



Gender pay gap report

2024 to 2025



Executive statement

At The AA, our ability to solve problems at pace, innovate and deliver for our customers is driven by the dedication and passion of our colleagues. The diversity of our workforce plays a vital role in this success, bringing a breadth of experience, perspective and thought that strengthens decision-making and outcomes.

Our objective is to create a safe and inclusive workplace that attracts, develops and retains the widest possible talent pool and supports our long-term business success.

This report sets out our Gender Pay Gap results as at the snapshot date of 5 April 2025, in line with UK Government reporting requirements. In 2025, we have seen a continued improvement in both our mean and median gender pay gaps, reflecting positive momentum.

As in previous years, our gender pay gap does not reflect unequal pay for the same or similar work. Instead, it is primarily influenced by the structure of our workforce.

The AA operates in a sector where the workforce is predominantly male, particularly within highly specialised technical roles, which typically attract higher levels of pay and bonus opportunity.

We continue to take targeted action to address these structural drivers including the use of mandatory diverse shortlists, promoting internal career opportunities, strengthening leadership pipelines, and fostering an inclusive culture through our employee networks.

Our job evaluation and reward processes are designed to ensure pay is fair, competitive and performance-based.

While further progress is needed, we remain committed to transparency, accountability and sustained action to reduce our gender pay gap over time.

We confirm that the information contained in this report is accurate as at 5 April 2025.



A handwritten signature in black ink, appearing to read 'J. Pfaudler'.

Jakob Pfaudler

Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Louise Benford'.

Louise Benford

Chief People Officer

What is Gender Pay?

Gender Pay and Equal Pay are often confused, however they are different.

Equal Pay looks at the rates of pay for males and females performing the same or similar work and it's a legal requirement to pay them the same.

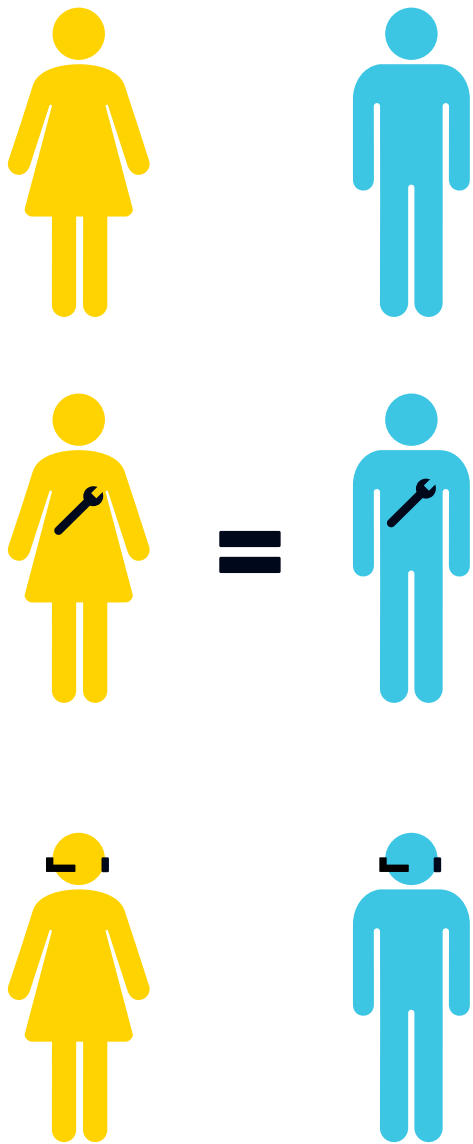
Gender Pay on the other hand compares the average earnings of all the males and females in your workforce regardless of their role or seniority.

External societal factors such as caring responsibilities, occupational choices and part-time working can impact Gender Pay figures, whereas these wouldn't impact Equal Pay.

Gender pay gap reporting looks at a variety of data points, including mean and median pay/bonus gaps, as well as the proportion of males and females receiving a bonus and pay quartiles.

