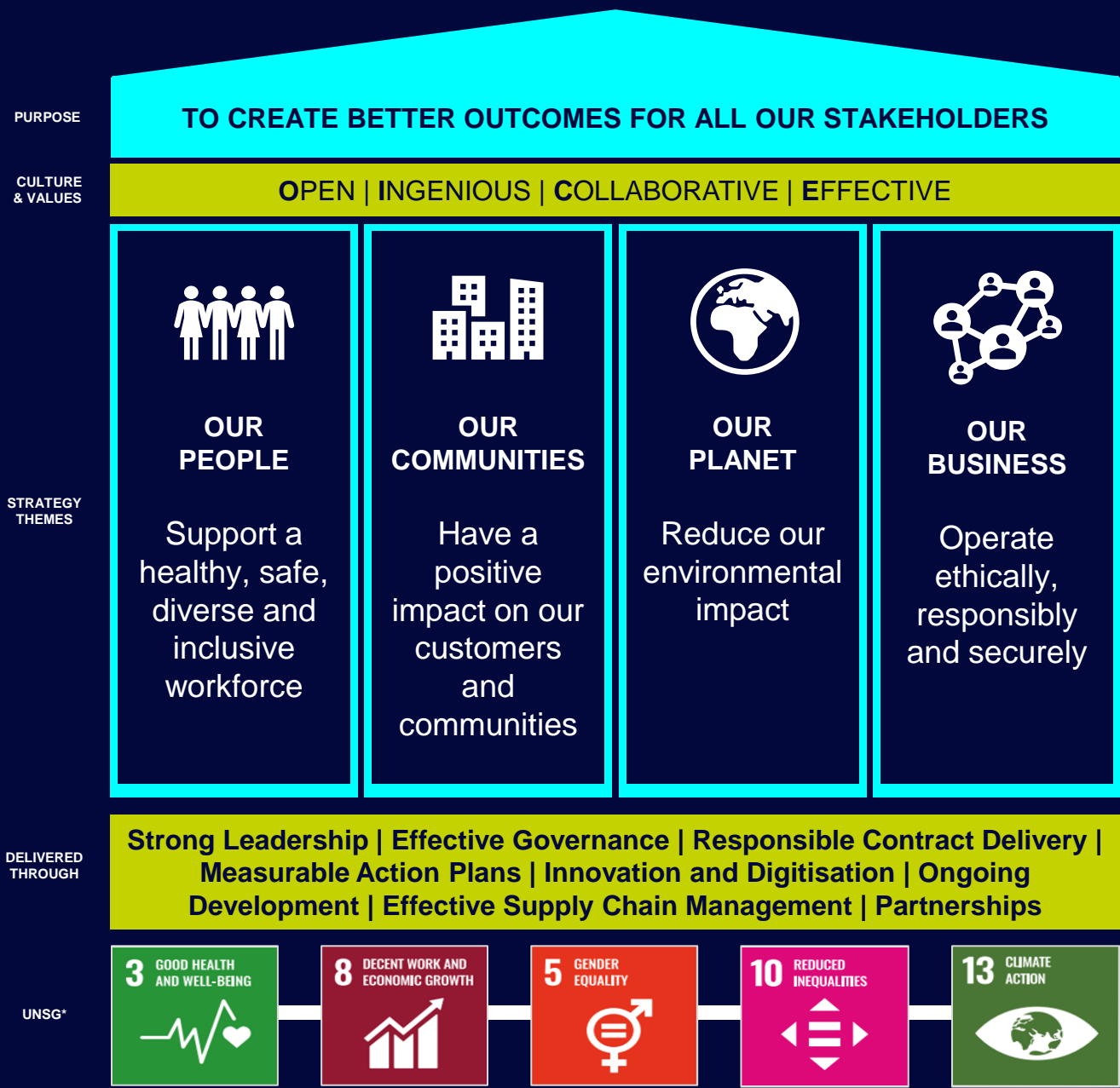
"I firmly believe that having a responsible business strategy is crucial for our long-term success and sustainability. Our strategy encompasses four key themes, with **'Our People'** being at the heart of it. By supporting a healthy, safe, diverse, and inclusive workforce, we not only foster a positive work environment but

also support our clients, our communities and growth. Ensuring that every individual feels valued and empowered is essential to bridging the pay gap, particularly for women and ethnically diverse colleagues, and achieving true equality within our organisation. I am excited to continue bringing this strategy to life in 2025 and beyond by embedding our current initiatives and programmes, as well as implementing innovative new solutions to achieve our goals."

