



Gender Pay Gap Report

Our Approach

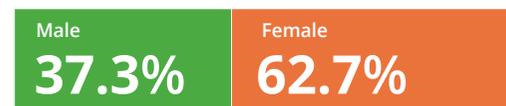
We want this to be a place where everybody is equally able to succeed and be rewarded for the success they create. We have retained good female representation at senior leadership team level (50%) and also the broader senior management level (51%) with men and women paid equally.

Since 2012 all of our employees have been paid at least the rates published by the Living Wage Foundation, and we have clear pay structures in place for all our teams to ensure everybody is paid equally for the role that they hold. Therefore, our approach to closing our gender pay gap is focussed upon achieving a more equal male to female ratio in all job levels and role types throughout our organisation. This is a particular challenge for us in our customer service, administration and apprenticeship delivery teams where female employees significantly outnumber male employees - this is the primary contribution to our gender pay gap.

About Kaplan Financial

Figures relate to employees as at 5 April 2019 (reporting period)

689 Full Pay Relevant Employees*



Gender split of Kaplan Financial employees

WHAT IS THE GENDER PAY GAP?

■ The gender pay gap is a measure of the average earning of men and women across an organisation. The gender pay gap is not the same as equal pay. Equal pay relates to men and women being paid equally for equal work. This is a legal requirement in the UK and a matter of principle that Kaplan Financial is committed to and abides by.

Legislative requirements:

- All UK companies with 250 or more employees on 5 April 2019 are required to publish specific gender pay information:
- Mean and median gender pay gap
- Mean and median gender bonus gap
- Proportion of males and females receiving a bonus
- Proportion of males and females by quartile pay band
- Figures for each legal entity with at least 250 employees on the snapshot date must be calculated and reported separately
- The mean and median gender pay gap is based on the hourly rates of pay as at 5 April 2019
- The mean and median gender bonus gap considers bonus pay received in the 12 months leading up to April 2019
- Pay quartiles look at the proportion of men and women in four pay bands when we divide our workforce into four equal parts

* Full Pay Relevant Employee is defined in the gender pay gap legislation as any employee who is being paid either at a reduced rate or nil as a result of being on leave. This meant we were required to exclude data for 56 staff who were not receiving full pay on the snapshot date of 5 April 2019 due to maternity leave (15 of the 56), sabbaticals, sickness or new joiners/leavers during the month.

What is our *gender pay gap* at Kaplan Financial?

The information presented below shows our overall median and mean gender pay and bonus gap based on hourly rates of pay as at the snapshot date of 5 April 2019, and bonuses paid in the year to April 2019.

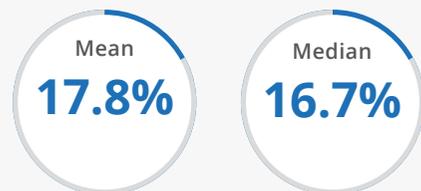
Key Data

Mean and median gender pay gap

The mean gender pay gap is the difference between the average hourly rate of pay for male employees and the average hourly rate of pay for female employees.

The median gender pay gap is the difference between the midpoint of the ranges of hourly pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle value.

Our 2019 mean and median show an improvement against 2018 of 1.7% and 7.5% respectively.



Mean and median gender bonus gap

The mean gender bonus gap is the difference in average bonus pay that male and female employees receive. The median gender bonus gap shows the difference in the midpoints of the ranges of bonus pay received by men and women.

We are reporting a high mean bonus gap because it was skewed by our payment of a discretionary bonus to all staff (421 women and 232 men) who were not participants in a senior incentive scheme (11 women and 13 men).

The median bonus gap was zero because all staff (except very

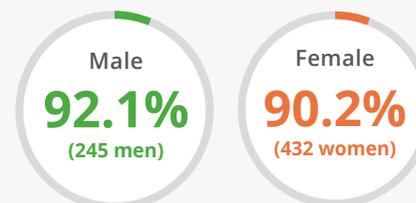


recent joiners and those on senior incentive schemes) received exactly the same bonus.

