

Aer Lingus



Gender Pay Gap Report 2022



A message from our CEO Lynne Embleton

At Aer Lingus, we are very aware of the need to continuously invest in and promote Diversity & Inclusion in our workforce, and to increase gender equality and representation across the breadth of our organisation. From strengthening our inclusivity training for managers, and female-focused leadership development programmes to the hiring of a Diversity, Equity and Inclusion Officer, we remain focused on creating a more diverse Aer Lingus.

This work is made even more important, given the significant under representation of women in certain roles in the aviation industry globally, particularly in pilot and engineering roles, although not limited to those areas. While the representation of females at all levels in Aer Lingus is an increasing focus for us, it is the gender imbalance in certain roles that is universally understood to have the greatest influence in terms of widening the gender pay gap in the aviation sector, including at Aer Lingus.

Our Gender Pay Gap, reflected in the hourly remuneration gap in this report, is 30.5% (mean) but reduces to 3.4% when the pilot cohort is not included, and 14.1% (median), falling to 0% when the same changes are applied.

It is important to point out that this is not an issue of equal pay. At Aer Lingus, we have strong pay equity principles in place, ensuring that our male and female employees are paid equitably for the work they do, based on their experience and performance. It is also important to say that this Gender Pay Gap is not something that we take lightly. In this report, our first under new rules applicable in Ireland, we set out our Gender Pay Gap metrics, the reasons for our Gender Pay Gap, and the measures we are taking to improve diversity across Aer Lingus.

Conscious of the gender gap among our pilot and engineering staff, and the need for far greater diversity in those areas, in 2019, we carried out research with Red C to gain a deeper insight into the factors that could help influence and increase applications from women to pilot and engineering roles. The research pointed to the need for investment and promotional work, in collaboration with stakeholders, especially those in education, from primary school all the way up to university level. We will continue to build on our work with stakeholders to encourage more girls into STEM subjects and develop their interest in aviation.

We have actively made changes to encourage more female applicants to apply for roles through targeted campaigns

and engagements. We are focused on encouraging more women to come forward for our pilot and engineer training programmes, and are very pleased that, from a baseline of zero, our intake onto our Aircraft Engineers Apprenticeship programme has been over 30% female each year since 2018, which is encouraging.

We have introduced and enhanced our policies and practices to hire, retain and advance women in key roles across our entire business over time. We have taken significant steps to ensure that our hiring practices provide a clear pathway for women to join our company at every level. We have enhanced training for hiring managers to include unconscious bias training and seek to always have gender balanced interview panels.

Retention and development are key. We want to make sure that when women join Aer Lingus they stay for the long run. That means feeling comfortable in their work environment and in their work-life balance. This year, we announced a significant improvement in our maternity, adoptive and paternity policies as part of that ongoing commitment at Aer Lingus.

We are very actively backed and encouraged by our owner, IAG, in our efforts to become a more diverse organisation. We know that improving gender diversity is the right thing to do and that it matters. We very much wish to reflect the diversity of our customers and society as a whole. While progress is being made, we are aware that greater focus is needed if we are to achieve better gender balance. Through the building blocks we have set out; hiring, retention and development, we know we can get there.

Lynne Embleton

Lynne Embleton
CEO, Aer Lingus





The Difference between the Gender Pay Gap and Pay Equity

The **Gender Pay Gap** is a measure based essentially on pay averages across an organisation. It takes no account of the different roles that people occupy.

Pay Equity is the principle that people doing the same work should receive the same pay, allowing for legitimate differences such as tenure and experience.

It is perfectly possible for an organisation that pays its people fairly and equitably within different roles to have a Gender Pay Gap. The existence of a Gender Pay Gap does not in itself mean that there is any problem with Pay Equity.

Aer Lingus has strong pay equity principles in place, ensuring that our male and female employees are paid equitably for the work they do, based on experience and performance.

