

GENDER PAY GAP REPORT

SNAPSHOT DATE: 5TH APRIL 2025



STATEMENT OF ACCURACY

I hereby confirm the accuracy of the gender pay gap calculations conducted for the financial year 2025-26. Our calculations have been rigorously assessed and verified to ensure precision and adherence to gender pay reporting regulation. We affirm that the reported gender pay gap figures reflect an unbiased and transparent representation of the compensation disparities between male and female employees within our organisation. We remain committed to monitoring and addressing any disparities identified through our ongoing analysis of pay equity.

Marc Warner

CEO

Introduction

This is Faculty's gender pay gap report. At Faculty, we are committed to consistently reviewing and updating our policies and practices in areas such as recruitment, remuneration, benefits and behaviour to drive an environment where all talented people are capable of thriving and are recognised for it, regardless of their gender.

We hope to have provided a broader more holistic view of the gender pay gap, partly to demonstrate our commitment to identifying the root causes of our gender pay gap, but also to ensure that we are driving practical, realistic actions from this, which is the actual value from creating the report.

We know that gender pay gap reporting language can be quite jargon-y, so we have included a glossary of terms at the end of this report to clarify some of the terminology used.

At Faculty, we believe that our scientific rigour must extend to our people and culture. We view the gender pay gap report not as a set of numbers to report on, but as a way to really understand our position and practices. Our primary purpose in this report is to go beyond regulatory compliance and initiate a deep analysis of our gender pay gap. We commit to using the same analytical rigour we apply to our client challenges to interrogate the root causes of our gap.

We understand that data without action is meaningless. We will be transparent about next steps and actions and any progress made against these in future communications. While we acknowledge the wider societal challenge of the gender pay gap, we are committed to the contributions we can make to both understand and address this.

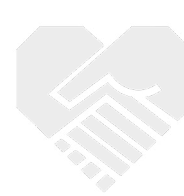
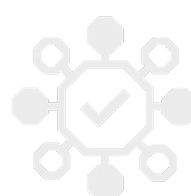
Vicki Marchington

CHIEF PEOPLE OFFICER

Faculty's Principles

At Faculty, our principles codify our high-performance culture, creating a shared understanding of what we stand for and what we should demand from ourselves and others in everything we do. They provide us with guidance, guardrails and a navigational moral compass.

We believe that they should never be compromised - either for convenience or economic gain - guiding the decisions and actions of everyone, from leadership to employees and ensuring a cohesive and unified approach to what we do, and how we do it. Our principles are:



Grow the Best Team

Only hire people you're convinced will make Faculty better. Take others' development as seriously as your own. Build strong and collaborative teams. Through the gender pay gap we have identified areas that will support our team's further development.

Act with Integrity

Have the courage to maintain integrity even when it's costly to do so. Demand this from others without hesitation. We have been transparent and open with our data and our analysis, providing more data where possible and appropriate.

Seek Truth

Seek the truth over winning the argument. Understand the root cause. Create an atmosphere in which the best idea succeeds, regardless of who or where it comes from. We have conducted further analysis beyond what the legal expectation is to ensure we are seeking truth.

Maximise Impact

Care about the impact of your work. Find the thing that is most important to your customer. Design the best solution, not just what's easiest or fashionable. Get it done fast. Make sure nothing falls through the cracks. We genuinely wanted to create an action plan that drives change in areas we can directly impact through the necessity of publishing this report.

Do Great Work

Master your craft. Take pride in your work, even when no one is watching. Demand the highest standards from yourself and others. Work hard, but do it sustainably. We hope you enjoy the read and find it informative.

Be Humble & Kind

Recognise that you're always learning, and have something to learn from everyone. Always make the decision that is best for Faculty, but treat people kindly as you do it. We have appreciated the process of learning through the insights and suggestions from our gender pay gap employee forums.

What is the gender pay gap?

The gender pay gap measures the **difference between the average earnings of women and men** across the business (shown as a percentage of men's earnings), regardless of the work they do.

Gender pay gap reporting doesn't specifically look at what individuals within the business earn (equal pay), but what women earn compared with men across the whole organisation. It provides a framework within which gender pay gaps can be surfaced so that, both inside and outside of the workplace, we can think constructively about why gender pay gaps exist and what to do about them.