Proportion of males and females receiving a bonus

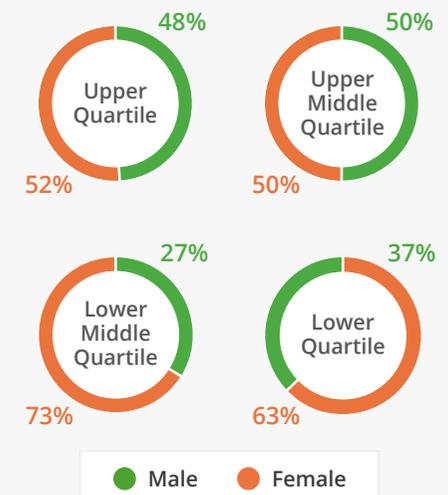
This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2019.

The percentages are high because all staff (except very recent joiners and those on senior incentive schemes) received a discretionary bonus.



Proportion of males and females by pay quartile

This is the percentage of men and women employees in four quartile pay bands (dividing our workforce into four equal parts).



Why do we have a *gender pay gap* at Kaplan Financial?

Our male and female employees are paid equally when in the same roles or when doing work of equal value. Our gender pay gap is due to the significant imbalance of men/women employed in a number of our job categories. Although we have a balanced gender ratio at our senior leadership team and broader senior management levels, and we have a balanced gender ratio in our upper and upper middle pay quadrants, we employ significantly more women than men in some of the roles in our lower pay quadrants:

- **Administration and Service:** there were significantly more women (134) than men (79) in these roles. These roles are within our lower pay quartile, and therefore the gender imbalance affects our gender pay gap considerably. If we employed an even number of men and women in these roles, our mean gender pay gap would reduce from 17.8% to 11.3%.
- **Apprenticeship Delivery:** there were significantly more women (110) than men (32) in these roles. These roles are within our lower middle pay quartile, and therefore this gender imbalance affects our gender pay gap considerably. If we employed an even number of men and women in these roles, our mean gender pay gap would reduce from 17.8% to 10.6%.

There are also two highly compensated job categories in which we have very few women:

- **Banking & Finance Tutors:** this is a senior specialist role delivering tuition for qualifications including the Chartered Financial Analyst® (CFA) Program, currently held by 9 men and no women. This is challenging to overcome due to the gender mix in the industry and also because this team has very low employee turnover (0% in the last three years). However, we have recently created a new progression path for our Accountancy Tutors (62% of whom are women) to become Banking & Finance Tutors. If we employed an even number
- of men and women in these roles, our mean gender pay gap would reduce from 17.8% to 12.4%.
- **Senior Sales:** the senior roles in our sales functions are mostly held by male employees, with most of the junior sales roles held by women. If we employed an even number of men and women in both the senior and the junior roles, our mean gender pay gap would reduce from 17.8% to 14.3%.

If we were to achieve an even mix of men and women in the four role categories above we would no longer be reporting a mean gender pay gap in favour of men - we would be reporting a gender pay gap of 5.1% in favour of women.

DIFFERENCE BETWEEN EQUAL PAY AND THE GENDER PAY GAP

A company can have a gender pay gap without breaching equal pay provisions. Our gender pay gap at Kaplan Financial is not as a result of equal pay issues. We have a gender-neutral approach to determining pay for our roles at all levels and regularly monitor this to ensure we continue to meet legal and moral obligations.

EQUAL PAY

Equal pay is the legal obligation for employers to give men and women equal pay for equal work.

GENDER PAY GAP

The gender pay gap is a broader measure of the difference between the average earnings of men and women (irrespective of roles, location and seniority) – it looks across all jobs at all levels within an organisation.

Our commitment to *closing* the gender pay gap

We have taken great care to understand what our data is telling us and we are confident that we pay men and women equally for the same roles or work of equal value.

We will:

1. Continue to apply our pay structures consistently, calibrate between teams, and monitor the departmental gender pay gaps as part of our annual salary review process.
2. Seek to attract a more even mix of genders for role types contributing most significantly to our gender pay gap (administration/service and apprenticeship delivery) reduce any effect of bias that may exist in the hiring, development, or promotion of employees based on gender.
3. Continue to encourage existing employees (in particular female employees) to undertake and complete the Chartered Financial Analyst® (CFA) Programme qualification at the Company's expense through Kaplan's "Gift of Knowledge" programme in preparation for future vacancies within the Banking and Finance Tutor team.
4. Seek to attract a more even gender mix of external applicants for our senior sales positions, and encourage existing employees (in particular female employees) in junior sales roles to develop and progress towards senior sales positions.

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



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