

Gender pay gap report 2019 to 2020

Automobile Association Developments Ltd

At the AA we're committed to creating an inclusive and diverse workforce. We aim to make sure people are treated equally at work, across all levels and locations, and we value the contribution that everyone makes for us, regardless of their background.

Although we have over 7,000 employees in the AA, we're only required to report our gender pay gap data for entities of over 250 employees. So for the purposes of this report, we'll focus on the gender pay gap for the Automobile Association Developments Ltd, which is where around 6,900 of our people are employed. We've also chosen to include data for the combined AA Group on the next page.

Gender pay and bonus gaps

	Mean		Median	
	2018/19	2019/20	2018/19	2019/20
Pay gap	18.0%	18.1%	27.1%	30.4%
Bonus gap	53.8%	38.6%	47.1%	12.7%

We have a mean gender pay gap of 18.1% and a median gender pay gap of 30.4%, which is higher than the median pay gap for the UK¹. Both our mean and median gender pay gaps have increased since last year; largely due to recruiting more male than female employees overall in the year.

As we've reported in previous years, we know that the main drivers of our gender pay gap lie in the underrepresentation of females in the company, particularly within our Roadside business, where 99% of our Patrols, who make up over 41% of our total workforce, are men.

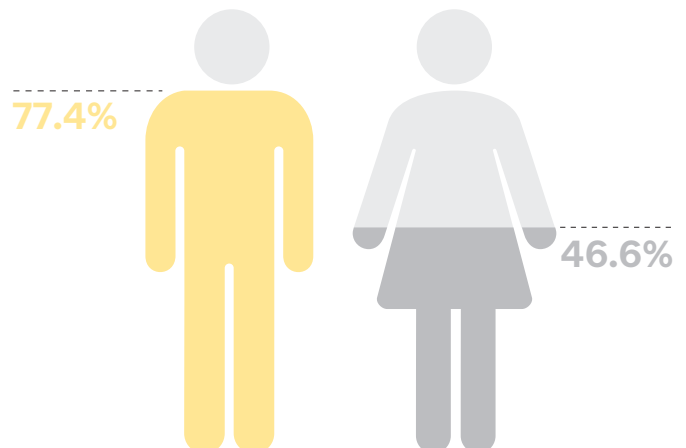
Company demographic



SLT demographic



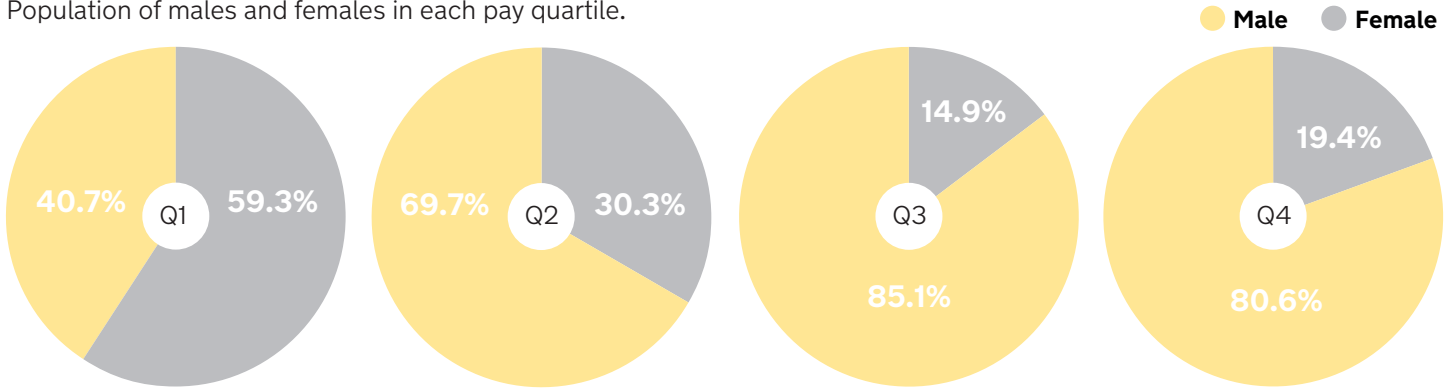
Proportion of employees receiving a bonus in 2019-20



¹ONS figures indicate that the UK national median pay gap was 15.5%

Pay quartiles

Population of males and females in each pay quartile.



As we reported last year, female workers represent over half of our contact centre workforce (up from 57% to 58%), which largely includes lower paid roles than those of our roadside Patrol force. We reported a widening of the bonus gap last year, as a result of removing incentives from some of our contact centre workforce part way through the year. As this reporting period didn't include any incentive payments for this cohort, there's been a significant reduction in the number of female workers getting a bonus in the year and a small drop for male workers. Excluding this contact centre cohort (in line with reporting methodology) has resulted in mean and median bonus gaps more aligned to those reported for 2017/2018 of 38.2% and 7.4% respectively.

We continue to review our recruitment practices and talent pipelines to attract a higher proportion of diverse candidates to the company, and over the past 12 months the proportion of women in our Senior Leadership Team has remained at around 35%. We recognise that we need to do more to address the gender balance.

How we're closing the gap

- ▶ Levelling the playing field by creating a culture where those with diverse views thrive. Role modelled from the top of the company, the message is re-enforced that creating an inclusive culture is everyone's responsibility and is supported by the AA Code.
- ▶ Developing strategies and initiatives to strengthen the attraction, development and retention of women. This includes introducing "Women in Road" and our "Driven Women" forums, which held its first company-wide event in March 2020, and a year-on-year increase in the number of female apprentices.
- ▶ Reviewing all policies and practices to make sure they operate in an inclusive way for all, including significant improvements to our family leave policy in the past 12 months.

AA Group

The figures on the previous page represent the results for Automobile Association Developments Ltd, which is the only entity which we're required to report on from a statutory perspective. The AA Group has other companies that don't qualify to be included in the statutory gender pay gap reporting, but we choose to publish them. Here are the combined figures for this wider population.

	Mean		Median	
	2018/19	2019/20	2018/19	2019/20
Pay gap	18.2%	18.3%	27.3%	30.2%
Bonus gap	54.0%	39.2%	47.0%	15.1%

	Receiving Bonus	
	2018/19	2019/20
Male	89.0%	76.9%
Female	77.0%	46.8%

	Male		Female	
	2018/19	2019/20	2018/19	2019/20
Q1 (lower quartile)	43.7%	41.2%	56.3%	58.8%
Q2	71.2%	68.9%	28.8%	31.1%
Q3	84.3%	84.4%	15.7%	15.6%
Q4 (upper quartile)	81.1%	80.6%	18.9%	19.4%

Jakob Pfaudler, CEO

Louise Benford, Chief People Officer