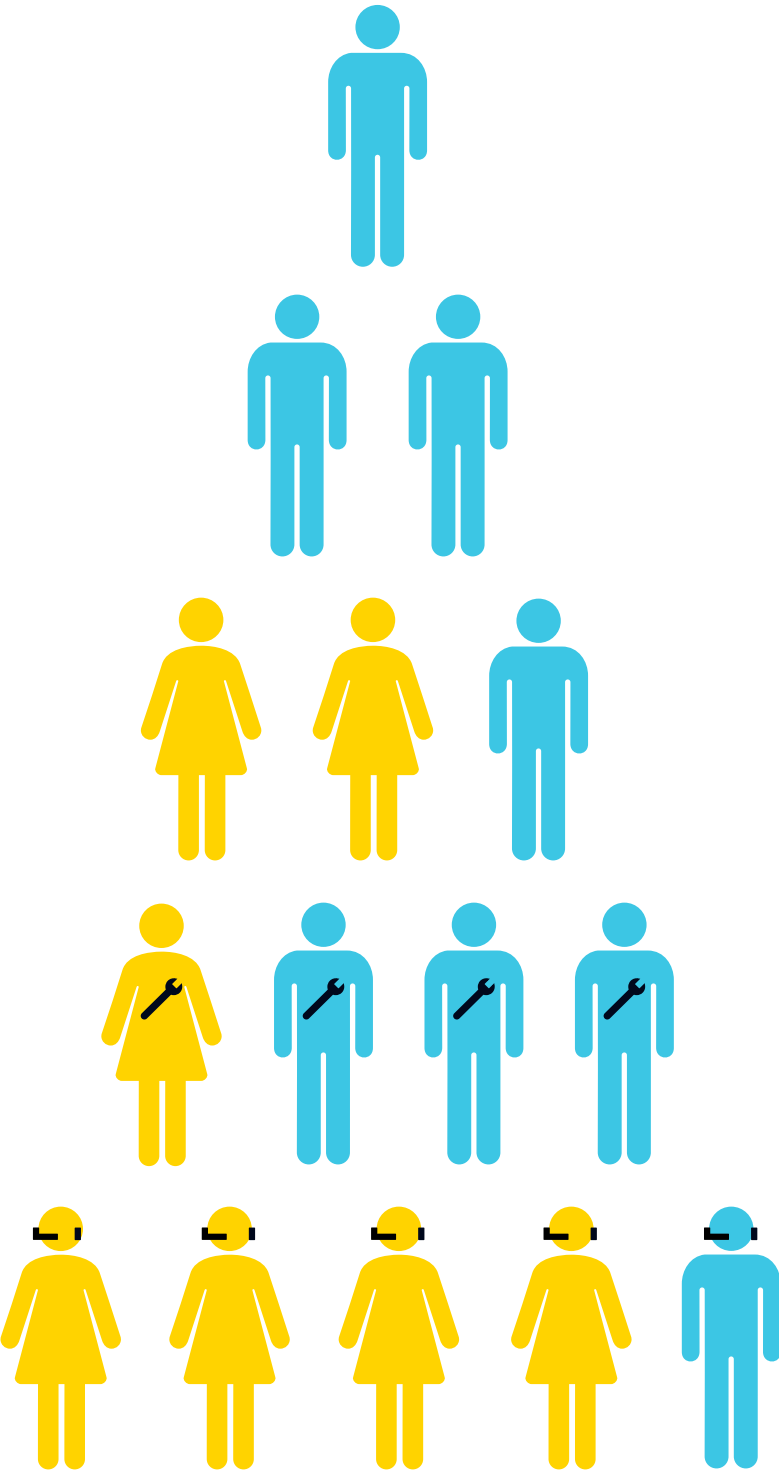
Equal Pay

Means males and females performing the same role receive the same pay.



Gender Pay

Indicates the difference in average earnings between males and females.