Kasia Gulyk Rutkowska

Group Senior Head of Responsible Business at Capita plc

Our Responsible Business Strategy 2024 – 2026



* Our alignment to United Nations Sustainability goals

Our Action Plan

Recruitment, Retention, and Progression

The actions we are taking to tackle the gender and ethnicity pay gaps fall into these three areas:











Progress against our targets and key diversity metrics are reported to our CEO, Executive Team, and Responsible Business Committee.

Recruitment

Increasing the proportion of diverse hires

○ GENERAL ○ GENDER ○ ETHNICITY

 <p>'Licence to Hire' inclusive recruitment training for all recruiters and managers reducing bias in recruitment</p>	<p>Members of Moving Ahead, a global campaign led by Chairs and CEOs taking action to increase senior representation of women</p>	<p>Inclusive Hiring Guide for all managers</p> 
 <p>Voluntarily sharing our ethnicity pay gap data since 2020</p>	<p>Internal First Policy - vacancies advertised internally initially to focus on internal growth</p>	<p>Signatories of Business in the Community (BITC) Race at Work Charter</p> 
 <p>A flexible hybrid working model and virtual first meetings approach</p>	<p>Gender and Family Employee Network Group - encouraging and supporting female talent</p>	<p>Signatories of Women in Defence Charter and associated commitments</p> 
 <p>Advertising vacancies on specialist job site Vercida to reach ethnically diverse candidates</p>	<p>EmBRACE and Black Employee Network Groups – encouraging and supporting ethnically diverse talent</p>	<p>Continue to monitor shortlists for ethnic representation</p> 

Unbiased decision-making









Enhanced policies

Inclusive partnerships

Retention

Retaining female and ethnically diverse talent at all levels of our business

○ GENERAL ○ GENDER and ETHNICITY







 <p>A flexible hybrid working model and virtual first meetings approach</p>	<p>Our parental leave policy has no qualifying period - from day one of employment colleagues can take up to four weeks unpaid leave per annum for each child</p>	<p>Paid time off for fertility appointments</p> 
 <p>Our new Leadership Playbook and Culture Programme, to drive role model behaviours and winning mindset</p>	<p>Up to 2 weeks paid leave for pregnancy loss, in addition to parental bereavement leave, after 24 weeks</p>	<p>Colleagues can take up to one-week unpaid Carers Leave per annum to help with caring responsibilities</p> 
 <p>Diversity data monitoring, regular reviews at Board and divisional level</p>	<p>International Women's Day, Pride and Black History Month and Awards - global events to celebrate diversity and to recognise exceptional performance.</p>	<p>Employability drop-in sessions</p> 
 <p>Moving Ahead Mentoring programmes offer external mentoring opportunities for underrepresented colleagues and provide a platform for new networks and developmental support</p>	<p>Our senior leaders act as role models for future talent, sharing their insights and experiences. Our female executives have been named in the HERoes Women Role Models in 2023</p> 	

- Inclusive policies
- Support to grow
- Evolving culture

Progression

Supporting colleagues to grow

○ GENERAL ○ GENDER and ETHNICITY

	Improving our data quality and using data insights to track our progress	Our Career Path Framework supports colleagues in creating individualised development journeys aligned to a career trajectory	Launching 'Be Brilliant, Be You' and 'This is Me' campaigns to raise awareness on the importance of data declaration	
	Made good progress towards our target to have 45% senior females by the end of 2025 globally (41% in 2023)	Made good progress towards our target to have 13% minority ethnic representation, including 3% black in our senior leadership by the end of 2025 (10% ethnically diverse, in the UK and 2% Black in 2023)		
Our 'Reduce Inequality and Strive for Equality' development programmes (RISE) focus on elevating women and black minority ethnic colleagues by offering tailored development, mentorship and support with progression				
	Analyse our employee survey results by and work with our Gender, EmBRACE and Black Employee Network Groups to develop action plans and corrective interventions	Use our digital Performance and Salary Review Tool to drive robust checks for fairness and equity in our performance processes - enabling our HR Teams to review processes live, monitor decisions for gender bias, and ensure corrective action is taken before final decisions are made		
Underpinned by data				
Support to progress				
Embedded fairness and equity lens				



