



Gender Pay Gap Report 2021 / 2022

TheAA.ie

Introduction

At the AA we are committed to hiring, promoting and enabling an inclusive and diverse workforce. We see the value that diversity of thought brings to our business, our customers and to each other. We are continuously seeking ways to promote equal opportunities through development initiatives and colleague progression, based on merit and regardless of gender or background. In 2022 we have made good progress on our I&D journey, including increasing diversity at Board and Executive levels within the company amongst other areas.

As a proud and dedicated equal opportunity employer, AA Ireland fully supports raising awareness on gender pay and taking action to minimise these where gaps exist. We are sharing this gender pay gap report with you for the first-year as well as our commitments to reduce any gender pay gaps in the future.

Tom McIllduff
Chief Executive Officer



Pay Gap

Our gender pay gap results show that a mean gender pay gap of 6% and a median pay gap of 16% exist. There are three key drivers for this gap:

- A significantly lower number of women in our roadside part of the business (our Patrol mechanics) which is reflective of the mechanics industry in Ireland currently. These roles operate on a 24/7 schedule 365 days a year and therefore the pay structure includes premium and other allowances to reflect these work hours which is not typical in other departments of our business
- A higher % of men at our mid management level
- Our more entry level roles in contact centre are typically held by a higher % of women

Whilst we know we have more to do in closing the gender pay gap, our results compare favourably to the estimated mean pay gap of 14%¹ according to CIPD Ireland and European average of 13% in 2020².

Bonus Gap

We have a negative mean and median bonus pay gap of -36% and -51% respectively and when we look at the proportion of men and women receiving a bonus, it is broadly similar reflecting our reward principles of meritocracy and fairness.

Our findings show that the primary driver of the negative pay gap is the broad definition of a bonus payment which captures all performance-based incentive payments. Our patrols (who are predominantly men) are eligible for a piece-rate performance related incentive for product sales. This has led to a larger bonus gap compared to women whose roles are part of a different annual bonus structure. As part of a new contract type, our Patrols are now given the opportunity to earn an annual performance bonus as part of their role. This should go toward bridging this negative bonus gap in 2023.

AA GENDER PAY GAP (ALL)

MEAN

6%

MEDIAN

16%

1. CIPD Ireland factsheet on gender pay 2022
2. 2020 Eurostat report

About the AA

Well known for our AA membership and roadside rescue, our trained mechanics in the AA Patrols work 24/7, 365 days a year fixing breakdowns on the road. In addition to our expertise on Irish roads we are also one of the country's leading insurance providers with broad customer base across Ireland.

Given the nature of our business operating in both the automotive and insurance industries, we have different gender demographics in both parts of our business, our roadside and our insurance contact centre.

At the snapshot date, our split of men and women in the business was **69% men** and **31%** women. Where our roadside part of the business is excluded (as it is predominantly men), we have a greater balance of men and women in the business at **57%** and **43%** respectively.

Our gender representation at senior executive leadership level in the company is 50/50 as of December 2022 and we are making good progress at other levels in the company.

Gender Representation (All)



When we look at this in more detail, our gender split by team varies driven largely by a low female participation in motor mechanic roles across the industry. Our gender splits by team are;

	Male	Female
Roadside	99%	1%
Contact centre	53%	47%
Central and other functions	59%	41%

Our Commitments

Targets & Measurement

We have set targets with our investors as part of our diversity and inclusion strategy to ensure we meet agreed gender balance targets in senior and mid management levels across the company. We will continue to take action and measure progress against these targets into 2023.

Policy Reviews

We will be reviewing our people related policies and procedures to benchmark them with market and ensure we continue to offer progressive thinking and practices for all employees. This review will capture all protected family related leave types. We will also review how we are promoting talent along with our recruitment & selection practices ensuring that our hiring managers are trained and aware of gender bias.

Mentoring & Development

We are committed to increasing female representation at all levels across the company through progression and mentoring of female talent. In 2022 we celebrated International Women's Day for the first time and have invested in a new development initiatives across the company.

Talent Pipelines

We will increase the focus on gender gaps when considering talent pipelines and talent planning to ensure we are hiring the right mix at all levels across the company.

We will be launching a mechanic apprenticeship programme in 2023 and hope over time to see more women enter this industry either in mechanic or management roles.

Some Additional Detail

The below information sets out the gender pay gap information across a range of measures as required by the Gender Pay Gap Information Act 2021. The data outlined below captures information for the twelve months to 30 June 2022.

Pay measures

The gender pay gap measures the difference between men and women's total hourly pay regardless of their role or level of work within the business. This is measured at both the mean (average) and median (middle point) across all contract types combined and shown separately for part time and temporary contract types.

Total Pay Measure	Mean	Median
Hourly Pay Gap (All)	6%	16%
Hourly Pay Gap (Part Time)	-39%	2%
Hourly Pay Gap (Temporary Contract)	17%	14%

Bonus Measure	Mean	Median
Bonus Gap (All)	-36%	-51%

Bonus & BIK Measure	Male	Female
Percentage of employees by gender to receive a bonus	80%	76%
Percentage of employees by gender to receive a BIK	37%	28%

Bonus & BIK measures

The gender bonus gap measures the difference between men and women's total bonus payments at the mean (average). This is driven by the different structures which exist for different role types in the company and the prevalence of men or women in those roles.

We also show the percentage of employees receiving a bonus and benefit in kind (BIK) by gender;

- Albeit we have a negative bonus gap, a similar proportion of men and women received bonus payments during the period.
- In addition, a similar proportion of men and women are in receipt of benefit in kind (BIK) during the period. The difference relates to a larger proportion of men eligible for company vehicles as part of their role in the Roadside part of the business.

Pay quartiles

We are also required to show the gender pay split within our pay quartiles. This is done by splitting all colleagues into four equal quarters based on ranking them low to high by average total hourly rate of pay. We then show the percentage distribution by gender within each quartile.