Gender Pay reporting explained

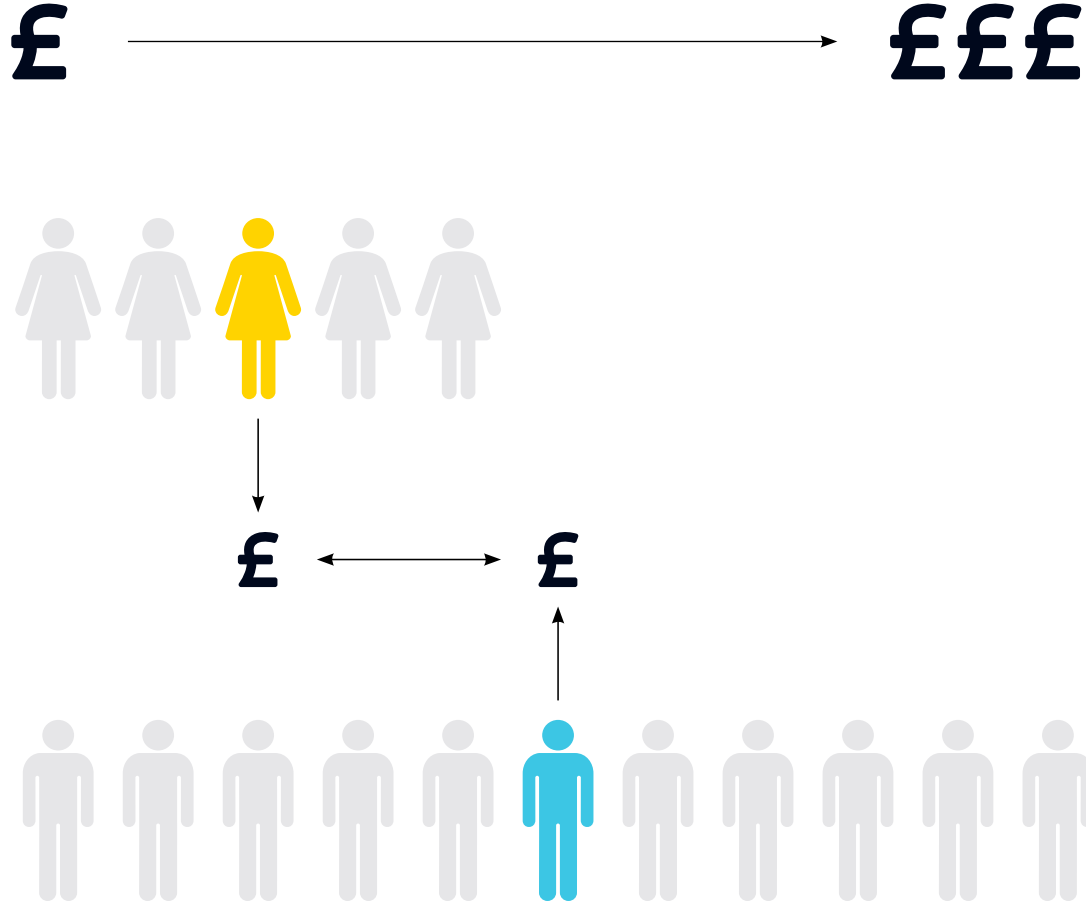
Mean

Compares the average pay or bonus of all males and all females in the company.

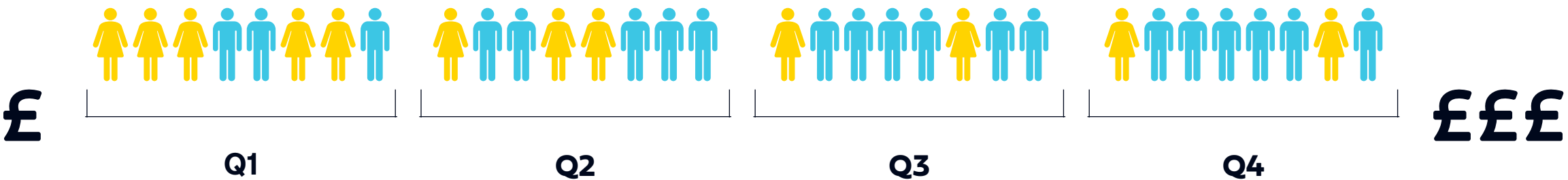


Median

Compares the pay or bonus of the middle employee for males to the middle employee for females.



Quartiles



- ✓ **Mean pay gap**
 Compares the average pay of all males, and all females in the company.
- ✓ **Median pay gap**
 Compares the pay of the middle employee for males to the pay of the middle employee for females.
- ✓ **Mean bonus gap**
 Compares the average bonus pay paid to males and females.
- ✓ **Median bonus gap**
 Compares the bonus paid to the middle employee for males with the bonus paid to the middle employee for females.
- ✓ **Pay quartiles**
 Ranks the workforce in order of hourly pay, divides them into four equal groups and assesses the number of males and females in each group.

What classes as pay and bonus?