UK Gender Pay Gap

The difference between the gender pay gap and equal pay

'Equal Pay' is a man and woman being paid the same for doing the same job, or a job of equal value, unless there is a genuine material factor for the difference. The requirement for equal pay for equal work has been enshrined in UK law since the Equal Pay Act of 1970.

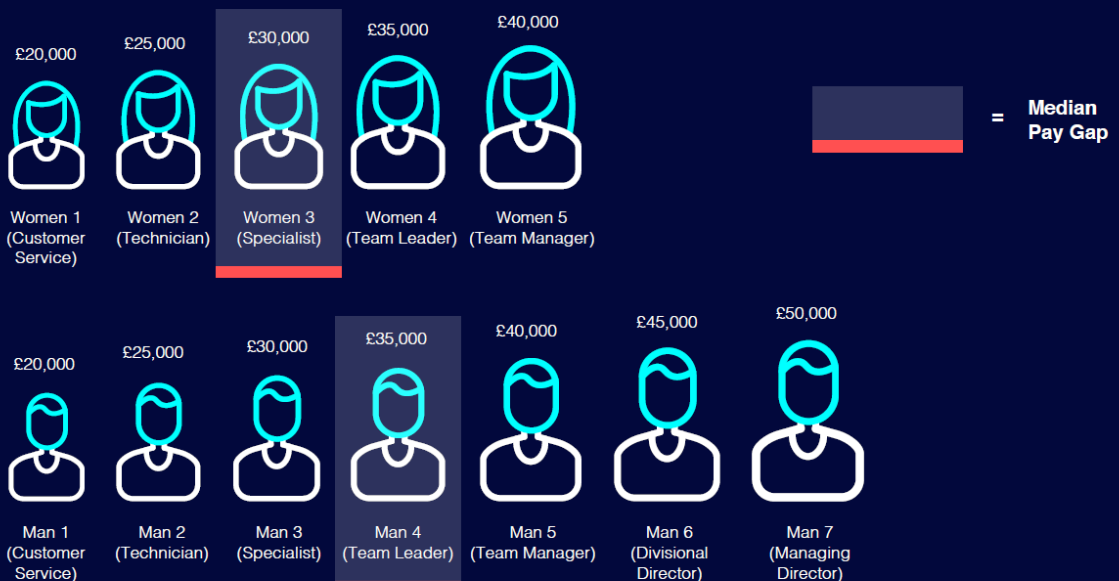
'The Gender Pay Gap' is the description given to the difference in pay of all men and all women across an organisation regardless of role or seniority. This is reported in a mean and median basis. This difference in pay between men and women can be influenced by many factors, such as the number of women and men at different levels within a company.

Median

The median is calculated by lining up everyone of each gender in order of how much they are paid. The median is the amount paid to the person in the middle of each line. The median gap is the difference between these two numbers, expressed as a percentage. This calculation is done for pay and for bonuses.

Mean

The mean is the average hourly pay across each gender and is worked out by adding together the hourly rates of pay for each gender and dividing the total by the number of people of that gender. The mean gap is the difference between the two numbers, expressed as a percentage.



Our 2024 gender pay gap at a glance




These tables show our overall median and mean gender pay gap, gender representation in our pay quartiles together with the bonus gap based on hourly rates of pay, as at the snapshot date of 5 April 2024 and bonuses paid in the year to April 2024.

Gender Pay Gap

	Median 2023	15.40%	2024	14.91%	0.49%	
	Mean 2023	18.79%	2024	18.40%	0.39%	

Pay quartile	Male %	Female %
Upper quartile	63.20	36.80
Upper middle quartile	48.00	52.00
Lower middle quartile	46.50	53.50
Lower quartile	40.40	59.60

Gender Bonus Gap

	Median 2023	21.04%	2024	15.00%	6.04%	
	Mean 2023	50.21%	2024	42.70%	7.51%	

The proportion of male and females receiving a bonus payment	Male %	Female %
	24.60	33.60

Our gender pay gap

Overall, there has been good progress in reducing our gender pay gap since we began reporting in 2017; our median gap has improved by 10.39% and our mean by 8.40% over the reporting period.

