

Gender Pay Gap Report

Background

The Gender Pay Gap law requires any company with more than 250 team members (employees) in the U.K. to publish its gender pay gap.

In preparing the report, American Airlines, Inc. has analysed pay and bonus data as of 4 April 2019 for approximately 866 U.K. team members.

What is the gender pay gap?

The gender pay gap is the difference between the average hourly pay of women and men working in an organisation. It is not the same as equal pay. Equal pay requires a comparison between two team members (one male, one female) who are working in the same or similar jobs or carrying out work of equal value.

Having a gender pay gap does not mean that an employer does not pay male and female team members equally where they are working in the same role, nor that they are paying male or female team members unfairly. This is because the gender pay gap looks at the overall average pay rates based on gender, regardless of job role. Gender pay also does not take into account seniority, geographic location, market forces, grade or other factors relevant to rates of pay.

The **mean pay gap** is the difference between average hourly earnings.

The **median pay gap** is the difference between the midpoints in the range of average hourly earnings. The median takes all the rates of pay for team members of the same gender (whether male or female), orders them from highest to lowest, and picks the middle-most salary.

The **bonus pay gap** is the difference between the average bonus payments of male and female team members.

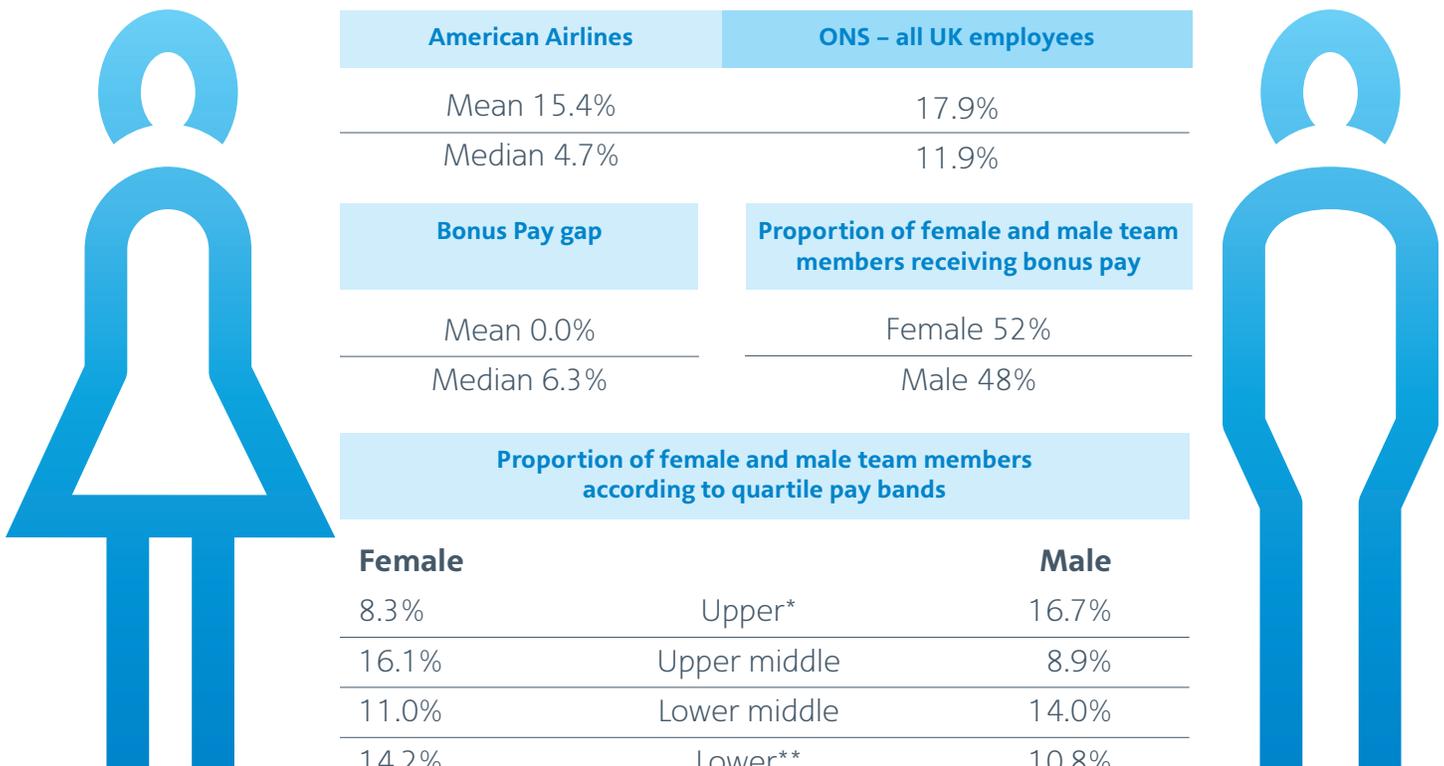
A positive gender pay gap indicates that on average, male team members are paid more than female team members. A negative gender pay gap indicates that on average, female team members are paid more than male team members.

