GENDER PAY GAP ANALYSIS – APRIL 2025

Introduction

At Digital Catapult, we are committed to creating a fair, inclusive, and equitable workplace where everyone can thrive. Our Gender Pay Gap reporting is an important part of that commitment. It allows us to understand where we are making progress, where disparities remain, and how we can continue building a culture that supports equal opportunity for all.

This report outlines our gender pay figures based on the government-defined snapshot date of **5 April 2025**, explains the factors behind our data, and highlights the steps we are taking to deliver meaningful and long-term change.

Employee Funnel

On 5th April 2025 (our "snapshot date"), we had 270 employees. Of these, 268 were assessed as relevant employees for the purpose of measuring the gender bonus gap using bonus data from the previous 12 months. In accordance with the legislation, only employees who received their full pay during the pay period that includes the 5th April 2025 were used to measure the gender pay gap and pay quarter data. This meant that three men and six women were excluded because they were on some form of reduced-pay leave.

Of the remaining 259 full-pay relevant employees, 148 were men and 111 women giving a gender balance of ~57% men/ 43% women. This is an overall decrease in our workforce by 8.5% versus April 2024, primarily due to an organisational restructure with the overall balance shifting towards men by 1%.

Since our gender pay gap report in 2024, we have continued to use and implement initiatives to address the current imbalance that occurs in our pay quarters. The Talent Acquisition team continues to run job advertisements and job descriptions through gender decoder software to write more inclusive role descriptions and broaden the applicant pool, reducing bias, and improving diversity by making roles appealing to all genders. Efforts are made to ensure female candidates are attracted to and shortlisted for tech roles, this being where the greatest disparity between the number of men and women exists in the organisation. Balanced interview panels have been maintained to minimise gender bias at the point of hire. During the same period, 38 employees were promoted, with 18 promotions going to women and 20 to men. The gender balance regarding promotions is 52:48 male to female, evidencing our commitment to seeing women in the organisation progress in levels of seniority as well as men.

There is an ongoing pay banding exercise which is aimed at creating a more equitable workplace. Defined pay bands will create pay transparency at the point of promotions or salary adjustments for current and future employees. Specialist skills and competencies dictate distinct salaries in the market. With the nature of the organisation being deep tech innovation, the potential for varied differences in salary across teams is high and is particularly apparent within our technology team, which, as indicated above, is currently made up of around 76% men.

High Level View

Compared to 2024, this year, we are pleased to report that our mean pay gap narrowed by 1.3%, and the median pay gap also narrowed by 1.3%. This is a considerable improvement in a year given the recent organisational restructuring that has further reduced the full-pay relevant employees to 259.

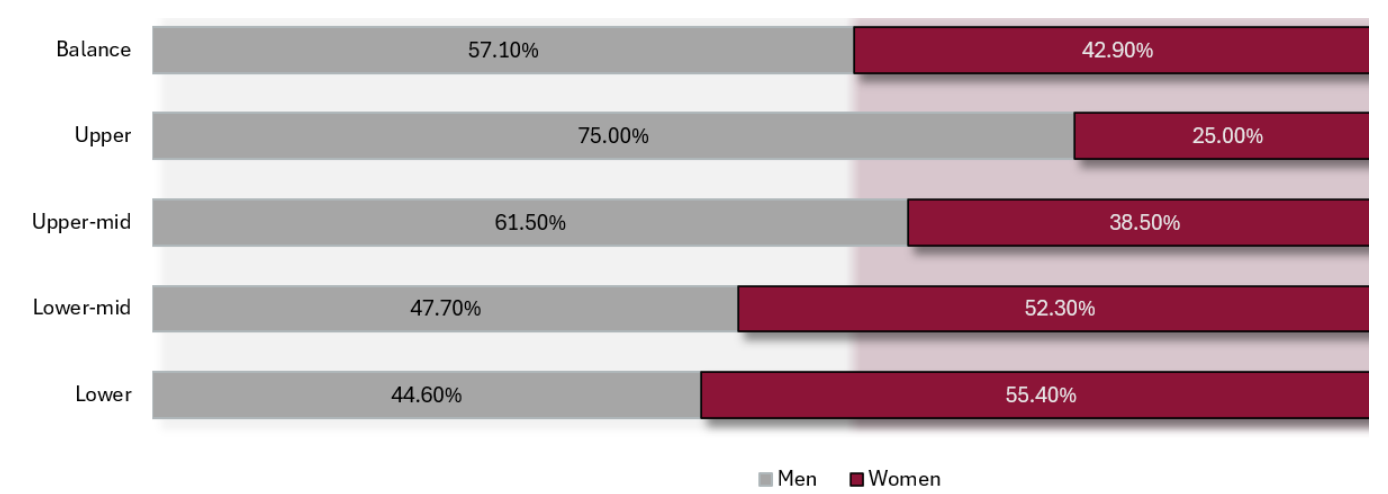## Distribution of employees across our pay range

The chart below shows our overall gender balance followed by gender distribution across the four quarters of the pay range (Upper, Upper-mid, Lower-mid, Lower). The background shading represents our current overall gender balance and allows us to see where we deviate from this balance in each pay quarter. Our two biggest imbalances

are still in our upper and lower pay quarters. However, due to a combination of internal progress and the restructure, our upper quarter balance has improved by 5% points and our lower by 3% points.