The 2024 figures show improvement compared to last year, resulting in a median of 14.91% (0.49% down from 15.40%) and a mean of 18.40% (0.39% down from 18.79%).

Our upper quartile pay gap increased compared to last year, due to an extensive organisational review, which resulted in the loss of some of our female senior talent, however it has decreased by 6.2% since we began reporting, dropping from 15.7% to 9.5%. We are committed to reducing this further to below 5% in line with our responsible business strategy and divisional action plans.

A key factor driving our pay gap at Capita is distribution of men and women in the organisation. Our volume roles are at our lower quartile and are female dominated.

Our focus is to continue to attract female senior talent and most importantly, on growing, developing, and promoting female talent within our business.

We are a strong employer for women, offering core benefits such as flexible work, part-time work, and remote working, along with gender-inclusive policies that appeal to our female colleagues and candidates. This puts us ahead of many other companies in supporting women in the workplace.

As of December 2023, women comprised 50% of our workforce, 40% of senior management positions, and 56% of our Board.

This indicates that our policies and initiatives are effectively moving us towards our goals, and we remain committed to further closing our gender pay gap.



“At Capita, we are making progress in closing our gender pay gap, but we still have more work to do to reduce it further. Gender pay gap reporting is crucial in guiding these efforts. We continue to foster a company culture that supports equality, we remain committed to eliminating barriers and supporting women’s progression.”

Rosie Hiett

Programme Director at Capita Public Service,
Chair of Gender Equality Network

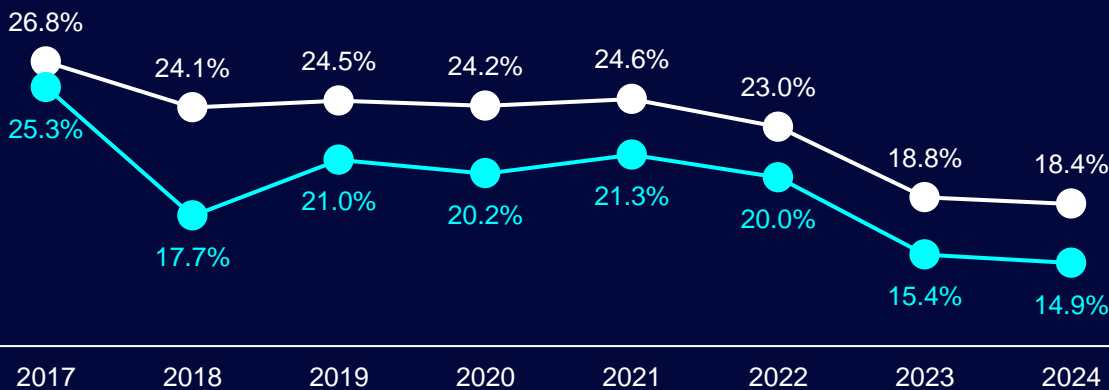
Continuing to make progress

Our 2024 pay gap data shows a steady improvement since we started reporting.

We are pleased to see the median gap to go down over the years – specifically, a reduction of 0.49% this year takes us to a median gap of 14.91%. Since Capita began reporting, we have reduced our Gender Pay Gap by 10.39%. We also continue to see our mean drop to 18.40% a reduction of 8.40% since we began reporting in 2017.

Our latest figures compared to the last seven years are shown below.

○ MEAN ● MEDIAN



Our Pay Quartiles

When examining our pay quartiles, it's clear that our main challenge remains in the upper pay quartile.

In the three lower quartiles, the pay gaps are below the 5% threshold set by the Equalities and Human Rights Commission.

Our upper quartile pay gap increased compared to last year, due to an extensive organisational review, which resulted in the loss of some of our female senior talent, however it has decreased by 6.2% since we began reporting, dropping from 15.7% to 9.5%.

We are committed to reducing this further to below 5% in line with our responsible business strategy and divisional action plans.

