



INTO 

Gender Pay Gap Report

March 2019

Statement from John Latham, Chief Executive Officer, INTO University Partnerships and Lorraine Slattery, Chief People Officer, INTO University Partnerships

We are pleased to publish today INTO University Partnerships' (INTO's) first Gender Pay Gap Report, covering both the one entity we are statutorily required to report on, as well as voluntary reporting of other entities and organisations which help round out the picture of the gender pay gap at INTO in the UK.

INTO welcomes and supports gender pay gap reporting and is genuinely committed to promoting equality of opportunity for all its employees. Diversity & Inclusion are fundamental to any people strategy, all the more so in a global organisation whose core purpose is to foster inter-cultural learning around the world, as INTO seeks to do

However, INTO is not, of course, immune to broader societal issues affecting women in the workforce. In common with most other employers reporting a gender pay gap, the gender pay gap that INTO is reporting today is predominantly a direct result of the higher proportion of men in the most senior roles in the organisation, especially in IUP2 LLP and INTO University Partnerships Ltd. (IUP Ltd.) - our headquarters employing entities. We are pleased to be able to report a more balanced picture across our University centres which impacts positively on aspects of the gender pay gap for INTO in the UK as a whole, but we are not complacent that more work is needed throughout our organisation.

We acknowledge that we have work to do on many of the measures we are reporting today. We accept that the gap will take some years to reduce significantly, despite best efforts that we are already making and intend to intensify in the months and years ahead, and that there will be a time lag before many of our actions have a material impact generally across INTO. However, we are determined to do all we can to ensure that any barriers that may be in place, or perceived to be in place now, that are getting in the way of women progressing to more senior roles (and, therefore, higher pay levels) at INTO, are minimised and eradicated

We want to reassure our colleagues and partners around the world that, while today's Report is focused on the UK for statutory reporting reasons, we plan to extend voluntary reporting across INTO as soon as we are able. Most, if not all, of the actions we are planning to take will have a global impact, so all colleagues should benefit from the findings, learnings and actions emerging from this Report.

We also recognise that there are many other aspects to diversity than gender and our strategy is generally to take an inclusive approach to building our organisational talent. However, as today's Report makes clear, our biggest diversity concern and opportunity right now is the lack of senior women at the top of the organisation, so we must make improving that landscape over time a top priority.

We look forward to working in collaboration with all INTO employees to create a more balanced and diverse team so that we can all reap the rich rewards that being able to attract and retain the very best talent to our great company will bring.



John Latham



Lorraine Slattery

Introduction

What's this all about?

This Report contains INTO's statutory disclosure of the gender pay gap* for its legal entity IUP2 LLP, which employed more than 250 people on 5th April 2018, the 'snapshot date' for pay gap calculation purposes. IUP2 LLP is therefore statutorily required under UK law to publicly report its gender pay gap by 4th April 2019. The gender pay gap refers to a gap between what female employees as a whole are paid compared with male colleagues as a whole group. It is not the same as equal pay – see below for more explanation.

What must be reported?

Employers must publish the gap in pay between men and women as follows:

1. on a median basis¹;
2. on a mean basis²; and, in addition,
3. the distribution of gender by pay quartile³; and
4. the percentages of employees receiving bonuses by gender and the gender gap on bonuses.

What is INTO reporting?

INTO is a complex organisation, comprising two employing legal entities for its headquarters employees (IUP2 LLP & IUP Ltd.) and a number of separate legal entities which employ our people either in wholly owned subsidiaries or in Joint Ventures with our university partners. With the exception of IUP2 LLP, none of these entities meets the criteria to report their gender pay gap statutorily. However, it is important to the INTO shareholders and executive leadership team that we are as transparent as we can be on the complete picture of our gender pay gap within our headquarters and overall within our UK operations. We are, therefore, also including in this Report voluntary reporting on the gender pay gap for the following entities and organisations within INTO in the UK:

1. IUP Ltd. (to complete the HQ picture)
2. Total UK centres (owned and JV)
3. Total UK

We would like to continue to increase our voluntary reporting over time and, with this in mind, have already started to consult with our Joint Venture partners individually with a view to reporting voluntarily on these entities as well, if agreement is reached with our partners. As a matter of good practice, we also propose to report internally in due course on the gender pay gap in other countries where INTO has operations.