Legal Requirements

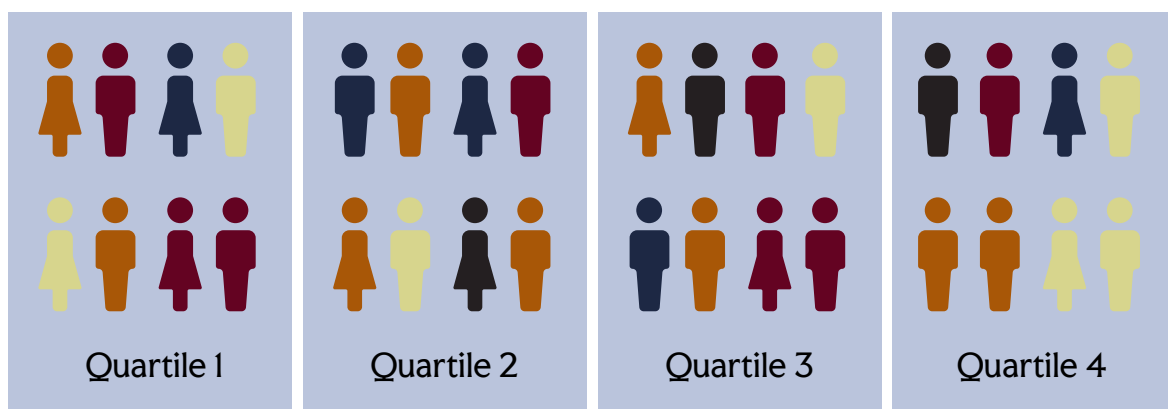
Organisations with **250 or more employees** must report annually on their gender pay gap for a specified 'snapshot date'. The snapshot date for private sector businesses is 5th April each year. We have 12 months from the snapshot date to publish our results. We are required to report on a number of different measures:

Mean and median gender pay gap

Mean and median bonus pay gap

Percentage of men and women receiving a bonus

Percentage of men and women in each hourly pay quartile

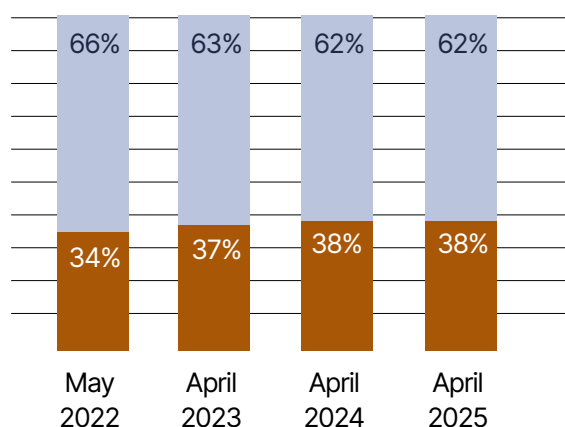


Our Results

The snapshot date was 5th April 2025

HEADCOUNT **382**

■ % of females ■ % of males



Mean Gender Pay Gap

16.2%

This means that on average, for every £1 a male employee earns at Faculty, a female employee earns 83.9p

Median Gender Pay Gap

17.2%

This means that, discounting outliers, for every £1 a male employee earns at Faculty, a female employee earns 82.8p

DIFFERENCE BETWEEN MEAN AND MEDIAN GENDER PAY GAP

The difference between the mean and median gender pay gaps can usually be explained by the exclusion of exceptional outliers at either end of the company's overall salary range.

The mean pay gap is calculated by adding all employees' hourly rates of pay together and dividing by the total number of employees. The mean includes both the lowest and highest rates of pay, so it reflects the impact of having more women in lower-paid roles and more men in higher-paid roles.

The median pay gap is calculated by finding the midpoint in all employees' hourly pay. Half of employees earn more than this midpoint, and half earn less. Unlike the mean, the median is not influenced by extremely high or low pay rates.

