



AMERICAN EXPRESS UK GENDER PAY GAP REPORT 2018



INTRODUCTION

“The best way to back our customers is to back our colleagues”



At American Express we are proud of our long-standing commitment to building a diverse workforce and inclusive workplace where all colleagues can thrive. It is vital to our success that our people are as diverse as the customers and communities we serve.

Since publishing our first gender pay gap report last year, we have continued to focus on driving greater gender balance. While we are pleased to see a reduction in our mean gender pay gap, there has been an increase in the bonus pay gap. The primary reason for our pay gap is the composition of our workforce, notably that we have more women in non-senior positions and more men in senior positions. However, we are confident that these gaps are not an equal pay issue, and our practices are regularly reviewed to ensure this is the case.

Encouragingly, over the past year the gender balance in our senior leadership roles has improved, with the number of women in senior positions increasing from 36% to 41% across the organisation. However, as stated we continue to have more women than men in our non-senior positions, and these roles make up a significant proportion of our colleague base.

We know that we have more to do, and are continuing to identify ways to further support our colleagues. We are committed to providing opportunities to help our people succeed as well as building an inclusive culture and flexible working environment, which has allowed us to retain our position as a Top Ten Employer for Working Families. Current initiatives include developing a comprehensive talent strategy, growing our active women's networks and rolling out inclusive leadership workshops.

We support fully the government's efforts to address gender equality issues, and have made a public commitment to gender balance by signing up to HM Treasury's Women in Finance Charter. This pledge sees American Express and other financial services companies working together to build a more balanced and fair industry.

What you choose to do for a living is one of the most meaningful decisions you can make, and we believe that the best way to back our customers is to back our colleagues. While we recognise that real, lasting change takes time, I'm committed to working with my senior leadership team to ensure that everyone – at all levels – has the opportunity to realise their full potential at American Express.

I confirm that the data in this report is accurate.

Charlotte Duerden,
UK Managing Director

UNDERSTANDING THE GAP

The gender pay gap calculation is the difference between the average hourly earnings of all men and all women, expressed as a percentage of the average hourly earnings of men. This includes base pay, allowances and incentives received in April 2018.

GENDER PAY GAP: DIFFERENCE BETWEEN MEN AND WOMEN

	MEAN		MEDIAN	
YEAR	2018	2017	2018	2017
GENDER PAY GAP	14.6%	15.2%	18.9%	19.1%

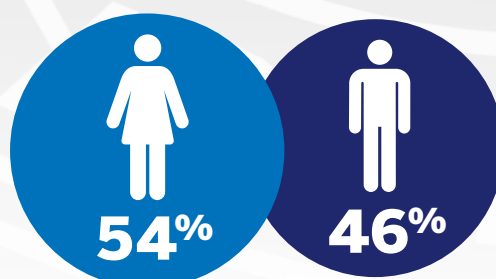
Our mean hourly pay gap has decreased to 14.6%. The pay gap is driven by the composition of our workforce. We have more women than men in non-senior positions and more men in senior positions. Women account for 65% of the workforce in our more junior roles.

PAY GAP VERSUS PAY EQUITY

We regularly review our compensation practices through our remuneration and annual pay review processes to ensure they support pay equity and transparency. We conduct pay equity research with an independent third party to look closer at factors including gender, and make adjustments where necessary. The findings from the most recent study in 2018 reinforced that our pay practices support pay equality. We are confident that our gender pay gap is not an equal pay issue, in terms of the pay and bonuses we provide to men and women performing the same or similar jobs, but reflects the composition of our workforce.



OVERALL AMERICAN EXPRESS UK WORKFORCE



PROPORTION OF MEN AND WOMEN IN EACH QUARTILE

	GENDER	2018	2017
QUARTILE 1		62%	62%
		38%	38%
QUARTILE 2		55%	55%
		45%	45%
QUARTILE 3		49%	50%
		51%	50%
QUARTILE 4		43%	42%
		57%	58%

Our pay quartile data shows a ranking of all colleagues in four quartiles from lowest to highest paid. Quartile 1 contains the lowest paid colleagues and quartile 4 is the highest. The quartiles reflect the composition of our workforce, with a higher proportion of males than females in senior roles. As a result, there is a greater proportion of women in the lower pay quartiles, and more men in the higher quartiles.

PROPORTION OF MEN AND WOMEN RECEIVING A BONUS

	2018	2017
	71%	73%
	77%	78%

BONUS PAY GAP: DIFFERENCE BETWEEN MEN AND WOMEN

	MEAN		MEDIAN	
YEAR	2018	2017	2018	2017
GENDER BONUS GAP	38.5%	36.1%	48.6%	40.1%

Our mean bonus gap has increased since last year's report. The bonus gap is the difference in all incentive pay received by men and women in the 12 months up to the official snapshot date of 5 April 2018. This includes bonus, long-term incentives and sales incentive payments received during this period. Our workforce composition is a key determining factor in our bonus pay gap, which is further explained below. The bonus gap is also driven by higher overall bonuses in 2018.