		Male	Female	Pay gap (median)	Pay gap (mean)
Upper pay quartile %	2024	63.20	36.80	9.50	8.50
	2023	65.60	34.40	7.48	6.60
	2022	69.60	30.40	7.88	7.39
	2021	70.88	29.12	7.80	9.37
	Variance over period			1.70	-0.87
Upper middle pay quartile %	2024	48.00	52.00	-2.80	-1.60
	2023	47.62	52.38	2.10	1.48
	2022	51.07	48.93	1.30	0.87
	2021	55.87	44.13	0.14	0.14
	Variance over period			-2.66	-1.46
Lower middle pay quartile %	2024	46.50	53.50	0.80	0.70
	2023	48.78	51.22	2.54	1.68
	2022	47.50	52.50	2.36	1.73
	2021	47.94	52.06	3.07	2.02
	Variance over period			-2.27	-1.32
Lower pay quartile %	2024	40.40	59.60	0.30	1.00
	2023	42.44	57.56	0.72	-1.59
	2022	42.41	57.59	-0.05	-0.4
	2021	43.78	56.22	-0.35	-0.29
	Variance over period			0.65	1.29

Understanding Capita's gender pay gap

We have ten legal entities that meet the reporting criteria of the UK Government's Equality Act 2010, and one entity in the Republic of Ireland which we report on in accordance with The Employment Equality Act 1998 (section 20A) (Gender Pay Gap Information) Regulations 2022.

Additionally, we provide information on our pay gap covering our entire UK business, as detailed below.

Results from each of our legal entities, as well as our results for the Republic of Ireland, can be found at the back of this report. We also report our UK data on the UK Government website.





UK Ethnicity Pay Gap

Our 2024 ethnicity pay gap at a glance

We continue to voluntarily disclose our ethnicity pay gap.

Analysing diversity data and being transparent about our workforce’s diversity is essential for fostering a fairer, more inclusive workplace. As signatories of Business in the Community’s Race at Work Charter, Capita actively supports the push for mandatory ethnicity pay gap reporting.

These tables show our overall median and mean black and minority ethnic pay gap at the snapshot date of 5 April 2024.

Ethnicity Pay Gap



Median 2023	29.86%	2024	28.00%	1.86%	↓
Mean 2023	23.01%	2024	21.60%	1.41%	↓

Median ethnicity pay gap

	Other (%)	Black (%)	Asian (%)	Mixed (%)	Ethnically diverse (%)
2023	32.05	28.81	30.66	23.6	29.86
2024	30	24.8	29.1	21.5	28
Difference 2023-2024	-2.05	-4.01	-1.56	-2.10	-1.86

Mean ethnicity pay gap

	Other (%)	Black (%)	Asian (%)	Mixed (%)	Ethnically diverse (%)
2023	30.86	22.01	21.54	18.06	23.01
2024	29.8	18.8	21.6	11.7	21.6
Difference 2023-2024	-1.06	-3.21	+0.06	-6.36	-1.41

Our ethnicity pay gap

In 2024, we have seen a decrease of 1.86% in the median ethnicity pay gap and a 1.41% decrease in the mean.

In 2022, system changes allowed us to re-base our original figures from 2020, enabling more precise analysis and evaluation of future initiatives. As a result, comparing our current data to previous years (2020-2022) would not provide a true reflection or like-for-like comparison.

Our focus is to continue to attract ethnically diverse senior talent and most importantly, on growing, developing, and promoting diverse talent within our business.

Achieving this goal requires a multi-year strategy, and while we may not see significant improvements in the short term, we remain committed to achieving our goal.



“The ability to see differences in the pay gap between ethnic groups is an incredibly important step in creating a truly fair, open, and inclusive culture. This data allows us to explore the root causes and take appropriate actions to address them. Overall, at Capita, we have an ethnically diverse workforce; however, we do not yet have proportionate representation across the business, especially in our upper quartile. Our priority is to attract diverse senior leaders and to grow and develop diverse talent within our business.”

Julia Ruane

Head of Internal Communications and Employee Engagement at Capita Public Service, Co-Chair of Embrace Employee Network.