Change in the shape of our data

Having observed an imbalance in our lower quarter in 2024, where we had a significant number of women joining the organisation in entry level or early career roles, efforts were made to bring about greater balance in more junior roles. We have seen a modest lift across the lower quarter and some movement across the middle of the pay range. The 5% point shift in the upper quarter is primarily due to the employees who have left the organisation and their position within the pay range. The detailed analysis indicated that we lost more lower paid female employees than male, while also losing slightly more higher paid male employees than female.

Category	Men	Women
Balance	57.10%	42.90%
Upper	75.00%	25.00%
Upper-mid	61.50%	38.50%
Lower-mid	47.70%	52.30%
Lower	44.60%	55.40%

■ Men ■ Women

Our median gender pay gap

To calculate our median gender pay gap, we first rank all our people by their hourly pay, we then split them into two lines – men and women. Then we compare the hourly pay of the woman in the middle of her line v/s the man in the middle of his line. The difference is expressed as a percentage gap between the man and the woman. We could also say, for every £1 the middle-man receives, the middle woman earns 79p.

	Men	Women	Pay gap
Median Hourly Pay	£34.76	£27.47	21%

Our mean gender pay gap

To calculate the mean pay gap, we add together all the hourly pay rates that women were paid, divided by the number of those women. We then repeat this calculation for men. The difference between these figures shows our mean gender pay gap. Our mean gender pay gap means that for every £1 a man received, a woman received 85p.

	Men	Women	Pay gap
Mean Hourly Pay	£35.95	£30.24	15.9%

Why has our mean pay gap changed?

The mean hourly pay for women increased because two female employees in the upper pay quartile received pay rises. This raised the overall average pay for women more than normal, as can be seen by the bigger gap between the mean and median women as opposed to the mean and median man. Since the mean pay gap is calculated by comparing the average hourly pay of men and women, the increase in women's average reduced the difference

between the two figures. In short, the pay gap changed because women's pay rose at the higher end of the pay scale, narrowing the gap with men's average pay.

Our Commitment to Improvement and addressing our gender pay differences

Our ongoing commitment to monitoring the gender pay gap enables us to create targeted action plans and assess their effectiveness. Since the introduction of Gender Pay Gap Reporting at Digital Catapult three years ago, we have seen encouraging progress. We recognise, however, that further work is required in this area. Importantly, despite a significant reduction in headcount over the past year, the overall gender pay gap has improved in 2025.

Pay & Reward

We remain committed to being a Real Living Wage employer, ensuring that all salaries meet this standard. To maintain fairness and competitiveness, we continue to benchmark pay against sector norms. Apprentices are also paid in line with the Real Living Wage, with an annual percentage increase awarded for each year of their apprenticeship with us.

Since 2024, we have enhanced our family-friendly policies - including maternity, paternity and shared parental leave - reinforcing our position as a supportive employer for new parents who wish to share childcare responsibilities equally.

Pay Banding

We have committed to carrying out a pay banding exercise with the view of becoming more transparent with our pay across the business, particularly when recruiting.

Pay banding can positively support the reduction in the Gender Pay Gap by further reducing bias in pay decisions, especially during recruitment and promotions. It can provide empowerment to our employees as they will know the pay range associated with roles in the business and provide them with the ability to challenge decisions with more confidence. It will help us going forward to more easily and accurately analyse any pay gaps across all job levels and functions. It also helps us as employers to use the salary data to identify where women are underrepresented in higher-paying bands and enable us to target interventions.

Being more transparent with our salaries shows that we are committed to fairness and equality.

Professional Development

The Future Leaders Programme was launched in April 2024. To address some of the challenges in our Gender Pay Gap, we took the bold decision to run our first cohort with women only, recognising that we are not always able to attract senior women from the external market, as well as the opportunity we have to develop talent from within the organisation. The purpose of this Programme is to identify, develop and grow our top talent into Leadership roles by supporting their career progression - through career pathing, skills, experiences and development. We aspire to increasing diversity and representation into our leadership pipeline. Cohort 1 of the programme had 12 participants (women only) starting the programme and delivered impressive outcomes with 4 promotions (i.e. 33% being promoted) and a 75% retention rate over a 2-year period.