Important note: What the gender pay gap is not

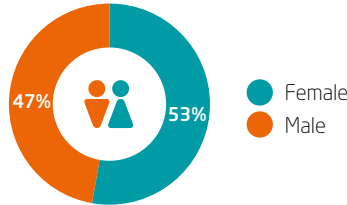
The 'gender pay gap' is not about 'equal pay'. UK law has, since 1970, prohibited paying different amounts to men and women who are doing 'like work', 'work of equal value' or 'work rated as equivalent' unless there is a 'genuine material factor' that explains the difference. By contrast, a gender pay gap is not illegal but clearly demonstrates where there is a gap between the current earnings of women in an organisation compared with their male colleagues, usually based, as is the case with INTO's HQ, on the comparatively smaller numbers of women in senior or other highly paid roles.

* See Glossary for definitions

The numbers

IUP2 LLP: THIS IS OUR STATUTORY DISCLOSURE FOR THIS ENTITY

ALL EMPLOYEES



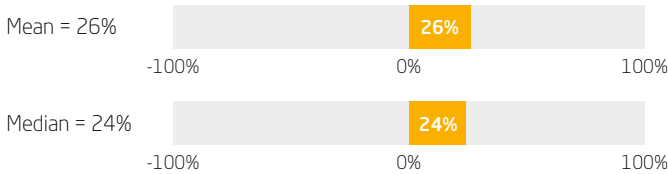
What this means

Within IUP2 LLP:

- 53% of employees are women
- 47% of employees are men

"PAY" GENDER PAY GAP

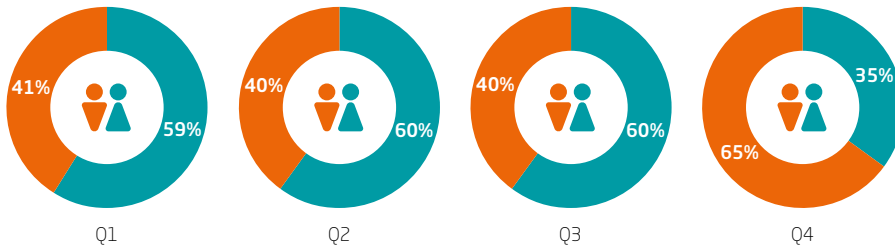
(based on hourly rates and including any bonuses)



Definition: Mean Average – all hourly pay rates for each gender added together and divided by the number of hourly pay rates
Median Average – the mid-point of all hourly pay rates for each gender listed in ascending order

What this means: On an hourly rate basis, women earn on average 26% less than men (mean average) or 24% less than men (median average). It does not mean that a woman is paid less than a man for similar work or work of similar value

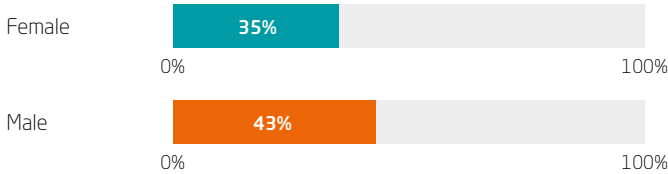
PAY QUARTILES



Definition: Pay quartiles – the splitting of employees in any given entity or organisation into four equal (or as close to equal as possible) groups based on their pay and showing the proportion of men and women in each group

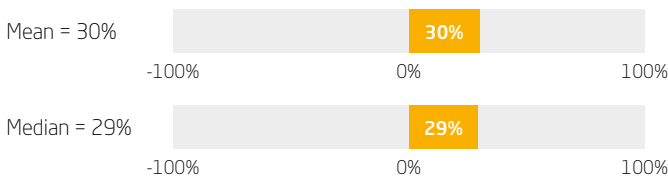
What this means: Quartiles 1-3 show a stable proportion of women and men (c.60% women/c. 40% men) but Quartile 4 (the highest paid quartile) is 65% men and 35% women

PROPORTION OF MALES AND FEMALES RECEIVING A BONUS PAYMENT



What this means: 35% of women and 43% of men were paid a bonus

BONUS GENDER PAY GAP



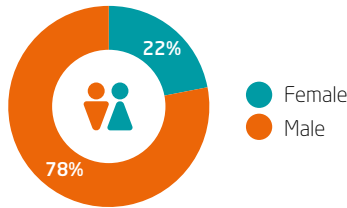
Definition: Mean Average – all bonus amounts for each gender added together and divided by the number of bonus amounts
Median Average – the mid-point of all bonus amounts for each gender listed in ascending order

What this means: Where bonuses were paid, women earned on average 30% less than men (mean) and 29% less (median)

IUP Ltd

We are voluntarily disclosing the gender pay gap for this entity to provide a full picture of our HQ gender pay gap. This entity employs our most senior leadership including all of the C-suite/Executive Board.

