

Gender pay gap report 2024



Our Approach

We want Kaplan to be a Great Place to work where everyone can succeed, build their careers, and be fairly rewarded for their contributions to our success.

Even though we maintain pay structures and conduct regular analysis to ensure equal pay for equal work, and women occupy more than half of our leadership and senior management positions as well as the majority of positions in the top two pay quadrants, we continue to report a gender pay gap favouring men.

This gap exists because certain roles that are paid below our mean rate are predominantly occupied by women. We believe that fostering diverse teams with a reasonably balanced gender representation and ensuring everyone is paid fairly is in the best interests of all our stakeholders. Therefore, we have concentrated our efforts on identifying and addressing teams with significant gender imbalances (i.e. where one gender constitutes more than 60% of the team), as these are the primary contributors to our gender pay gap.

About Kaplan Financial

Figures relate to employees as of 5 April 2024 (reporting period).

1058 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 2024 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 2024.
- The mean and median gender bonus gap considers bonus pay received in the 12 months leading up to April 2024.
- 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 employees are all the employees the employer employs on the snapshot date and are paid their usual full basic pay during the pay period in which the snapshot date falls (the relevant pay period). Any employee being paid either at a reduced rate or nil due to being on leave is excluded. This meant we were required to exclude data for 54 staff who were not receiving full pay on the snapshot date of 5 April 2024 due to maternity & paternity leave (18), sabbaticals, sickness or new joiners/leavers during the month.

What is our gender pay gap at Kaplan Financial?

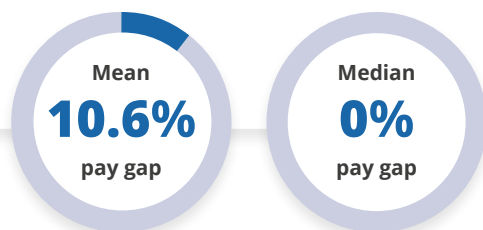
Key data: The information presented below shows our overall median and mean gender pay and bonus gaps based on hourly pay rates as of the snapshot date of 5 April 2024, and bonuses paid in the year to April 2024.

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 hourly pay ranges for men and women by ordering individual pay rates from lowest to highest and comparing the middle value.

Our 2024 mean gender pay gap shows a decrease of 5.3% vs 2023, whereas the median gender pay gap shows a decrease of 6.6% vs 2023 to 0% in 2024.

A combination of factors have contributed to this decrease. Some of these factors are 'real' and we expect them to remain, such as achieving a more balanced gender distribution in areas like Administration & Service roles, now at 55% female and 45% male. This improvement addresses a significant contributor to our Gender Pay Gap in previous years. However, temporary factors have also artificially lowered the gap this year, such as a senior and highly paid position, previously occupied by a male, being vacant at the snapshot date of 5th April 2024.



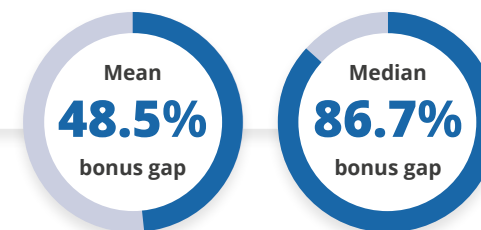
Mean and median gender bonus gap

- 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.

Bonus pay, for the purpose of gender bonus gap, also includes payments related to commission and incentive schemes and long service awards.

Our analysis tells us that, under our senior management bonus scheme, while the distribution of bonuses may favour women in terms of the number of recipients, there is no significant difference in the average bonus amount between genders.

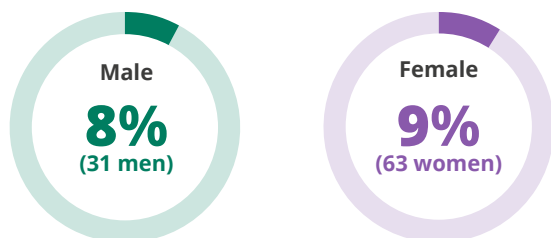
We are reporting a high mean and median bonus gap due to a gender imbalance in our commission payments. While more women than men receive commission payments overall, and both genders earn the same commission rates for the same roles, significantly more men are earning commissions above the mean bonus rate. The data shows us that men are generating higher sales, leading to higher commission earnings. Although our commission schemes are equitable, we need to explore the reasons behind this gender imbalance further.



What is our gender pay gap at Kaplan Financial?