Our Gender Pay Gap Results

We report below on the results for all Aer Lingus employing entities in Ireland collectively. In keeping with the legislation, we will publish as an appendix separate reports for the two sub-entities, Aer Lingus Ireland and Aer Lingus Limited.

We are reporting on 4,291 employees using a snapshot date of 30 June 2022 and a reference period of 1 July 2021-30 June 2022. Of those 4,291 employees at that time, 2,392 (56%) were men and 1,899 (44%) were women. Part-time workers accounted for 774 of our people, while 186 are on temporary contracts.

Hourly Remuneration

Hourly remuneration refers to the difference in total earnings between men and women on a mean (average) and median (middle ranking) basis. It is important to realise that this calculation includes everyone, not just those formally paid by the hour.

mean meaning

The mean Gender Pay Gap is the difference between women's average hourly remuneration and men's average hourly remuneration.

median meaning

The median Gender Pay Gap is the difference between women's median hourly remuneration (the middle paid woman) and men's median hourly remuneration (the middle paid man). The median hourly remuneration is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly remuneration of the person in the middle.

All employees	30.5%	14.1%
	mean	median
Part-time employees	41%	3.5%
	mean	median
Temporary employees	2.2%	1.1%
	mean	median

Hourly remuneration data without pilot cohort gives a very different outcome

- When we separate the pilot cohort out of the figures, the mean hourly remuneration gap reduces to 3.4% and the median is 0%.
- The fact that most of our pilots are male is the single biggest factor in creating our hourly remuneration gap.

3.4%	0%
mean	median

Bonus Recipients

Bonus Recipients sets out the proportion of men and of women who receive any form of bonus. Under the requirements of gender pay gap reporting, Aer Lingus is required to include vouchers and commissions as well as performance bonuses, although these are very different employee payments.

14.7%

male

58.1%

female

Bonus Gap

Bonus Gap refers to the gap between men and women on the value of all items under the definition of bonus taken together.

79.4%

mean

15.7%

median

Important context to Aer Lingus Bonus data

- The high level of the reported bonus gap is due primarily to the reporting requirement that cabin crew inflight retail commissions must be assessed alongside performance related bonuses for managers. These are not comparable in terms of remuneration, and their inclusion significantly skews the figures, as the majority of cabin crew are female.
- A truer picture is presented by excluding cabin crew retail based commissions and focusing on performance related bonuses only, which reduces the gender gap very significantly. Cabin crew commission is awarded on the same terms for all cabin crew and is driven solely by in-flight sales.
- However, this still shows a gap as there is currently a higher number of males at more senior levels. We will continue to work to address this gap and are committed to increasing female representation in management and senior leadership roles.

Bonus Recipients – excluding cabin crew

1.6%

male

2.3%

female

Bonus Gap – excluding cabin crew

25.3%

mean

8.2%

median

It is important to note that the Irish legislative requirements are binary in regards to gender (specifying female compared to male). Whilst we are reporting our statistics in the manner set out by law, at Aer Lingus we recognise and support all gender identities.

Lower Quartile

The lower quartile sets out, in respect of the lowest paid quarter of our people by hourly remuneration, what percentage are men and what percentage are women. The same logic applies to the lower middle quartile and the upper middle quartile.

				59.9%	40.1%
				male	female
Lower Middle Quartile	36.3%	63.7%	Upper Middle Quartile	47.2%	52.8%
	male	female		male	female

Upper Quartile

The upper quartile sets out, in respect of the highest paid quarter of our people by hourly remuneration, what percentage are men and what percentage are women. This gap reflects the fact that there is currently a higher number of males at more senior levels, including the pilot cohort. We will continue to work to address this gap.

				79.7%	20.3%
				male	female

Benefits in Kind

Benefits in kind sets out the percentage of our people who are in receipt of non-cash benefits of monetary value. It should be noted that the vast majority of our people benefit from pension provision; however technically pension is not a benefit in kind and we have therefore not included it within these figures.