Our declaration of ethnicity

Ensuring our colleagues feel safe to share their ethnicity is an indicator of the trust they have in an organisation, and it's critical to us being able to accurately identify our ethnicity pay gap.

Over the past three years we've increased ethnicity declaration to **77%**. We will continue to work to increase this further in 2025.

It's crucial to recognise that updates in our ethnicity declarations can influence our pay gap, regardless of whether the actual pay gap has changed. With more colleagues sharing their ethnicity, we gain additional data to analyse the pay gap, which might reveal that the gap is either larger or smaller than initially perceived.

Year	2020	2021	2022	2023	2024	Variance from last year	Variance since reporting
Location	Capita UK						
Declaration %	72.00	74.00	77.00	77.00	77.00	+0.00	+5.00
White %	73.12	75.00	72.00	71.23	73.12	+1.87	+0.00
Asian %	10.69	12.00	15.00	15.86	14.90	-0.96	+4.21
Black %	3.03	4.00	5.00	5.88	5.90	+0.02	+2.87
Mixed %	1.64	2.00	2.00	2.10	1.90	-0.20	+0.26
Other %	9.89	7.00	5.00	4.93	4.30	-0.63	-5.69



“Understanding our pay gaps and our position as a company is crucial for all colleagues. As the Chair of the Black Employee Network, I have actively encouraged our network and my own team to declare their diversity data. This is essential for Capita to have the necessary information to review and address disparities. Without adding our characteristics, we cannot gauge Capita's performance or drive meaningful change. Since Capita began sharing the ethnicity pay gap data in 2020, we have made progress, but there is still much work to be done over the coming years.”

Maria Whiteley

Head of Technology Presales at Capita Public Service,
Chair of Black Employee Network

Pay Quartiles

When examining our pay quartiles, it's clear that our main challenge lies in the upper pay quartile, similar to the gender pay gap. In nearly all three lower quartiles, across all ethnicities, the pay gaps are below the Equality and Human Rights Commission's recommended threshold of 5%.

In the upper quartile, the mean pay gap for ethnically diverse colleagues is 5.8%, and we are committed to bringing this down to below 5% in line with our responsible business strategy and divisional action plans.

Upper Hourly Pay Quartile						
	White	Asian	Black	Mixed Race	Other	Ethnically Diverse
Mean Pay Gap (%)	N/A	5.20	10.20	-10.50	11.30	5.80
Median Pay Gap (%)	N/A	-0.10	4.40	-9.00	10.00	1.50

Upper Middle Hourly Pay Quartile						
	White	Asian	Black	Mixed Race	Other	Ethnically Diverse
Mean Pay Gap (%)	N/A	0.70	-0.30	1.70	-1.30	0.20
Median Pay Gap (%)	N/A	0.70	-0.20	2.70	-1.80	-0.10

Lower Middle Hourly Pay Quartile						
	White	Asian	Black	Mixed Race	Other	Ethnically Diverse
Mean Pay Gap (%)	N/A	3.20	2.20	2.00	2.80	2.80
Median Pay Gap (%)	N/A	4.20	3.90	3.40	3.60	3.90

Lower Hourly Pay Quartile						
	White	Asian	Black	Mixed Race	Other	Ethnically Diverse
Mean Pay Gap (%)	N/A	0.8	-0.2	3.9	-0.8	0.5
Median Pay Gap (%)	N/A	-0.1	1.0	2.1	-0.1	0.3



Gender Pay Gap

Statutory Disclosures 2024

UK Data

The data in this report (UK) is accurate at the snapshot date of 5 April 2024 and is reported in line with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Hourly Pay (%)		Bonus Pay (%)		Proportion of employees receiving a bonus (%)	
Median pay differential (mid-point)	14.90	Median pay differential (mid-point)	15.00	Men	24.60
Mean pay differential (average)	18.40	Mean pay Differential (average)	42.70	Women	33.60

Upper pay quartile (%)		Upper middle pay quartile (%)	
Men	63.20	Men	48.00
Women	36.80	Women	52.00
Pay gap (median)	9.50	Pay gap (median)	-2.80
Pay gap (mean)	8.50	Pay gap (mean)	-1.60