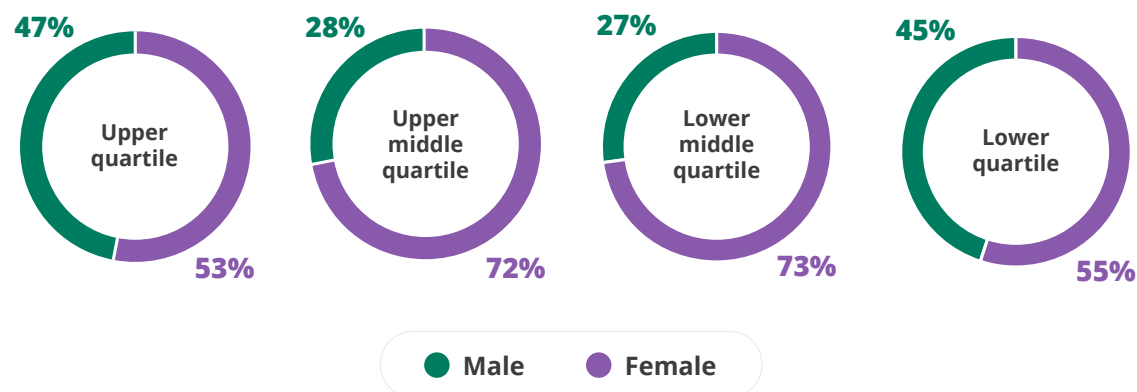
Proportion of males and females receiving a bonus, commission, incentive payment or long service award

This is the percentage of men and women who received a relevant payment in the 12 months leading up to the snapshot date of 5 April 2024.



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).



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.

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

Our transparent salary structure helps ensure that 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 good gender balance at our senior leadership and senior management levels, and we have a fairly balanced gender ratio in our upper pay quadrant, we employ significantly more women than men in some of the roles in our lower pay quadrants:

- **Administration and service roles:** We have made notable progress in improving gender distribution within this team, which now comprises 151 females and 124 males. Despite this improvement, these roles fall within our lower pay quartile, impacting our gender pay gap. If we employed an equal number of men and women in these roles, our mean gender pay gap would reduce from 10.6% to 8.6%.
- **Apprenticeship delivery roles:** In apprenticeship delivery roles, there are significantly more women (252) than men (65). These roles are within our lower middle pay quartile and heavily influence our gender pay gap. Achieving gender balance in these roles

would reduce our mean gender pay gap from 10.6% to 3.9%. Therefore, this particular gender imbalance is the dominant factor in our gender pay gap. Efforts to address this imbalance have been less successful compared to our administration and service roles, partly due to the external market's gender skew towards women in these positions.

There is also one highly paid job category in which we had no women at the snapshot date:

- **Banking & Finance Tutors:** this is a senior specialist role delivering tuition for qualifications including the Chartered Financial Analyst® (CFA) Program. At the time of the reportable period for the Gender Pay Gap, these roles were held by 4 men and no women. If we employed an even number of men and women in these roles, our mean gender pay gap would reduce from 10.6% to 9.2%. As a result of the progression path we implemented for our Accountancy Tutors, many of whom are women, to transition into Banking & Finance Tutor roles, we have now achieved a more balanced gender representation in this category. Consequently, we expect the 2025 Gender Pay Gap report to reflect this improved gender balance.

Impact of freelancers (casual workers)

Casual workers who received payment during the reportable period for work carried out, including accountancy teaching, banking & finance teaching, and exam invigilation, have a combined impact on our overall gender pay gap, favouring men. While the average hourly rate for accountancy teaching is roughly equal for females and males, the absence of females in the higher-paid banking & finance teaching roles and the larger number of females working, during the reportable period, as lower-paid invigilators combine to create a gender pay gap that favours men. If there were an even number of male and female casual workers working at the snapshot date, our mean gender pay gap would reduce from 10.6% to 7.6%.

If we were to achieve an even mix of men and women in the four categories above, we would be reporting a reduced gender pay gap of 2.5% in favour of women.

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 gap contributions as part of our annual salary review process.

2

Analyse the reasons behind the gender imbalance in our commission payments to identify actionable insights.

3

Seek to attract a more even mix of genders for apprenticeship delivery roles and support efforts to sustain the improved gender balance in administration and service roles. Additionally, we will work to reduce any effect of bias that may exist in the hiring, development, or promotion of employees based on gender.

4

Adjust our resourcing models to create opportunities for less experienced candidates where the external market lacks gender balance.

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.



K A Walton

Kathy Walton

Chief Executive Officer – Kaplan Financial