ALL EMPLOYEES

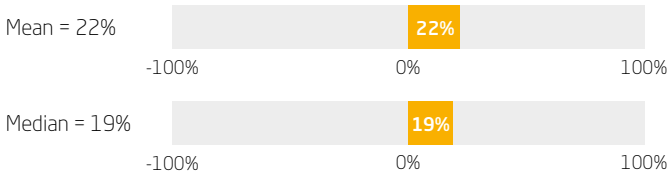


What this means

- Within IUP Ltd:
- 22% of employees are women
 - 78% of employees are men

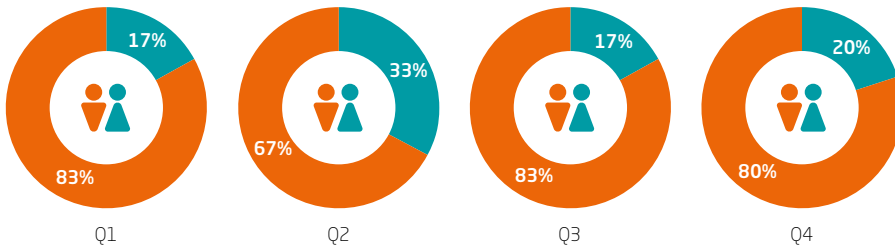
“PAY” GENDER PAY GAP

(based on hourly rates and including any bonuses)



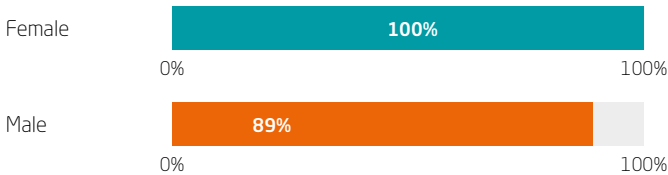
What this means: On an hourly rate basis, women earn on average 22% less than men (mean average) or 19% less than men (median average)

PAY QUARTILES



What this means: The quartiles show a relatively stable proportion of women and men (c.20% women/c. 80% men). The population in IUP Ltd is small therefore the 33% / 67% in quartile 2 is not significant.

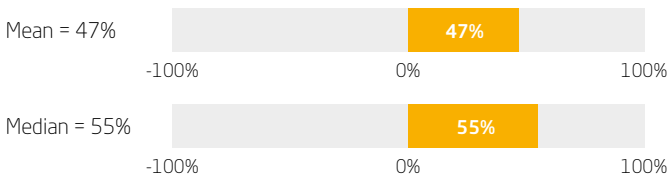
PROPORTION OF MALES AND FEMALES RECEIVING A BONUS PAYMENT



What this means:

100% of women and 89% of men were paid a bonus

BONUS GENDER PAY GAP



What this means:

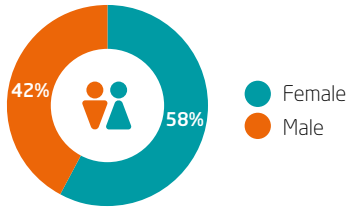
Where bonuses were paid, women earned on average 47% less than men (mean) and 55% less (median)

* See Glossary for definitions

All UK Centres

We are voluntarily disclosing the gender pay gap for our UK centres on a combined basis to provide more information regarding our overall gender pay gap.

ALL EMPLOYEES

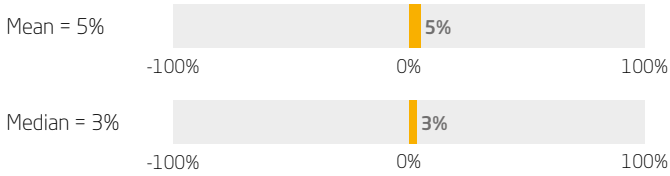


What this means
 Within our centres:

- 58% of employees are women
- 42% of employees are men

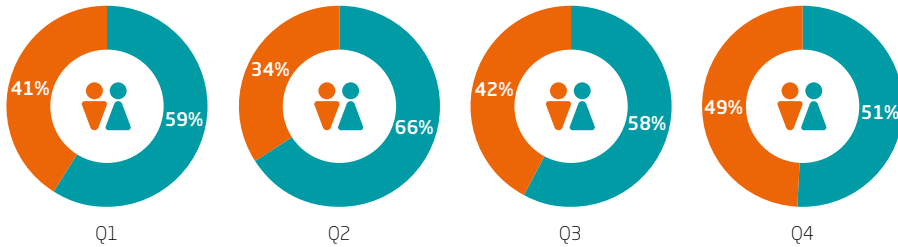
“PAY” GENDER PAY GAP

(based on hourly rates and including any bonuses)



