

# Gender Pay Gap Report 2022 (reported April 2023)

## Background

Under the Equality Act 2010 (Regulations 2017), the Gender Pay law requires all companies in Great Britain with more than 250 team members (employees) to publish its gender pay gap.

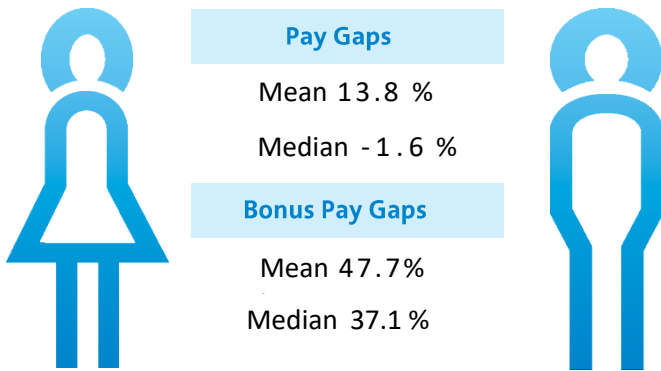
### What is the gender pay gap?

The gender pay gap is an equality measure that shows the difference between the average earnings of females and males working as a proportion of males' average earnings. It is not the same as equal pay. Equal pay is a comparison between two team members (one

female, one male) 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 female and male team members equally where they are working in the same role, nor that they are paying female or male team members unfairly. This is because the gender pay gap looks at the difference between overall average pay rates based on gender, regardless of job role or job level. Gender pay also does not consider seniority, geographic location, market forces, grade, or other factors relevant to rates of pay.

## Gender Pay Gap figures

For American Airlines Inc., all team members in Great Britain are remunerated according to set pay scales which are reviewed annually. Positions are regularly reviewed through a formal job evaluation process. American Airlines Inc. has analysed pay and bonus data for 2022, with a snapshot date of 5 April 2022.



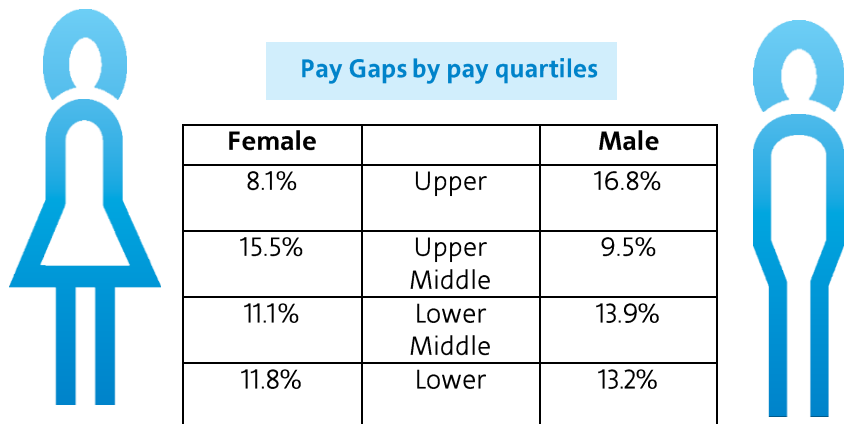
On the snapshot date, the workforce consisted of 755 team members. The mean pay gap compares the average hourly earnings between Females and Males. The median pay gap compares the midpoints within the range of average hourly earnings between Females and Males.

The gap between Females and Males for the Bonus has increased since 2021. The reason for this increase is due to a one-time bonus payment. If this calculation was not included, the mean Bonus Pay Gap would be 13.0%.

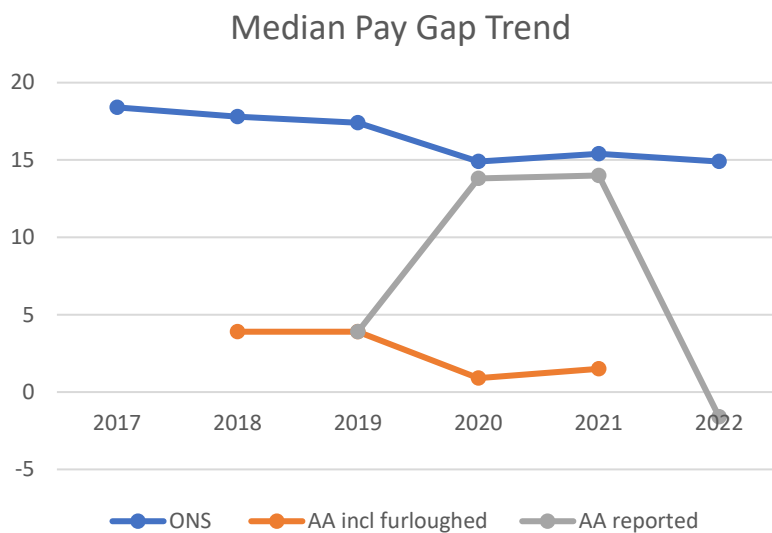
For 2022, the pay gaps between Female and Males are balancing out more favourably in the Upper and Lower Middle categories.