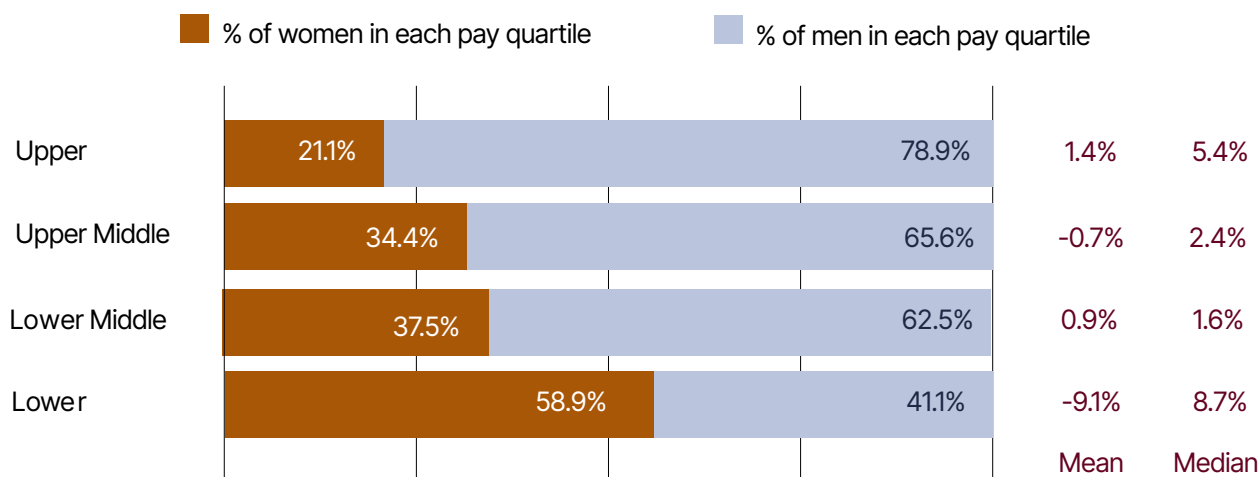
At Faculty, the median pay gap is higher than the mean. This can happen when the distribution of pay is uneven across the workforce for example, if women are more concentrated in roles that sit just below the overall midpoint of pay, while men are more represented in roles just above it. In this situation, the median highlights the gap between typical male and female earnings more strongly than the mean does.

GENDER PAY GAP ADDITIONAL INFORMATION

Although it is not a legal requirement to provide this information, we wanted to take a deeper dive into some areas highlighted in our gender diversity working group.

Our results – by quartile

This helps us to understand more fully what levels of pay present the key imbalances within Faculty. Table to show number of men and women by quartile and the gender pay gap within each quartile.

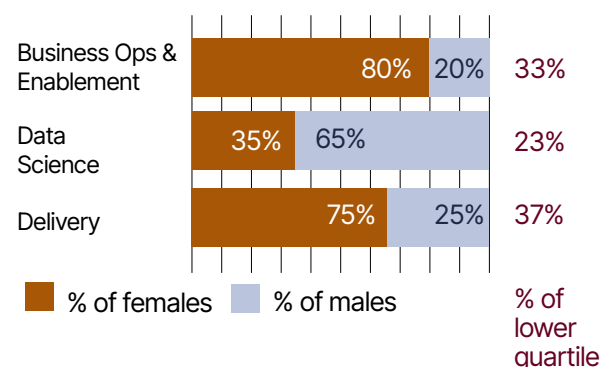


At Faculty, in the lower quartile, women make up 58.9% of employees but have the largest median gender pay gap (8.7% in favour of men). This can be attributed to the higher representation of females in central functions roles e.g. people, finance, marketing within this quartile as well as the technical roles (data science and engineering) having a higher representation of males. Technical roles pay more than their central function equivalent.

In the lower quartile, the median gender pay gap (8.7%) is positive and the mean is negative (-9.1%), which is unusual. This is because a small number of higher-paid women raise the average pay for women in this quartile, while the median reflects the typical earnings of the majority. Although the mean suggests women earn more on average, the median shows that the typical woman in the lower quartile still earns less than the typical man. There is very little difference in mean pay for women and men per pay quartile. The overall composition of the quartiles is what is