What this means: On an hourly rate basis, women earn on average 5% less than men (mean average) or 3% less than men (median average)

PAY QUANTILES



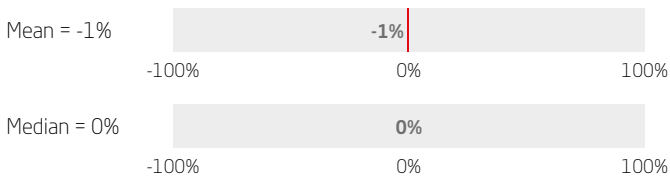
What this means: Quartiles 1-3 show a stable proportion of women and men (c.60% women/c. 40% men) but Quartile 4 is 49% men and 51% women

PROPORTION OF MALES AND FEMALES RECEIVING A BONUS PAYMENT



What this means: 2% of women and 2% of men were paid a bonus

BONUS GENDER PAY GAP



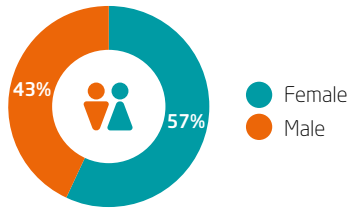
What this means: Where bonuses were paid, the amounts were very similar with a very small gap favouring women

* See Glossary for definitions

Total UK (all HQ & all centre operations)

This data is a combination of all that disclosed above. We are voluntarily disclosing the combined gender pay gap for UK businesses to provide more information regarding our overall gender pay gap.

ALL EMPLOYEES



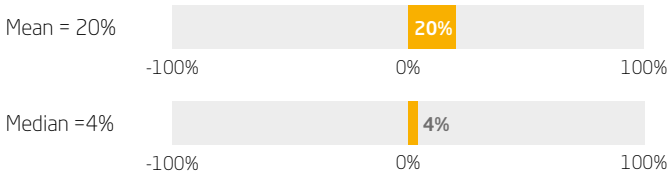
What this means

Within INTO in the UK:

- 57% of employees are women
- 43% of employees are men

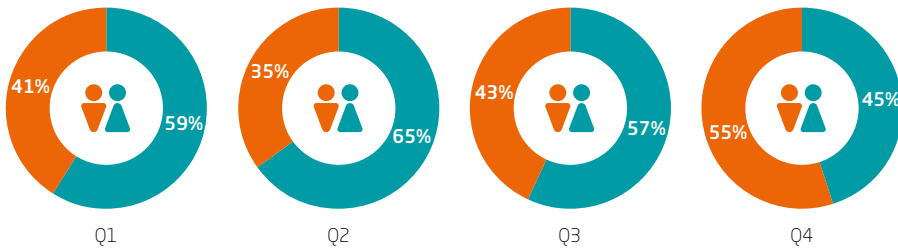
"PAY" GENDER PAY GAP

(based on hourly rates and including any bonuses)



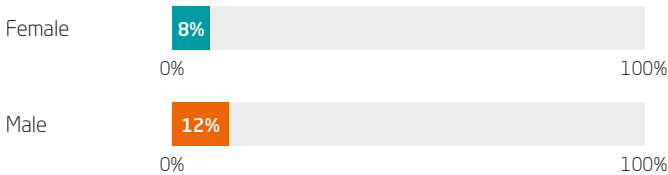
What this means: On an hourly rate basis, women earn on average 20% less than men (mean average) and 4% less than men (median average). This is a combination of very low differences across our UK centres and the higher gap in our headquarters entities

PAY QUARTILES



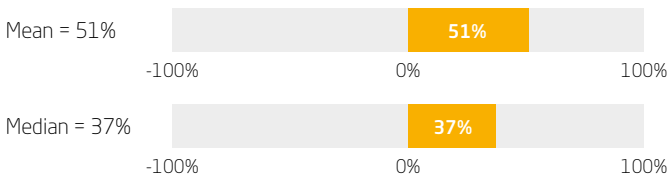
What this means: Quartiles 1-3 show a relatively stable proportion of women and men (c.60% women/c. 40% men) but Quartile 4 (the highest paid quartile) is 45% women and 55% men

