

Gender Pay Gap 2025

Energy System Catapult has undertaken its third Gender Pay Gap review, conducted by an external organisation. Mandatory Gender Pay Gap reporting applies to all employers in England, Wales and Scotland with at least 250 employees, of which the Catapult reached in March 2023.

It needs to be noted that a gender pay gap is a measure of the difference in the average pay of all men and of all women in an organisation, regardless of the roles that they do. It is not the same as an equal pay comparison, which directly compares the pay of two or more people carrying out the same jobs, similar jobs or work of equal value.

The information submitted by employers is published on the government website and calculations have been performed in line with associated regulations, which require the following to be calculated:

- Overall mean gender pay gap
- Overall median gender pay gap
- Overall mean bonus gender pay gap
- Overall median bonus gender pay gap
- Proportion of males and females that received a bonus payment
- Gender distribution across four pay quartiles, ordered from lowest to highest pay

The data used is a snapshot from 5 April 2025, which is before the Catapult's 2025 pay review had been processed.

Key findings

- There is no evidence that equal pay risk exists (i.e. men and women undertaking like roles are paid materially different salaries) although this project has a gender pay remit and does not extend to a full equal pay audit.
- Mean hourly rates favour males by 16.14%, slightly up from 14.07% in 2024 and 15.07% in 2023 (the national mean as of 2022 was 13.9%). It should be noted that the mean is not considered the best indicator when reviewing Gender Pay Gap given its susceptibility to data set outliers.
- Median hourly rates favour males by 19.80%, which is a decrease on 2024 (22.81%) and 2023 (21.82%). ONS report the national median to be 12.8%.
- This may be due to underrepresentation of females found in the top two pay quartiles.
- There has been a slight year on year increase (+5%) of female representation in the second highest quartile. Female employees are well represented in the lowest two quartiles.
- There is a gap in favour of females for the 20 – 30 age cohort. This pay gap becomes more pronounced in favour of males for the remaining age cohorts.
- The mean and median for bonus amount gender pay gap has increased, favouring male employees at the mean of 20.60%, compared to 18.93% in 2024, however median has decreased to 22.75% from 26.16% in 2024.

What is driving our gap?

- **Underrepresentation of females in the top two pay quartiles** – 59% of the male population are found in Q3 and Q4, as opposed to 39% of females (a slight year on year increase from 38% in 2024 and 35% in 2023).
- **Differences in gender representation in different job functions** – our pay ranges are all informed by both the market and function e.g. in specialist areas, the recruitment pool is more male-dominant.
- **External market and pipeline of females in our industry** – there is an estimated 60/40 split between males and females within the wider market context. This has increased over recent years but a key driver in our data seems to be that there are more males in more senior positions, at higher pay, which may be reflective of the external landscape.

Recommended actions

It is noted that the snapshot data used for this Gender Pay Gap report was 5 April 2025, before the Catapult pay review 2025 was realised and before other initiatives have been imbedded, therefore it may be difficult to accurately assess our progress.

It was advised that the Catapult should work on this over a period of three to five years, in which time we expect to see positive improvement in our statistics. The below recommendations will continue to be implemented across this period to ensure a proactive approach in closing the gender pay gap:

- **Promotions:** Track promotions by gender and ethnicity (where data is available) on a quarterly basis.
- **Recruitment practices:** Review overall recruitment approach and best practice as well as consider where vacancies are advertised to ensure an inclusive approach.
- **Reward:** Continue to ensure the reward framework is fair and transparent, supported by effective pay policies which are applied consistently and facilitate bias-free decisions.
- **Retention:** Create strategies which increase the opportunity for equitable career progression, helped by learnings from exit interviews and feedback across the business.
- **Ways of working:** Continue to proactively support flexible working at all levels across the organisation, such as offering flexible start and finish times, working from home, modernised buying and selling of leave and working reduced hours, through to promoting shared parental leave.
- **Leadership commitment:** Promoting gender pay equity is a priority for the Board and the Executive Team, and we will commit to a set of actions to try and address any disparities.
- **Employee engagement:** Continue to ensure employees feel heard and included using internal 'listening surveys', Town Halls and communities e.g. Equity, Diversity and Inclusion (ED&I) Advocates.

Implemented and ongoing actions

Taking on the advice from the previous year's gender pay gap report, we have implemented the following:

- Implementing 'Talent Champions' to assist with the recruitment and selection process, reducing bias and challenging hiring manager decisions

- All hiring managers are expected to ensure that female candidates are represented on shortlists wherever possible, with a particular focus on Level 5 and senior roles
- Circulated a 'Recruitment Process' document to ensure a consistent approach is achieved across the business
- Implementation of the 'Accelerate Early Careers' programme
- Continued to run the 'Future Leaders' programme
- Successfully piloted a Graduate Scheme
- Reverse mentoring programme
- We advertise vacancies internally
- We celebrate promotions and role changes in company-wide Town Halls
- Mental Health First Aiders blindly selected, to avoid biases
- Conducted annual 'Listening Survey' amongst all employees
- Active ED&I group, with leadership commitment
- Continued to offer formal and informal flexible working
- Second 'Buy Holiday' window opened two years in a row
- Fair and consistent bonus and pay review process, calibrated at Executive level
- Introduced sub-levels within our progression framework to help employee career development