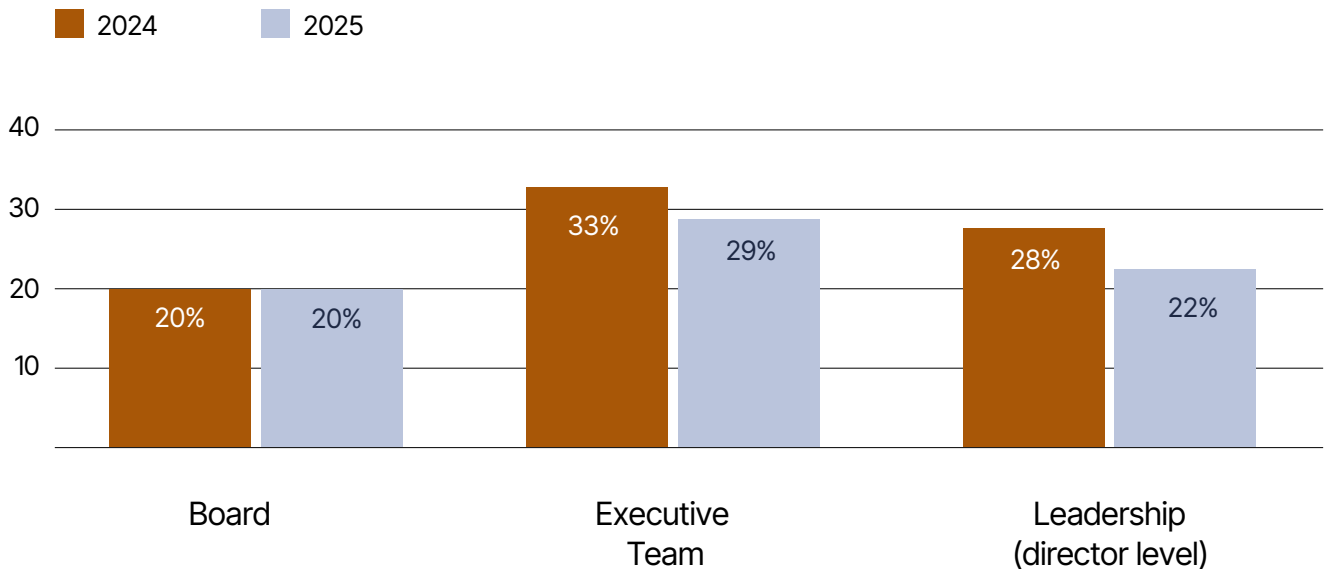
impacting our overall pay gap figure. The overall gap appears larger due to a statistical phenomenon known as Simpson's Paradox, where trends in smaller groups can disappear when combined. In this case, while gender pay differences within individual quartiles are generally small and mixed in direction, these patterns are outweighed in the overall figure by the disproportionate concentration of men in higher-paid quartiles, particularly the upper quartile which has an approximate 80/20 split between men and women.

Table to show 3 main categories of role within the lower quartile to explain the pay gap.



Number of women in leadership positions

At the request of the gender pay gap forum, we reviewed our percentage of women in leadership positions to ensure we are addressing representation where it has the greatest impact on closing the gap.



Review of Hiring

The two reasons for a larger gender pay gap this year is due to **more engineering hires, and limited hires of women in the upper quartiles.**

To verify this, we analysed our data and found that 71 'new' employees appeared in this year's dataset that were not in last year's report. Out of those 71, 52% were technical hires and 75% were men. In the upper quartiles, only 23% of the 'new' employees were women.

Historically, our ratio of data scientists to engineers in our largest internal division has shifted from 2:1 to closer to 1:1 over the last 12–18 months. While we are working with agencies to support a more balanced pipeline, women make up just 27.5% of the UK tech workforce and only 21% of graduates in engineering so this shift to hire more engineers has impacted our gender balance in hiring.

TIME TO PROMOTE

We review our time to promote and turnover rate on a 3–6 month cadence.

Only the following roles are shown due to others having fewer than 10 members when split by gender. To align with gender pay gap reporting practices, positive (+) figures denote males to be quicker to promote than women, and negative (-) figures denote women to be quicker to promotion.

Difference in average months to promotion	
ASSOCIATE	-1.92
DELIVERY MANAGER	+0.06
SENIOR MANAGER	+0.69

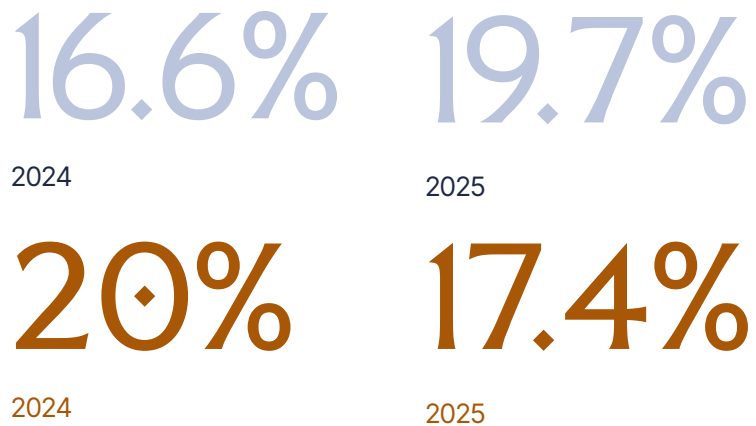
Difference in average months to promotion	
DATA SCIENTIST L1 to	-0.1
DATA SCIENTIST L2	-1.5
ENGINEER L1* to	+1.9
ENGINEER L2*	+0.2