PROPORTION OF MALES AND FEMALES RECEIVING A BONUS PAYMENT



What this means: 8% of women and 12% of men were paid a bonus

BONUS GENDER PAY GAP



What this means: Where bonuses were paid, women earned on average 51% less than men (mean) and 37% less (median), reflecting mainly the results of our headquarters entities

* See Glossary for definitions

Action

What we have already been doing:



Awareness raising & training

- Shared our Gender Pay Gap analysis with INTO's main board and gained their commitment to early & voluntary reporting, not just the statutory minimum, to underline our commitment to transparency and serious action
- Started conversations with JV Boards to extend voluntary reporting to our centre operations (February 2019)
- Unconscious Bias testing & training for all Executive Board members (April 2018)
- Unconscious Bias awareness session for all UK HQ employees (October 2018)



Increasing chances of accessing more female candidates for senior roles

- Gender-balanced shortlists required from search firms/recruiters for all senior roles (From 2017)
- Competency based interviews for senior appointments to ensure fairness and consistency for all candidates (From 2017)



Helping women to better afford maternity leave, encouraging them to stay at INTO

- Enhanced statutory maternity/adoption/shared parental leave pay in the UK introduced in August 2017



Consulting with female & male employees in our HQ to identify barriers to women progressing at INTO

- 4 x confidential roundtables conducted by CEO & Chief People Officer with a cross-section of volunteer women and men employed at our HQ in late 2018. Some key actions were identified and have helped to shape and inform our future commitments, described below.



Support structure for women

- Deployment in late 2018 of an Employee/Wellbeing Assistance Programme (for the first time outside of North America) to all employees. Employee Assistance Programmes are typically more used by women to access support resources and counselling than by men
- Deployment of travel security training in late 2018 including module related to the specific needs of women travellers
- Speak Up policy with 3rd party confidential fulfilment to facilitate whistleblowing deployed in January 2018

What we are already committed to doing in/from 2019



Awareness raising & training continued

- Significant investment in rolling out Unconscious Bias testing & training to all people managers globally during 2019. This is already well underway.
- Significant investment in rolling out fair and effective recruitment practices training to all people managers globally during 2019
- Dignity at Work pilot training programme planned by end 2019



Increasing chances of accessing more female candidates for senior roles continued

- Gender-balanced shortlists required from search firms/recruiters for all senior roles (continued) and extended to other management positions
- Competency based interviews for senior appointments to ensure fairness and consistency for all candidates (continued) and extended to other management positions



Progression opportunities

- Career Campus – career development toolkit – deployed on the Company intranet (from December 2018) and MyCareer – series of workshops on career management pilot in HQ (February 2019)



Flexibility

- Development of a 'Global Flexibility Framework' creating the expectation by the Board of INTO that flexible working practices for all employees will be deployed locally, wherever feasible, and appropriate to the local business, enshrined in local flexibility policies ('Framework' planned for first half of 2019)



Mentoring

- Development of a mentoring programme for high potential management employees, with a special focus on providing additional resources where needed for the mentoring of women who want to progress to more senior roles at INTO (planned for first half 2019)



Support structure for women

- Establish an initial women's network for interested women in HQ, with a view to wider roll out (planned for first half 2019)

Further areas we are planning to explore



Increasing chances of accessing more female candidates

- Blind resumes/CVs.
- Use of standardised skills-based assessment tasks in recruitment – external research has shown that these reduce bias in selection processes (Cabrera, M.A.M., Nguyen, N.T. (2001) Situational judgement tests: A review of practice & constructs assessed. International Journal of Selection & Assessment, 9 (1-2), 103-113)



Policy review

- Review of our approach to paternity leave and shared parental leave

Confirmation Statement from John Latham

I confirm that the calculations contained in this report are complete and accurate.



John Latham

Director, INTO University Partnerships Ltd. acting as a designated member of IUP2 LLP

Glossary

- Gender pay gap** – the difference between the hourly rate of pay of male employees and female employees (as set out in the regulations), expressed as a percentage of the hourly pay rate of the male employees. The gender pay gap is reported on both a mean and median basis.
- Mean** – average – all rates added together and divided by the number of rates.
- Median** – mid-point of all hourly rates listed in ascending order.
- Pay quartiles** – the splitting of the employees in any given entity or organisation into four equal (or as close to equal as possible) groups based on their pay, and showing the proportion of men and women in each group
- Pay** – the total of base pay (either salary or hourly pay), allowances, bonuses, calculated as an hourly rate.

For more information and definitions, the following website contains detailed explanations:

<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview#data-you-must-publish-and-report>

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