Future Leaders (Cohort 2)

Cohort 2 of the programme will include 14 employees (9 men and 5 women). The scope of selection is mid-career employees who demonstrate leadership potential. With Cohort 2, which commenced in April 2025, the desired outcome is to create better prepared leaders, leading more effective teams. Improved motivation and resilience will translate to better succession planning and promotion rates, and, with this gender diverse cohort, we are optimistic

this intervention will lead to a further levelling out of the gender pay gap over the coming years.

Upfront Bond

Upfront Bond ("the Bond") is a 6-week online confidence building course for the government sector targeting women and non-binary workers. Confidence is a foundational skill that helps women to step into leadership, stay motivated, and strengthen team culture. 47 Digital Catapult employees were part of the first cohort, held from 9th June to 18th July 2025. Ahead of the course, leading research-backed scoring methods are used to assess participants' starting points across four areas: self-efficacy, self-advocacy, self-improvement, self-image. During the Bond, machine learning models are used to analyse participants' engagement and behaviours – providing insights into how they show up, contribute and connect. After the Bond, the same approach is applied to track growth across four organisational pillars: Recruitment & Promotion, Retention & Motivation, Leadership Development and Team Culture. In 6 weeks, our employees who participated reported an overall confidence increase of 14%. This is important as we believe this development will lead to these employees being more confident to apply for more senior or complex roles within the organisation, which may result in increased pay.

Culture

Last year, we committed to co-creating a culture that is inspiring, inclusive, and reflective of our diverse team.
To support this, we refreshed our purpose, introduced new organisational values and behaviours and clarified how we work together. These foundations help guide decision-making, drive consistency and strengthen our identity.
We invested in running culture workshops across the organisation and are now activating these through sessions that encourage open dialogue and co-creation. A network of Culture Champions is helping to embed our culture work into daily practice.

Our cultural focus supports employee engagement and retention - creating a workplace where people feel connected, empowered and valued. This clarity enhances trust, improves decision making, and ensures a consistent and positive employee experience.

GEDI Committee

The work undertaken by our GEDI (Gender, Equity, Diversity and Inclusion) Committee complements this culture work by ensuring that our current and future GED&I initiatives provide equal opportunities for growth and development. By embedding these principles into our policies and practices, we strive to create an environment where everyone feels valued, respected and empowered to reach their full potential.

Gender pay gap

This table shows the mean and median percentage differences between the adjusted hourly rates paid to each gender over a period of 3 years since we began reporting our gender pay gap.

It is an aggregated, blunt tool and while the mean may tell us about the dominant gender of the highest paid employees, the median is no substitute for the full representational picture.

Pay Gap	2023	2024	2025
Mean	23.0%	17.2%	15.9%
Median	22.4%	22.3%	21.0%

Gender bonus gap

The table below shows the mean and median percentage differences between the bonuses paid to each gender in the preceding 36 months to 5th April 2025. It is important to note that the bonus gap is significant due to a variety of factors; most importantly, these gaps are only measuring a small population of 58 employees who received a bonus and because bonuses range from one-time "spot bonuses" that may be smaller amounts, to bigger annual bonuses that are based on a percentage of basic salary. This means that unlike pay gaps that are separated by a few pounds between the mean/median across men and women, we are looking at thousands of pounds of differences. This exacerbates differences and becomes very weak statistically. We have closely examined the bonus amounts awarded and cannot see any tangible differences or anomalies.

For FY 25-26, a new all employee bonus scheme has been introduced to boost engagement, align everyone with company goals, attract and retain talent, and reward collective success. We believe having a performance bonus for all will contribute to fostering a culture where shared performance leads to shared rewards, improving motivation and business results.

Bonus Gap	2023	2024	2025
Mean	40.5%	47.7%	29.7%
Median	66.7%	50.0%	60.5%

Bonuses Paid	2023	2024	2025
Mean	21.9%	33.5%	20.5%
Median	26.3%	37.8%	23.1%

Compliant Information

Category	Relevant Employees	Full-pay Relevant Employees
🟩 Male	151	148
🟦 Female	117	111
Total	**268**	**259**

Pay Quarter	% 🟩	% 🟦
Overall	57.1%	42.9%
Upper	75.0%	25.0%
Upper Middle	61.5%	38.5%
Lower Middle	47.7%	52.3%
Lower	44.6%	55.4%

Pay Gap	Mean	Median
🟦	15.9%	21.0%
Bonus Gap	Mean	Median
🟦	29.7%	60.5%
Bonuses paid	% 🟩	% 🟦
🟦	20.5%	23.1%

Confirmation statement

I confirm that the information contained in this report is accurate.

Signed by:

David Bletso

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David Bletso
Chief Financial Officer

Analysis by

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