(*Groups software, machine learning and other engineer types)

Review of Turnover

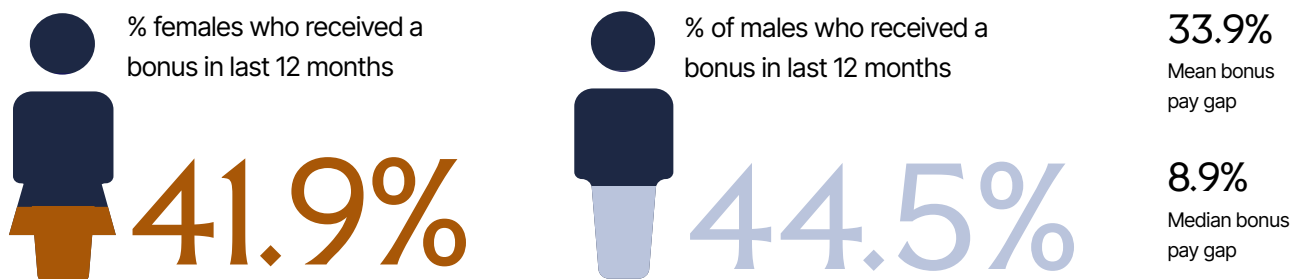
The overall turnover rate for this year running up to our snapshot date is 18.8%. The turnover rates per gender are the following:

■ Male
■ Female



Turnover among male employees (19.7%) was higher than among female employees (17.4%), representing an increase in male turnover compared to 2024, while female turnover decreased over the same period. These movements will continue to be monitored to understand any potential impact on workforce composition and the organisation's gender pay gap outcomes.

Bonus Gender Split



Our executive team is not eligible for a bonus. Roles that are eligible for performance bonus are those in sales focused roles. What is also included in this data is other bonuses e.g. referral payments (for talent acquisition efforts), relocation allowances, fellowship referral bonus and other similar initiatives.

Actions So Far

The actions we determined in last year's report focused on development, pay benchmarking, employee feedback and ongoing analysis.

During 2025, we trialled a 360-degree feedback for leaders and we continue to review and plan how to fairly manage a high performer and future leader programme to ensure appropriate development and support. We also completed a comprehensive benchmarking exercise across all roles, ensuring our pay continues to align with market standards.

To strengthen our employee feedback culture, we implemented Taito, our continuous feedback tool, in April 2025. It is now used for probation and performance reviews, with continued focus on embedding its use consistently across the organisation.

Lastly, we ran our second annual engagement survey in July and plan to launch a pulse engagement survey in Q4; a number of scores improved year on year, including Action (+18 points) and Diversity (+7 points).

Next steps

Continuing our in-depth analysis of our gender pay gap remains an ongoing priority and will continue to form part of our reporting each year; this allows us to shape the right actions, better understand our results, and focus on the career progression pathways that will have the greatest impact on closing the gap.

Glossary of terms

Relevant employees	<p>All employees employed on your snapshot date, who either:</p> <ul style="list-style-type: none">• have a contract of employment – including employees who are part-time, job-sharing, and on leave• are self-employed, where they must perform the work themselves – that is, they are not permitted to subcontract any part of the work or employ their own staff to do it
Hourly pay/ Average earnings	<p>Hourly pay is the sum of ordinary pay and any bonus pay (including any pro-rated bonus pay) that was paid in the pay period that includes your snapshot date.</p> <p>This is calculated using gross figures before deductions made at source (such as tax and employee pension contributions) and after any reductions from gross pay for salary sacrifice.</p>
Full- pay relevant employees	<p>All employees employed on your snapshot date who are either:</p> <ul style="list-style-type: none">• paid their usual full basic pay – including paid leave – or paid for piecework during the pay period in which your snapshot date falls• paid less than their usual basic pay or piecework rate, but not because of leave (for example, because they have irregular working hours)
Turnover rate	<p>Employee turnover is the percentage of employees that leave an organisation during a given time period.</p> <p>In this report, it is calculated as the total number of male/female leavers in the given time period (12 months), divided by the average number of male/female employees during the same time period.</p>