Pay

Pay for the purpose of gender pay gap reporting includes any monetary payment paid to a relevant employee in April including:

- ✓ **Basic pay**
- ✓ **Allowances e.g.**
 - Car
 - Location
 - Secondment
- ✓ **Pay for leave**
- ✓ **Shift premium pay**

It does not include payments such as:

- Paid overtime
- Allowances earned during overtime
- Pay for untaken leave
- Authorised business expenses
- Benefit in kind for non-cash benefits

Bonus

Bonus for the purpose of gender bonus gap reporting includes payments from the below list made to relevant employees between 6 April 2024 and 5 April 2025:

- ✓ **Annual bonus**
- ✓ **Incentives**
- ✓ **Commission**
- ✓ **Long Service Awards**
- ✓ **One-off, non-pensionable, non-consolidated bonuses**
- ✓ **Securities/securities options (i.e. shares)**

These bonuses can be paid in the form of:

- Cash
- Vouchers
- Securities (i.e. shares)



Gender Pay and Bonus Gaps



The gender profile across the AA Group has remained broadly consistent since we began publishing our Gender Pay Gap data, with c. 70% of our workforce identifying as male and c. 30% as female. This distribution is heavily influenced by our two largest employee groups. Our Patrol population, which is predominantly male (c. 99%), accounts for c. 59%

of all male employees. In contrast, our Customer Advisor population is primarily female (52%) and represents c. 59% of all female employees. Given the size and gender composition of these groups, changes to pay structures within these areas can have a significant impact on our overall Gender Pay Gap metrics.

Both our Mean and Median pay gaps have improved this year primarily due to enhancements to our Customer Operations pay framework following a large increase National Minimum Wage. As our Contact Centre roles make up such a large proportion of our female population, this adjustment resulted in higher-than-average increases in hourly pay for females.

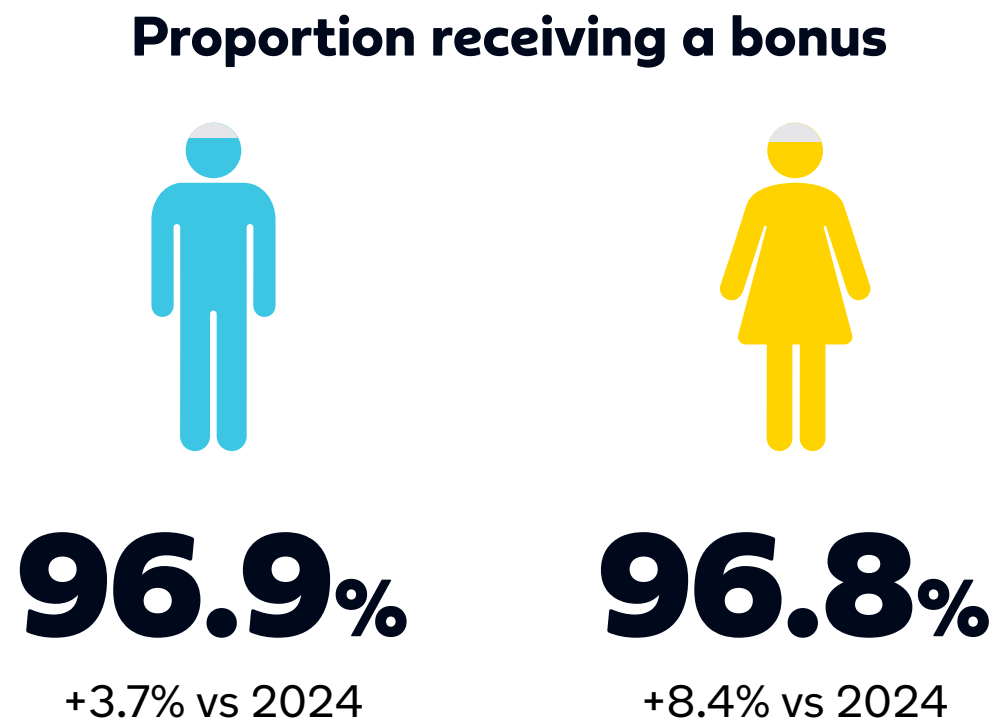
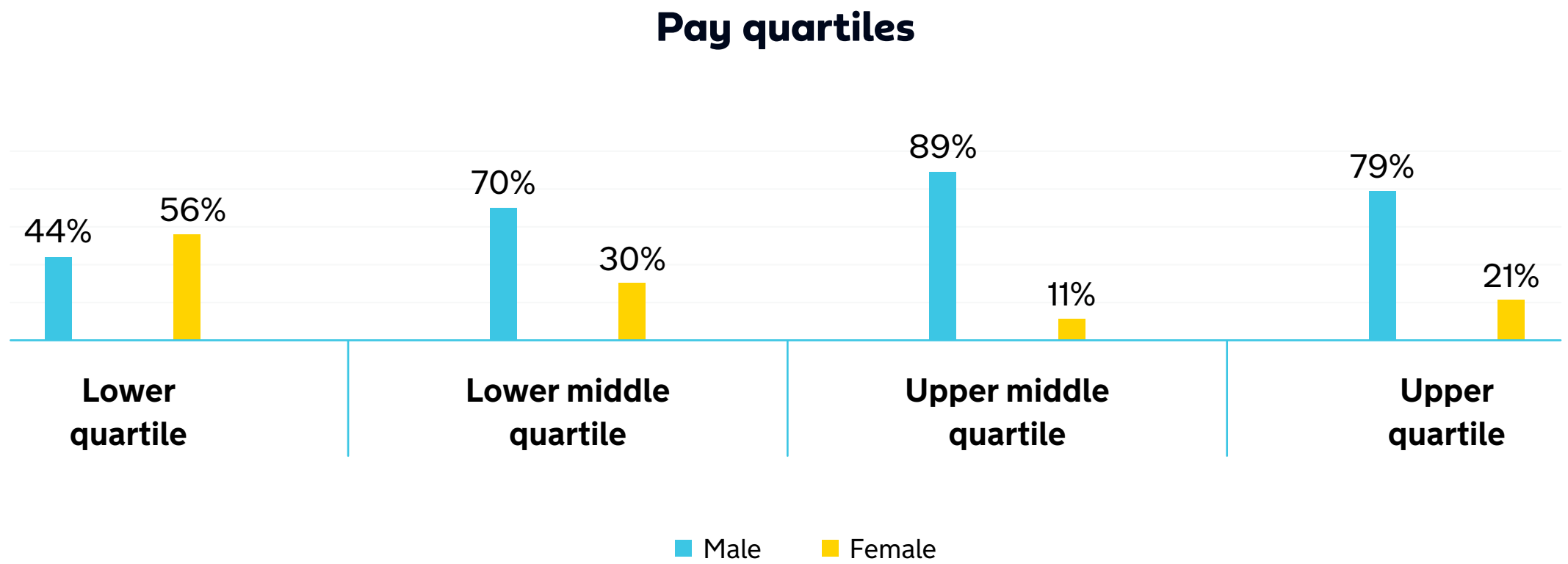
In addition, the introduction of a new incentive scheme for our Contact Centre teams led to a notable rise in the proportion of females receiving a bonus compared with the previous year. This contributed positively to improvements seen in both our pay and bonus gap figures.

