

AMERICAN EXPRESS

UK GENDER PAY REPORT 2017



This year, UK businesses with 250 or more employees have been asked to report on gender pay as required by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

At American Express UK we have a mean gender pay gap of 15.2% and a median gender pay gap of 19.1%. We are confident our gender pay gap is not an equal pay issue but is a result of the composition of our workforce. When we compare employees in the same band level, on a weighted average basis the difference between men and women is less than half a percent – on this basis female pay is 99.6% of male pay.

Across the organisation we have more men in senior positions and more women in non-senior positions, which results in a disparity in the average earnings figures. More than a strategy or business philosophy, gender equality at all levels across the business is at the core of our culture. Our focus is in improving our gender balance at senior levels and we have a number of initiatives in place to help us achieve this.

We are wholly committed to an equitable and fair pay and reward structure and regularly review our practices to ensure they support pay equality, gender consistency and transparency.

Although our mean gender pay gap is lower than the UK national average¹, we fully support the Government's efforts to highlight and address any gender equality issues.



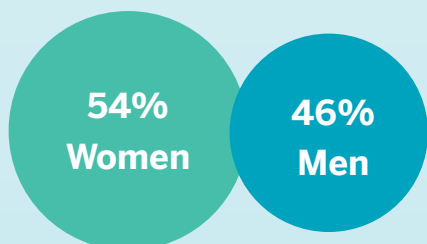
OUR GENDER PAY GAP

The gender pay gap calculation is the difference between average hourly earnings of men and women, expressed as a percentage of the average hourly earnings of men. This includes base pay, allowances and any incentives received in April 2017.

Pay Gap: Difference between Men and Women

	Mean	Median
Hourly pay	15.2%	19.1%

UK Workforce:

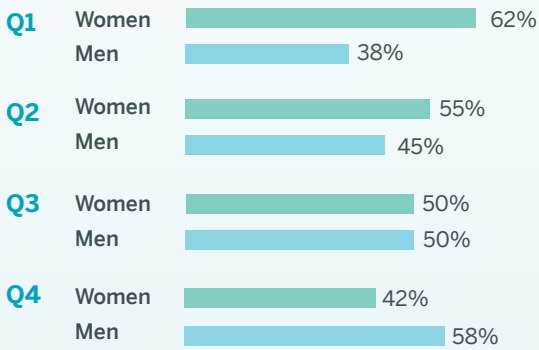


Women comprise 54% of our UK workforce and 36% of senior management. The gender balance at senior levels of the business is something we have been actively addressing over a number of years.

¹ Source: OCT 2017 ONS Annual Survey of Hours and Earnings. Mean Gender Pay Gap – UK 17.4%, Median Gender Pay Gap - UK 18.4%

OUR GENDER PAY GAP

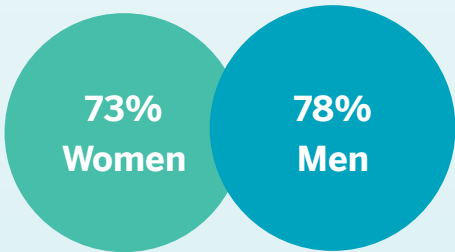
Proportion of men and women in each pay quartile



This table shows a ranking of all employees into four quartiles from lowest to highest paid. Quartile 1 contains the lowest paid employees and quartile 4 is the highest. There is a greater proportion of women than men in the lower pay quartiles, and a higher proportion of men in the highest pay quartile.

OUR GENDER BONUS GAP

Proportion receiving bonus:



Bonus Gap: Difference between Men and Women:

	Mean	Median
Bonus paid	36.1%	40.1%

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 2017. This includes bonus, long-term incentives and sales incentive payments received during this period. Our bonus gap figures are influenced by a number of factors:

- Under our annual incentive programme, senior positions have higher potential bonus pay. The bonus gap is primarily as a result of fewer women being represented at these most senior levels.
- There is a greater proportion of men than women in roles which are eligible for sales incentive payments.
- The reporting requirements do not allow us to reflect that bonuses are paid pro-rata to those employees on reduced hours, such as part-time employees or those on an absence such as Maternity Leave. Our bonus gap would be slightly smaller than stated if this was factored into the calculation.