Gender pay gap figures

These figures show the gender pay gap and other related statistics at American Airlines, Inc., based on figures from the relevant pay periods ending with April 2017.

Gender pay gap – Hourly rate of pay

Although not required, American has also included details of the gender pay gap reported in 2017 for all employees across the U.K. for comparison purposes. These 2017 figures are published by the Office for National Statistics (ONS).



These figures demonstrate that the proportion of American Airlines team members who received bonus pay in the relevant year is split relatively equally across both genders.

*(Highest hourly rate)

** (Lowest hourly rate)

Plans for 2019 and Beyond

American has a Gender Pay Gap of 15.4 percent, meaning the average hourly earnings of males across the UK operation are 15.4 percent higher than the average hourly earnings of females. The national average for the Gender Pay Gap is currently 17.9 percent. That represents a widening of our Gender Pay Gap from last year of just over 3 points. In our case, this movement is the result of a number of male new hires and promotions within senior and sales management. For example, out of 14 new hires in UK Sales Management, 10 were male.

More generally, the underlying Pay Gap reflects the same issue which affects many other businesses within and outside of the aviation sector. This includes the relatively limited number of females in science, technology, engineering and maths (STEM) careers such as aa.com, IT, Accounting, Finance and Tech Ops. The small number of females in the most senior roles in these fields at American in the U.K. also adds to the Gender Pay Gap. There is a good reason for optimism on this front. Across the 4 quartiles, the male/female split between the upper two taken together and lower two taken together is within just a few percent of 50:50 in both cases. A majority of the upper-middle quartile are women (64.3 %) which points to a strong platform and pipeline talent to progress into the UK's most senior roles.

The median pay gap at American is 4.7 percent, meaning when all the rates of pay for team members of the same gender (whether male or female) are ordered from highest to lowest, the middle-most salary of males is 4.7 percent higher than the middle most salary of females. The national average for the Mean Pay gap is currently 17.9 percent.

All American team members are eligible for bonus pay. In 2017, 91 percent of team members received a bonus and within that percentage, 51 percent were female and 49 percent were male. In 2018, 96 percent of team members received a bonus (94.9 percent of men and 97 percent of women). Measured by average bonus amount received, the overall gap was 0 percent.

In our first report last year, we referred to a number of initiatives addressing both the Gender Pay Gap specifically and diversity, more generally. Our 2018 activities have included the first part of the unconscious (implicit) bias training for all UK staff, with a second in-person session planned for 2019. We are recruiting our first specialist, Chief Inclusion & Diversity Officer, whose remit will include this Gap. We have set up a number of Employee Business Resource Groups including – most pertinently for the Pay Gap – the Women in Aviation and Family Matters Groups. The latter in particular will focus on how to reduce the obstacles which family responsibilities can place in the way of female advancement within the business, including job design and the promotion of flexible working opportunities. To build upon the platform we have in the majority female upper-middle quartile, we have introduced online leadership and management training tools to ensure that both genders can compete on even terms for those upper-quartile roles.

While we are proud of the diversity and inclusion initiatives already in place at our American, we know we can do more. We are eager to become and remain leaders in diversity and inclusion not only the U.K, but also around the world.



Patrick O'Keeffe

Senior Vice President – People