

2020 Gender Pay Gap Report

United Kingdom

5 April 2020

A STAR ALLIANCE MEMBER 

UNITED
AIRLINES 

2020 Gender Pay Gap Report

“At United Airlines, creating a diverse, inclusive and caring workplace for our team members is more than just a core value, it’s one of our most important competitive advantages.”

Scott Kirby, Chief Executive Officer, United Airlines

Our mission is to create an inclusive work environment, where diversity in all its forms can thrive. It is important that all employees and customers are valued and treated with dignity and respect.

We are an airline where:

- Leaders embrace diversity, equality and inclusion to form a strong culture and a critical competitive advantage
- Employees are actively engaged - their voices are heard and their input is valued
- Customers value our inclusive approach to delivering flyer-friendly service

We’re determined to be a global leader in diversity, equality and inclusion and will continue to work to ensure our people, policies and processes reflect the customers and communities we serve.



What is the gender pay gap?

Gender pay gap legislation requires employers with more than 250 employees in the UK to publish a gender pay gap report.

The **gender pay gap** is the difference between men and women's average hourly pay. It can be distinguished from equal pay, which refers to employees who are performing equal work, receiving equal pay (regardless of whether they are male or female). Our gender pay gap does not imply that we do not comply with our equal pay legal obligations.

The gender pay gap takes into account the overall average pay rates based on gender, and does not take into account other factors relevant to the rate of pay (e.g., job role, seniority, geographical location or other factors).

Impact of COVID-19 on the calculation of the gender pay gap

United was significantly impacted by the COVID-19 pandemic. We are strongly committed to keeping our U.K. workforce employed during this challenging time, and many of our employees were furloughed, agreed to reduced salaries or decided to take voluntary leaves of absences.

However, this has significantly affected this gender pay gap report as furloughed employees are not included in our figures for hourly pay, meaning this element of our report is only based on the hourly pay of 65 out of 532 relevant employees, less than 15% of our U.K. workforce, and all of whom were management or administrative employees.

How is the gender pay gap reported?

Gender pay gap legislation requires employers to report and publish specific figures based on a snapshot of pay data as of 5 April each year. The calculation of the figures is explained below.

- The **mean pay gap** is the difference between male and female employees' average hourly pay.
- The **median pay gap** is the midpoint in the range of all employees' average hourly earnings (i.e. all rates of pay are ordered from highest to lowest and the median pay gap is the middle pay).
- The **bonus pay gap** is the difference between the average bonus payments to male and female employees.

An average positive gender pay gap means that on average men are paid more than women, and an average negative gender pay gap means that on average women are paid more than men.

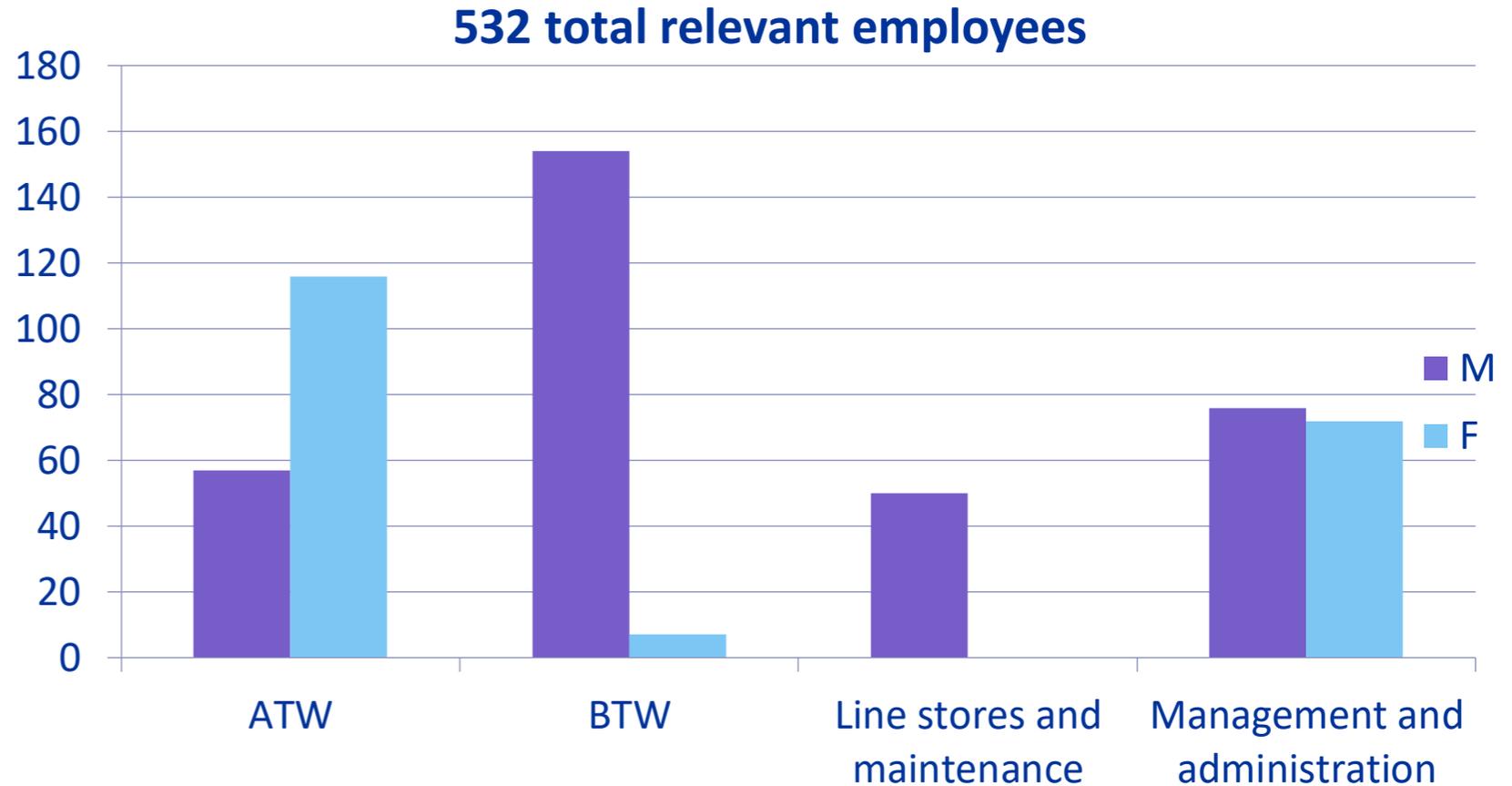
The gender pay gap figures in this report are based on a snapshot of our pay data as of 5 April 2020.