Current workforce demographics

	M 4657 72%		F 1831 28%
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Mean pay gap		Median pay gap	
April 2024	April 2025	April 2024	April 2025
13.3%	11.7%	26.4%	25.8%

Mean bonus gap		Median bonus gap	
April 2024	April 2025	April 2024	April 2025
38.3%	38.0%	44.0%	32.1%



All colleagues are eligible for one form of performance related variable pay or "bonus"

Addressing our pay gap

We are addressing our pay gap through focussed **attraction, development** and **engagement** of our colleagues.



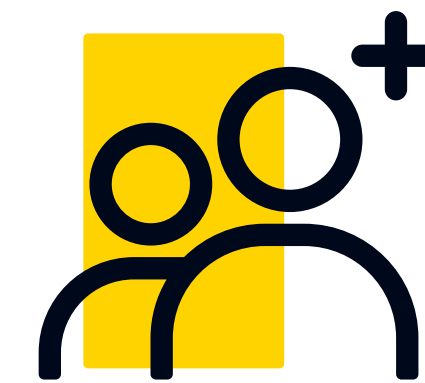
We set an externally published target of 40% on gender for our senior leaders, to be realised at the end of our financial year 2026.

We have exceeded it throughout the year and are at 42% (as of April 2025) and now remain focused on maintaining it.



We have **mandated diverse shortlists** (female/ethnic minority) for all management roles with an emphasis on corporate roles including traditionally male areas such as digital data IT.

We have seen increasing success with the diversity of both **quality shortlists and new hires, achieving a 40% diverse shortlist for 91% of roles.**



We hosted two **Women in Tech** events bringing together communities to share experiences and explore how we can empower women in technical roles, strengthen allyship and foster inclusive cultures.

One event created space for senior leaders to connect and exchange insights, while the second aligned to the global #IamRemarkable initiative, encouraging colleagues at all levels to recognise and celebrate their achievements.



We have strong, active Employee Network groups. Our **Balance network** delivered events and learning inviting external speakers and using internal experts.

Our Balance network has highlighted the **career stories** of female leaders designed to inspire others. The stories have included advice and guidance on career development. This theme was also explored on International Women's Day.

AA *Always
Ahead*