

# Gender Pay Gap Report



# Our Approach

We want Kaplan to be a Great Place to work where everyone can succeed, build their careers, and be fairly rewarded for the success they help to create.

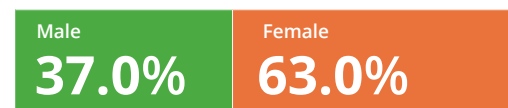
We are pleased to see that we continue to have a good gender balance in our senior roles, with 50% of our senior management positions held by women. Women also hold 59% of our senior leadership team positions, up from 47% the previous year.

Since 2012 all of our employees have been paid at or above the rates published by the Living Wage Foundation, and we have transparent pay structures in place for all our teams to ensure everybody is paid fairly for the role they hold. Therefore, our approach to closing our gender pay gap primarily focuses on achieving a more equal gender balance in various job levels and role types throughout our organisation. This is particularly relevant in our customer service, administration and apprenticeship delivery teams, where female employees significantly outnumber male employees - this is now by far the primary contributing factor towards our gender pay gap. As well as reducing our gender pay gap, we believe that diverse, gender-balanced teams at all levels are in the best interests of all our stakeholders.

## About Kaplan Financial

Figures relate to employees as at 5 April 2022 (reporting period)

**1087** 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 2022 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 2022
- The mean and median gender bonus gap considers bonus pay received in the 12 months leading up to April 2022
- 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 41 staff who were not receiving full pay on the snapshot date of 5 April 2022 due to maternity leave (7), 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 gaps based on hourly pay rates as of the snapshot date of 5 April 2022, and bonuses paid in the year to April 2022

## Key Data

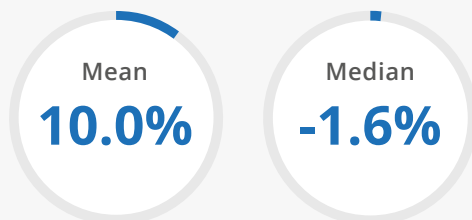
### Mean and median gender pay gap

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

Our 2022 mean gender pay gap shows a reduction of 7.1% vs 2021, whereas the median gender pay gap shows a reduction of 20% in 2022.

Whilst this is a significant reduction in our gender pay gap vs 2021, it is mostly due to payments to a group of temporary casual workers during the reporting period. If we were to exclude this group of workers the mean gender pay gap would be 15.9% and the median gender pay gap would be 7%. This would be a reduction of 1.2% and 11.4% vs 2021, and is perhaps a more accurate representation of the progress we have made in the last 12 months.

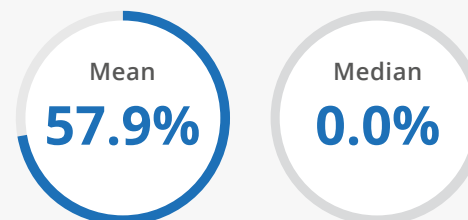


### Mean and median gender bonus gap

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, in addition to larger payments under our senior management bonus scheme (15 women and 15 men), we paid a discretionary bonus to most other staff (501 women and 255 men). With 266 more women than men receiving that discretionary bonus, it lowered the mean figure for women.

This also led to a median bonus gap of zero because most of those who received a bonus, received exactly the same amount.

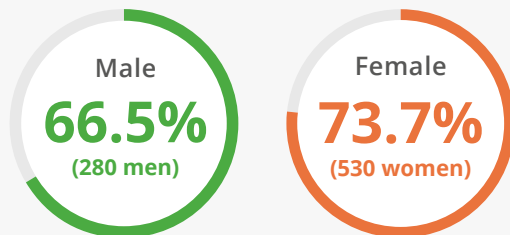


# What is our *gender pay gap* at Kaplan Financial?

## Key Data

### Proportion of males and females receiving a bonus

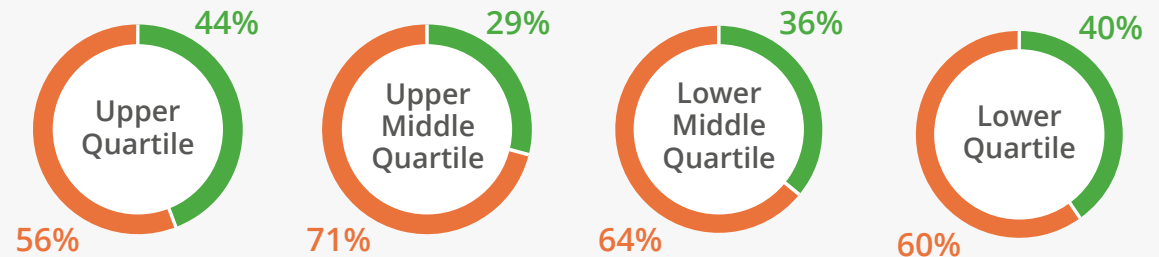
This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2022.



● Male ● Female

### 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).



We also analysed the distribution of men and women within each of our individual pay bands, and were reassured to find that no one gender was more, or less, likely to be paid a salary towards the top of their band. Therefore, we do not believe that that is a contributor to our gender pay gap.

# 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:** there were significantly more women (183) than men (120) 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 10.0% to 5.4%.
- **Apprenticeship Delivery roles:** there were far more women (189) than men (47) in these roles. These roles are within our lower middle pay quartile; therefore, and this gender imbalance considerably affects our gender pay gap. If we employed an even number of men and women in these roles, our mean gender pay gap would reduce from 10% to 3.5%. Therefore, this particular gender imbalance is the dominant factor in our gender pay gap.

**There is also one highly compensated job category in which we have no women:**

- **Banking & Finance Tutors:** this is a senior specialist role delivering tuition for qualifications including the Chartered Financial Analyst® (CFA) Program, currently held by 5 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% to 7.7%. This is challenging to overcome due to the gender mix in the industry and also because this team has not recruited any new Tutors since January 2019. In 2019 we created a new progression path for our Accountancy Tutors (62% of whom are women) to become Banking & Finance Tutors.

**If we were to achieve an even mix of men and women in the three 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 3.3% 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 gap contributions as part of our annual salary review process.
2. Seek to attract a more even mix of genders for administration/service and apprenticeship delivery roles, and 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.

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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