				4.7%	1.5%
				male	female

Addressing the Gender Pay Gap at Aer Lingus

The Gender Pay Gap at Aer Lingus exists because of the gender split within different roles, particularly among the pilot and engineering cohort.

Hiring

We are taking significant steps to ensure that our hiring practices open a clear way for women to join our company at every level. For certain roles, it remains difficult: we continue to find, for example, that the overwhelming majority of applicants for pilot roles are male. This makes it all the more important that where women do apply for jobs at Aer Lingus, in any role, that there are not unfair barriers in their way.

- **All of our hiring managers take unconscious bias training as they acquire their interview skills, to avoid traps such as the tendency to prefer candidates that seem similar to themselves.**
- **We monitor our candidate pipelines and actively seek to create diversified slates of candidates.**
- **We seek always to have gender balanced interview panels.**

Retaining and Developing

We want to make sure that where women join Aer Lingus they want to stay for the long run. That means feeling comfortable in their work environment and in their work-life balance.

We were delighted in 2022 to announce a significant improvement in our maternity, adoptive and paternity policies. We will provide maternity leave, involving full pay with an adjustment for social welfare, for 26 weeks.

We have introduced inclusivity training for managers, with the objective of ensuring that our work environment is welcoming for colleagues from all backgrounds.

We know that many people have stages of their life when they want to tilt their work-life balance more towards life and family. A large proportion of our workforce, 18%, choose to occupy part-time positions. Over 10% of our cabin crew take up the option of part-time work.

We are committed to proactive development steps for our future leaders. We ensure that there is reasonable gender balance on our leadership development programmes.

We are committed to addressing the Gender Pay Gap through recruiting, retaining and advancing women in key roles. We recognise there is more we can do. We are very actively backed and encouraged by our owner, IAG, in our efforts to become a more diverse organisation.

Appendix

The Results by entity

The Aer Lingus Group contains two employing entities – Aer Lingus Limited (which employs the vast majority of our people) and Aer Lingus Ireland (which is a much smaller entity). Most of our people think of themselves simply as Aer Lingus employees. The truer view of the position at Aer Lingus with regard to the Gender Pay Gap is obtained by looking at the group results as a whole. However, in keeping with the legislation, we publish in this appendix a breakdown of the results between the two entities.

It can be noted that the Gender Pay Gap at Aer Lingus Ireland (the smaller entity) is considerably lower than for the group as a whole, with the negative number for median hourly remuneration and median bonus indicating a gap in favour of women. The primary reason for this is that there are no pilots within Aer Lingus Ireland. Within Aer Lingus Ltd there are no workers on temporary contracts.

Entity	Year	All employees															
		Hourly Remuneration		Bonus Recipients		Bonus Gap		Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile		Benefits in Kind	
		Mean	Median	M%	F%	Mean	Median	M%	F%	M%	F%	M%	F%	M%	F%	M%	F%
Aer Lingus (whole group)	2022	30.5%	14.1%	14.7%	58.1%	79.4%	15.7%	59.9%	40.1%	36.3%	63.7%	47.2%	52.8%	79.7%	20.3%	4.7%	1.5%
Aer Lingus Ireland	2022	0.6%	-12.8%	21.5%	56.8%	53.9%	-2.2%	57.6%	42.4%	48.5%	51.5%	34.0%	66.0%	60.6%	39.4%	1.5%	0.9%
Aer Lingus Ltd	2022	38.4%	23.5%	9.5%	59.7%	90.9%	30.4%	53.5%	46.5%	42.6%	57.4%	58.6%	41.4%	88.8%	11.2%	7.1%	2.2%

Entity	Year	Part-Time employees		Temporary Employees	
		Hourly Remuneration		Hourly Remuneration	
		Mean	Median	Mean	Median
Aer Lingus (whole group)	2022	41.0%	3.5%	2.2%	1.1%
Aer Lingus Ireland	2022	-9.4%	-9.7%	2.2%	1.1%
Aer Lingus Ltd	2022	48.8%	22.9%	--	--

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