The gap between Females in Males for the Upper Middle has increased because there are more Females than Males in this quartile.

The gap between Females and Males in the Upper Quartile can be explained due to the fact that the Maintenance Department comprises predominately of Male team members who sit within the Upper Quartile.



Female		Male
8.1%	Upper	16.8%
15.5%	Upper Middle	9.5%
11.1%	Lower Middle	13.9%
11.8%	Lower	13.2%



### Median Pay Gap Trend

- The median pay gap is the main figure reviewed across GB.
- For American - it shows a downward trend since we started required reporting in 2018.
- According to the Office of National Statistics (ONS), the UK average median pay gap is 14.9%.
- This means American Airlines Inc. fairs exceptionally well against the national average. Females are being paid more than Males at the Median level. This may be due to team members who are full paid relevant employees returning to work following the COVID pandemic.

American Airlines Inc. has a negative Gender Pay Gap of -1.6%, meaning the median hourly earnings of Females across Great Britain are exceptionally higher than the median hourly earnings of Males. This fairs exceptionally favourably against the government published national average of 15.4%. 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 math (STEM) careers such as IT, Finance and Tech Ops. American has exceeded its position against the national average.

### Plans for 2023 and Beyond

American Airlines Inc. remains committed to eliminating discrimination and encouraging equality and diversity in our workforce. This approach includes an assurance of equality and fairness in respect of gender. Our equality objectives aim to get more people to tell us their experiences of fair treatment, and to make our workforce representative of our communities, with more people from diverse backgrounds involved in decision-making at every level; that equality and diversity is embedded in staff culture; and that we celebrate growing diversity, respect and understanding for all.

Since our first report in 2018, we referred to several initiatives addressing both the Gender Pay Gap specifically and diversity, equity, and inclusion as a whole. These initiatives have been built upon, and more recently we have:

- Appointed a Female Chief People Officer. This role has visibility of internal data and is in a strategic position to be able to empower the development and implementation of diversity strategies and policies;
- Appointed diversity managers and diversity task forces. American Airlines Inc. continues to have a number of Employee Business Resource Groups. These have grown over the last few years within Great Britain (and across the EU) including – most pertinently for the Pay Gap – the Women in Aviation and Family Matters Groups. In particular, the latter focuses on how to reduce the obstacles which family responsibilities can place in the way Females advancing within the business;
- Increased part time roles offered and an increase in the number of approved flexible working applications;
- Increased utilisation of the Shared Parental Leave Policy through more information, guidance and support;
- Completion of an International Development and Mentorship programme for aspiring Female leaders;
- Offered best practice Bias Training & Education for all team members. Courses include Inclusive Workplace, Microaggressions and Becoming a Upstander;
- Increased focus on objective performance metrics and decrease in subjective metrics, thus allowing no room for behavioural traits, favouritism and individual definitions of success.

- Introduced a flexible/hybrid working approach in a number of locations as a positive step to help reduce the Gender Pay gap to allow team members to fit work around other commitments;
- All senior leaders had a Diversity, Equity and Inclusion development goal. These are linked to their bonus scheme targets to encourage the authentic engagement of leaders in experiences other than their own;
- Offering a Women's Leadership Program. The goal is to create an environment where women feel valued, encouraged, and empowered to make the most of their journey with American. The WLP seeks to "advocate for women at all levels," and one of our primary objectives is mentorship by invitation. The WLP seeks to create a culture of care and professional inclusion for our women leaders;
- Learning continues to be a key pillar of our work around Diversity, Equity and Inclusion. We offered team members Training on Microinequities: Disrupting Everyday Bias and Managing Unconscious Bias. This training focuses on the tools and strategies that enable and empower people to decode biases, understand how this impacts job functions and provides skills & tools to change behaviours;
- Continued to ensure transparent and fair increase and reward procedures, ensuring all team members' pay scales are evaluated at least annually;
- Implemented an evidence-based and transparent process of recruitment, and best practices and procedures using structured and objective criteria;
- Ensure team members have an equal opportunity to progress (Equity initiatives) whilst using predominately diverse selection panels.

For 2023 and beyond, American Airlines Inc. has committed to:

- Continue to adopt a flexible/hybrid working approach across a number of locations;
- All senior leaders will have a Diversity, Equity and Inclusion development goal in 2023;
- Continue to ensure transparent and fair increases and reward procedures to ensure all team members pay scales are evaluated at least annually;
- Learning continues to be a pillar of our work around Diversity, Equity and Inclusion.

While American Airlines Inc. is proud of the diversity and inclusion initiatives already in place, more can be done. Although these figures are favourable against the national benchmark, American Airlines Inc. is not complacent and will continue to monitor its performance, along with initiatives that are in place to contribute to these results. American Airlines Inc. is eager to become and remain a global leader in diversity and inclusion.

*Kevin Williams*

**Kevin Williams**  
**Managing Director –Global People Business Partners**