■ The bonus gap is primarily as a result of fewer women in senior positions and more women than men in non-senior positions. Under our annual incentive programmes, senior positions have higher potential incentive pay.

■ There is a greater proportion of men than women in roles which are eligible for sales incentives.

■ The reporting requirements do not allow us to reflect bonuses that are paid pro-rata to colleagues on reduced hours, such as part-time colleagues or those on an absence such as Maternity Leave. Our bonus gap would be smaller than stated if this was factored into the calculation.

OUR CONTINUING FOCUS

Opportunities and experiences that back colleagues

At American Express we are committed to ensuring women are given the experiences and opportunities they need to succeed.

We have a comprehensive **UK Talent Strategy** that focuses on increasing the representation of females in senior positions. This is achieved through career planning and action orientated talent discussions.

We have a community of support for women through our **Women's Interest Networks**, which currently have over 1,600 members in the UK. These networks provide a forum for career development, education and mentoring. We continue to hold events to support women in our key commercial and technical roles, focussing on development and growth in the context of personal ambition and leadership.

These local events reinforce many of the messages that are shared at our **Global Women's Conference** which brings together our most senior executive women from across the business.

A company where being yourself matters

Creating an inclusive and diverse environment is at the heart of American Express' culture.

American Express launched an **Inclusive Leadership** training programme that focuses on equipping senior leaders with the necessary strategies and skills to combat unconscious bias in order to build high performing, diverse teams.

In addition, we have developed special recruitment guidelines to reinforce diverse and objective hiring decisions, as well as strategies to help leaders manage unconscious bias within our talent review processes.

In 2018 we established a **UK Diversity Council** that works closely with our colleague networks and provides opportunities for professional development and building skills.

Flexibility for colleagues to thrive

We recognise the importance of flexibility in the workplace and are committed to supporting colleagues achieve the balance they need to grow their career at American Express.

We are proud that according to our 2018 UK engagement survey, 91% of colleagues feel leaders in the business provide them with the flexibility they need to balance work and personal life.

This sentiment is also recognised externally as we consistently feature in the **Top 10 Employers for Working Families**, which showcases organisations across the UK that are leading the way in building flexible, family friendly workplaces.

In addition to promoting flexible working, we continue to build an inclusive workplace for all colleagues with our **Families at Amex** network, which provides programmes and resources to support parents and colleagues with caring responsibilities.

WIN
Women's Interest Network

FAMILIES
At American Express Network

DIVERSITY
COUNCIL





STATUTORY DISCLOSURES

Figures on previous pages are for American Express UK comprising our entire UK workforce as of the official snapshot date of 5 April 2018. The UK business is made up of three separate legal entities of 250 or more employees and a number of smaller entities with fewer than 250 employees. The gender pay gap data specific to each of the three businesses of over 250 employees is set out below. These calculations have been independently reviewed and validated by an external third party.

	MEAN GENDER PAY GAP		MEDIAN GENDER PAY GAP	
HOURLY PAY	2018	2017	2018	2017
American Express Services Europe Limited	12.7%	13.9%	15.7%	17.7%
American Express Payment Services Limited	9.3%	9.4%	17.9%	11.9%
American Express Europe LLC	17.4%	16.8%	16.3%	14.1%
American Express Overall UK	14.6%	15.2%	18.9%	19.1%

	MEAN BONUS PAY GAP		MEDIAN BONUS PAY GAP	
BONUS GAP	2018	2017	2018	2017
American Express Services Europe Limited	37.2%	34.1%	34.0%	38.3%
American Express Payment Services Limited	21.9%	30.2%	45.8%	34.1%
American Express Europe LLC	54.4%	43.6%	34.3%	24.9%
American Express Overall UK	38.5%	36.1%	48.6%	40.1%









PROPORTION OF EMPLOYEES RECEIVING BONUS / ENTITY WISE

	 2018 	 2017 
American Express Services Europe Limited	68% 77%	71% 77%
American Express Payment Services Limited	81% 82%	78% 78%
American Express Europe LLC	81% 75%	80% 78%
American Express Overall UK	71% 77%	73% 78%

QUARTILES

The regulation requires us to rank employees in the pay analysis by hourly pay and divide in to four equal bands (quartiles) and show the proportion of male and female employees in each one. Quartile 1 is the lowest pay band and quartile 4 is the highest.

PROPORTION OF MALES / FEMALES / QUARTILE

		 Q1 	 Q2 	 Q3 	 Q4 
American Express Services Europe Limited	2018	59% 41%	53% 47%	48% 52%	43% 57%
	2017	59% 41%	54% 46%	49% 51%	41% 59%
American Express Payment Services Limited	2018	65% 35%	58% 42%	57% 43%	52% 48%
	2017	64% 36%	50% 50%	51% 49%	46% 54%
American Express Europe LLC	2018	72% 28%	69% 31%	65% 35%	47% 53%
	2017	71% 29%	65% 35%	64% 36%	50% 50%
American Express Overall UK	2018	62% 38%	55% 45%	49% 51%	43% 57%
	2017	62% 38%	55% 45%	50% 50%	42% 58%