We welcome our gender pay reporting obligations to keep us accountable and drive the narrowing of the gender pay gap year after year.

Our workforce

Our workforce consists of the following main workgroups:

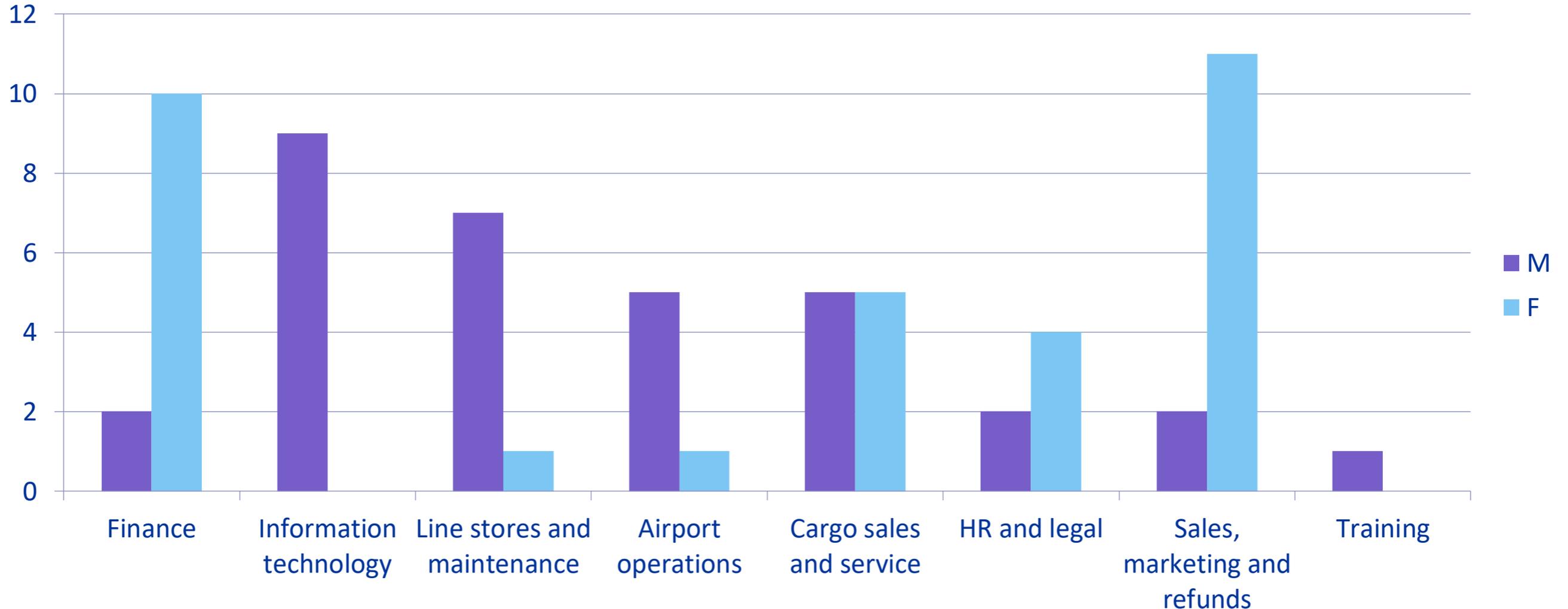
- **Above the wing (ATW)** staff – for example: customer service and desk staff. In this group, we have more women than men. *M 33% / F 67%*
- **Below the wing (BTW)** staff – for example: baggage handling staff. In this group, we have significantly more men than women. *M 96% / F 4%*
- **Line stores and maintenance** – this group includes our aircraft engineers. This group is all male. In the U.K., data reflects that more men than women choose to pursue engineering careers generally, leading to challenges in our efforts to recruit women into these roles. *M 100% / F 0%*
- **Management and administration** – our workforce is evenly distributed between men and women. *M 51% / F 49%*