Lower middle pay quartile (%)		Lower pay quartile (%)	
Men	46.50	Men	40.40
Women	53.50	Women	59.60
Pay gap (median)	0.80	Pay gap (median)	0.30
Pay gap (mean)	0.70	Pay gap (mean)	1.00

UK Data – continued

The data in this report (UK) is accurate at the snapshot date of 5 April 2024 and is reported in line with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Legal Entity		All	0004	0012	0035	0088	0146	0184	0186	0258	0306	7001
Company		Capita-whole UK Population	Capita Business Services	Capita Prop & Infra Ltd	Capita L&P Regu Serv Ltd	Capita Pension Solutions Limited	Capita Customer Mgmt Ltd	Entrust Support Serv Ltd	Capita Managed IT Sol Ltd	Western Mortgage Services	Capita Shared Services Ltd	CBSL - PIP DWP
Total Relevant Employees		24919	8962	418	1901	2348	4740	413	296	884	2260	2047
Gender Pay Gap (%)	Mean	18.4	21.3	18.4	20.2	18.4	7.4	-3.3	10.7	8.5	6.7	2.6
	Median	14.9	22.2	10.1	18.5	14.7	2.3	3	11.7	3.4	10.4	0.9
Upper Quartile (%)	Male	36.8	65.2	80.9	58.9	58.8	51.5	57	91.9	57.6	77	17.6
	Female	63.2	34.8	19.1	41.1	41.2	48.5	43	8.1	42.4	23	82.4
Upper Middle Quartile (%)	Male	52	70.7	53.3	36.6	50.5	49.2	57.2	82.4	57.8	74.2	12.1
	Female	48	29.3	46.7	63.4	49.5	50.8	42.8	17.6	42.2	25.8	87.9
Lower Middle Quartile (%)	Male	53.5	47.6	78.6	30.2	40.8	40.7	59.1	81.2	52	68.3	8.8
	Female	46.5	52.4	21.4	69.8	59.2	59.3	40.9	18.8	48	31.7	91.2
Lower Quartile (%)	Male	59.6	36.4	54.6	34.9	37.6	42.4	58.2	84.5	47.6	68.5	18.2
	Female	40.4	63.6	45.4	65.1	62.4	57.6	41.8	15.4	52.4	31.5	81.8
Bonus Pay Gap (%)	Mean	42.7	36.5	98.4	82.9	22.7	24.8	-994.3	15.7	-11.1	3.3	0.1
	Median	15	0	1086.5	20.9	19	14.9	-91.8	-7.6	0	20	-2.1
% Men Receiving Bonus		24.6	23.6	4.7	25.1	40.6	31.6	1.2	11.8	15.8	10.8	85.9
% Women Receiving bonus		33.6	21.5	1.3	26.9	53.2	27.2	0.5	18.6	14.4	6.1	84.1

Republic of Ireland data – continued

The data in this report (ROI) is accurate at the snapshot date of 27 June 2024 and is reported in line with the requirements of The Employment Equality Act 1998 (section 20A) (Gender Pay Gap Information) Regulations 2022.

Bonus Pay Gap					
Type of Employment	Number of Employees	Mean %	Median %	%Men receiving bonus	%Women receiving bonus
All Employees	931	9.60	-7.40	16.10	17.20
All Permanent	919	8.90	-7.40	16.20	17.50
All Temporary	12	0.00	0.00	0.00	0.00
Full Time Permanent	791	3.70	-7.40	16.40	18.80
Full Time Temporary	11	0.00	0.00	0.00	0.00
Part Time Permanent	128	-276.30	-89.70	12.50	12.50
Part Time Temporary	1	0.00	0.00	0.00	0.00

Benefit in Kind Pay Gap					
Type of Employment	Number of Employees	Mean %	Median %	%Men receiving BiK	%Women receiving BiK
All Employees	931	39.40	25.00	1.10	0.70
All Permanent	919	38.90	25.00	1.10	0.70
All Temporary	12	N/A	N/A	0.00	0.00
Full Time Permanent	791	51.80	25.00	0.80	0.90
Full Time Temporary	11	N/A	N/A	0.00	0.00
Part Time Permanent	128	N/A	N/A	6.30	0.00
Part Time Temporary	1	N/A	N/A	N/A	0.00

