

Kenneth Green Associates Limited (KGA) Gender Pay Gap Review 2017

Introduction

KGA has a long standing commitment to all forms of equality and a strong belief in the well-being of its employees. The company's values are embodied in its ethos simply stated as PLEASURE PROFESSIONALISM INTEGRITY where the priceless ingredient is its people. On 5th April 2017, women represented 84.5% of the company's workforce including 42.9% of the Board of Directors. KGA is committed to maintaining high gender equality.

Gender Pay Gap Reporting

Under UK legislation, all companies with more than 250 employees are required to publish data regarding their gender pay gap, by April 2018.

Whilst both the concept of equal pay and the gender pay gap deal with the disparity of pay women receive in the workplace, they are not the same.

The gender pay gap shows the difference in the average pay between all men and women in an organisation. It does not equate to Equal Pay, which measures the pay and benefits awarded to men and women in the same or similar jobs in the same organisation.

Equal pay means that men and women in the same employment, performing equal work must receive equal pay, as set out in the Equality Act 2010. KGA regularly reviews its pay and benefits packages to ensure that men and women are paid equally for the same job and there is no equal pay issue.

The gender pay gap relates to differences between the average salary between men and women across the entire organisation. It is expressed as a percentage of male earnings.

"For me, it is a real privilege to employ people. At Kenneth Green Associates we aim to empower people, so they know they have real value."

Kenneth Green, Chairman

Profile of the KGA UK Workforce

KGA employs 330 people in the UK. The main employee groups are:

Beauty Consultants

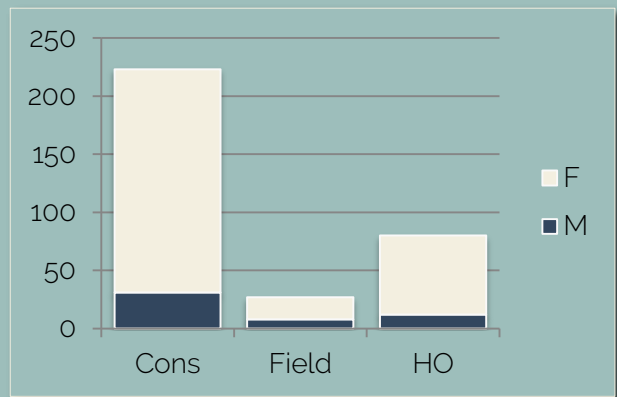
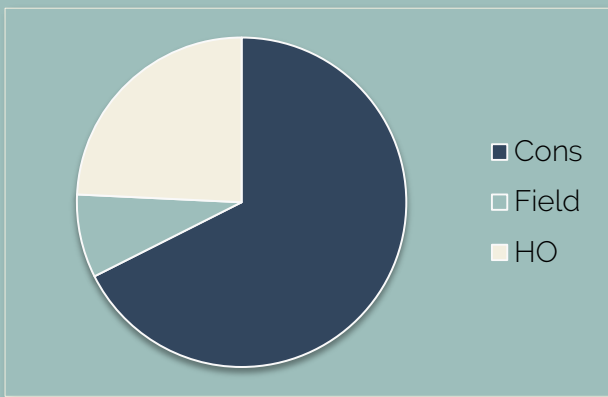
223 employees working in department stores, national chains and independent retailers, representing 67.6% of all employees. Of these employees, 86.1% are female and 13.9% male.

Field Based Staff

27 employees comprising Sales Managers and Training personnel. Of these employees, 70.4% are female and 29.6% male.

Head Office Staff

80 employees based in our Weybridge offices. Of these employees, 85.0% are female and 15.0% male.



Gender Pay Gap Summary

These figures represent the average amount less that female employees receive versus male employees, across the company as a whole.

	Gender Pay Gap	Gender Bonus Gap
Median	26.6%	38.7%
Mean	36.2%	60.9%

Proportion of Employees Receiving a Bonus

Male	Female
96.1%	92.8%

Beauty Consultants (who have successfully progressed beyond their initial job training) are eligible to receive bonus pay in the form of commission and other incentives which are paid one month in arrears.

Head Office employees, who have completed their probationary period, are eligible to be considered for a discretionary bonus usually paid annually in December. Thus some new employees and particularly those joining the company between January and the snapshot date of 5th April will not feature in the bonus proportion calculated.

The table below shows the proportion of employees of each gender in each pay quartile. Each quartile comprises 77 or 78 employees.

Quartile	Male	Female
Lower	6.5%	93.5%
Lower Middle	14.1%	85.9%
Upper Middle	17.9%	82.1%
Upper	24.7%	75.3%

Understanding the Pay Gap

The median pay gap for employees across the organisation is 26.6%, however, we do not have an 'Equal Pay' issue. KGA is committed to paying men and women equally for the same job across all levels and all functions.

Factors affecting our gender pay gap:

- i) 67.6% of the company's employees work as Beauty Consultants in department stores, national chains and independent retailers, many in part-time positions. Whilst these roles are competitively paid they reflect the salary norms of the retail environment and are among the lowest paid roles across the company as a whole. A considerable number of Beauty Consultants are female, 86.1%, and this accounts for a significant proportion of our gender pay gap.
- ii) For Head Office roles we attract a higher proportion of women at entry levels and this reflects more women in clerical positions.

Actions to Reduce Our Gender Pay Gap

KGA is committed to gender equality and to closing our gender pay gap. To achieve this we are committed to finding ways in which we can increase the proportion of women in more senior roles within the organisation. Additionally, we recognise the need to attract more males into mid-level and entry roles within the organisation.

We have observed that applications for vacant positions within the company have been received predominantly from female candidates. We believe that this phenomenon is across the industry and difficult to adjust.

Declaration

We confirm that our data is accurate and has been calculated in accordance with the statutory requirements as required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'Philip Stokes', with a small arrow pointing to the right at the end of the signature.

Philip Stokes
Finance Director and Company Secretary
Kenneth Green Associates Limited