United Airlines U.K.

U.K. Management & Administration employee population gender split by workgroup

65 total full pay relevant employees – Management and Administration ONLY



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United Airlines, Inc	Hourly pay difference between M & F employees		Proportion of employees in quartiles				Bonus payment differences between M & F employees		% of employees receiving a bonus
	Mean	Median	Upper	Upper Middle	Lower Middle	Lower	Mean	Median	
	37.5%	45.1%	M 87.5%	M 68.7%	M 37.5%	M 11.8%	12.6%	11.8%	M 99.7%
			F 12.5%	F 31.3%	F 62.5%	F 88.2%			F 98.5%

Observations on our pay gap

- Prior to 2020, our pre-pandemic figures showed our gender pay gap to be better than the national average. Our median pay gap in 2018 was 4.9%, while the national average was 17.9%.
- **The results of this report sets out that the median gender pay gap is 45.1% - an increase from 4.9% in 2018.** This would mean that the average hourly earnings of males across the U.K. workforce are 45.1% higher than the average hourly earnings of females. **However, this gender pay gap report is significantly affected by the impact of COVID-19 as our furloughed workforce is not included in the hourly pay statistics. This means just 65 out of 532 relevant employees are included in our hourly figures, representing less than 15% of our workforce.**
- The 65 employees who were included in our pay figures come from the management and administration workgroup. Within the management and administration workgroup, the majority of management employees were male and the majority of administrative employees were female.
- In the first quarter of 2020, United hired more women than men in the U.K. However, the annual bonus programmes require employees to complete one full year of service to become eligible for participation in these programmes, and the quarterly programme is paid out on a quarterly lag. This means that at the snapshot date for this report, a lower percentage of women received a bonus in 2020. However, more female employees will be eligible for a bonus at the next snapshot date as they will have accrued a year's service.
- The results of this gender pay gap are not satisfactory to us. However, it is also not representative of our workforce pay and our strong commitment to diversity, as set out in the next slide.

Positive steps to address the gender pay gap

We are proud that our gender pay gap, when all employees are considered, continues to be better than the national average. We know that more can be done to further close the gap.

We continue to:

- Complete annual talent reviews to ensure we are building a healthy and diverse talent pipeline needed for long-term company success.
- Have a fair approach to pay, which includes pay banding and rigorous pay review processes to ensure all our staff are paid fairly for the work they do.
- To help advance our goals for diversity and inclusion, we continue to support employee-run Business Resource Groups, such as 'uIMPACT', a group with a mission to positively influence diversity and gender equality by raising awareness and understanding of cultural issues and opportunities. These groups also nurture United's diverse talent, enriching the airline's organizational culture, volunteering in the local community and contributing to company performance.
- We are committed to providing leaders and employees with the tools necessary to succeed and continue to provide leadership development programmes across various management levels.

Positive steps to address the gender pay gap globally

Globally, we are committed to advancing women in the aviation industry. As part of the airline's efforts to break down barriers and promote inclusion we have worked with 'Women in Aviation' for nearly 30 years, joining the organization in recruiting women and providing scholarships for aspiring pilots.

Our efforts to bring more women into aviation extends beyond pilots. The airline has been able to showcase talent in departments where women have traditionally been under-represented, such as digital technology. Our Senior VP Worldwide Sales, Doreen Burse and VP Digital Products and Analytics, Michelle Brown were named in The Global Business Travel Association's (GBTA) Top 50 Women in Travel for 2020. Doreen and Michelle were selected for their contributions to the travel industry across EMEA, APAC, LATAM, Canada and the U.S. and their promotion of WINiT By GBTA, which is a network of professionals that are focused on driving positive change for the career mobility of women in travel-related industries.

Declaration:

I confirm that United Airlines U.K. gender pay gap calculations are accurate and meet the requirements of the regulations.

Fergal O'Connor

Director - International Finance and Accounting