A COMMITMENT TO DIVERSITY AND INCLUSION

Our commitment to diversity and inclusivity is one of our company's greatest strengths. It is vital to our success that we recruit and retain the best talent and that our workforce is representative of the customers and communities we serve. We aspire to foster an inclusive workplace culture where differences are valued and expressed freely – and all our employees have the support they need to take risks, learn and collaborate. As such, we continue to evolve and enhance our diversity and inclusion focus and leading best practices.

A COMMITMENT TO DIVERSITY AND INCLUSION

Pay equity processes & guiding principles

We review and support pay equity through our remuneration and annual pay review processes. We have conducted pay equity research to look closer at factors including gender. The research findings reinforced our confidence that our pay practices support pay equality.

Guiding principles

- **Pay for Role:** We set pay guidelines for roles, independently of the people who perform them
- **Pay for Performance:** We reward employees on the basis of performance and key business criteria, regardless of gender
- **Pay Governance:** We hold ourselves completely accountable to uphold a high standard on pay equity
- **Pay Parity:** We remunerate employees for doing the same job equitably, all factors being equal (e.g. role, skills, competence and performance)



Progression

We invest in ground-breaking external research for women's advancement and leverage internal resources to ensure women are given the tools and resources they need to succeed at American Express. Our approach includes:

- **Strengthening our talent pipeline** through targeted recruitment strategies and partnerships.
- **Fostering a sponsorship culture** where men and women are supported by senior sponsors who act as advocates for promotion and career advancement on their behalf within the company.
- **Hosting a Global Women's Conference** to bring together our most senior executive women from across the company for a two day event. The conference strengthens the internal networks of our women and builds community, while helping American Express better understand the unique issues our women leaders face in the workplace.
- **Creating a community of support for women** to enable their continued development and advancement through our global partnership with 'Lean In', a social movement providing peer group support for women as well as through our employee networks including:
 - Families at Amex provides programmes and resources to mothers, fathers, and employees with caring responsibilities.
 - The Women's Interest Network provides a forum for all employees to seek career development and education, support and mentoring. There are 1,600 UK members.
 - Women in Technologies serves as a support network for women employees in STEM roles providing technical training and career advancement.

Flexibility

We recognise the need for flexibility in the way we work and are committed to supporting our employees in achieving the balance they need.

- In 2017, we ranked 3rd in the Glassdoor Highest Rated UK Companies for Work-Life Balance and were the highest ranking Financial Services organisation.
- We consistently feature in the annual Top 10 Employers listing for Working Families, which showcases organisations across the UK that are leading the way in building flexible, family friendly workplaces.

STATUTORY DISCLOSURE

Figures on previous pages are for American Express UK comprising our entire UK workforce as of the official 'snapshot date' of 5 April 2017. 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.

	American Express UK Overall		AESEL American Express Services Europe Limited		AEPSL American Express Payment Services Limited		AEEL American Express Europe LLC	
Mean Hourly Pay	15.2%		13.9%		9.4%		16.8%	
Median Hourly Pay	19.1%		17.7%		11.9%		14.1%	
Mean Bonus	36.1%		34.1%		30.2%		43.6%	
Median Bonus	40.1%		38.3%		34.1%		24.9%	
Proportion receiving a bonus	Men	Women	Men	Women	Men	Women	Men	Women
	78%	73%	77%	71%	78%	78%	80%	78%

Quartiles

The regulation requires us to rank the employees in the pay analysis by hourly pay and divide into four equal quartiles and show the proportion of men and women employees in each one. Quartile 1 is the lowest pay group and quartile 4 is the highest.

	Q1		Q2		Q3		Q4	
	Women	Men	Women	Men	Women	Men	Women	Men
American Express UK Overall	62%	38%	55%	45%	50%	50%	42%	58%
AESEL American Express Services Europe Limited	59%	41%	54%	46%	49%	51%	41%	59%
AEPSL American Express Payment Services Limited	64%	36%	50%	50%	51%	49%	46%	54%
AEEL American Express Europe LLC	71%	29%	65%	35%	64%	36%	50%	50%

I confirm the data in this report to be accurate:



Rafael Marquez, EVP, Consumer Europe & UK Country Manager

These calculations have been independently reviewed and validated by an external third party.