

GENDER PAY

REPORT 2018

British Airways Holidays Limited is a wholly owned subsidiary of British Airways Plc. The company is a global tour operator selling package holidays, hotel accommodation, car hire and other travel related products.

"At British Airways Holidays, women are well represented at all levels of our business. I am pleased to see that our gender pay gap has reduced since our last report. We continue to make pay, recruitment and selection decisions based on merit and performance and are not influenced by gender. We believe this, along with creating a working environment in which women and men can both flourish is key to reducing the gender pay gap."

Claire Bentley Managing Director, British Airways Holidays British Airways Holidays employs 256 people*, 70% of whom are women. Our median gender pay gap is 23% and mean gender pay gap is 14%. This is a reduction on the 2017 report, when we reported a median gender pay gap of 27% and a mean gender pay gap of 18%.

PAY AND BONUS DIFFERENCES

	Mean	Median
Hourly pay difference	14%	23%
Bonus pay difference	28%	26%

CAUSES OF THE GENDER PAY GAP

While the company's pay gap has reduced since 2017, the gap remains because a high proportion of women are employed in non-managerial roles. Many of these roles are carried out on a job share or part-time basis. This negatively impacts our results. We are confident that men and women doing comparable work are paid fairly and equally.

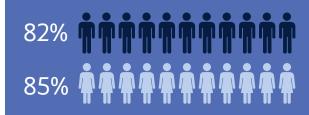
Since 2017, British Airways Holidays has promoted men and women from within the company and recruited men and women into roles at varying levels of the business. Recruitment and selection decisions continue to be based completely on merit and not influenced by gender.

At British Airways Holidays we promote a healthy work-life balance. The company believes that this helps ensure men and women are supported when progressing into more senior level roles. As a result of our flexible working policy, a quarter of the workforce is employed in part-time roles, including at management level.

CAUSES OF THE BONUS PAY GAP

The company's bonus is calculated as a percentage of an individual's salary, so the bonus pay gap is reflective of the pay gap. The bonus pay gap calculation is based on actual bonuses received. As fewer hours are worked, colleagues working part-time will receive less than their full-time equivalents, and the majority of colleagues working part-time are women.

We review our scheme annually and continue to ensure bonus eligibility criteria is fair and that men and women have equal opportunities to earn a bonus.



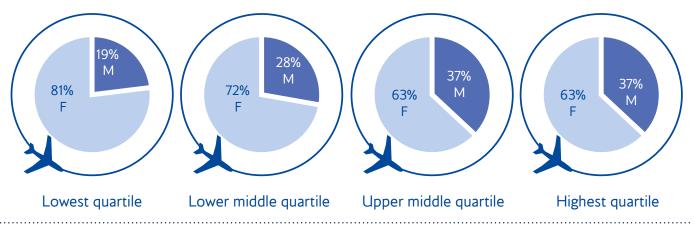
In the period to be reported, 82% of men and 85% of women received a bonus. Our clear bonus guidelines mean that bonus awards are fair and non-discriminatory. Everyone across the company is eligible to receive a bonus.



PAY QUARTILES

Given that 70% of British Airways Holidays' workforce is female, the gender distribution across the four equal pay quartiles shows that women are well represented at every level of our business, but the figures suggest that there is an over-representation of women in the lower pay quartiles. Since last year, the proportion of women in our lowest quartile has reduced and in our highest quartile has increased. This is attributable to recruitment and progression.

PROPORTION OF WOMEN AND MEN IN EACH PAY QUARTILE



HOW WE ARE ADDRESSING THESE DIFFERENCES

The company is committed to tackling gender imbalance and to building a diverse and inclusive workforce.

We have family-friendly workplace policies in place and continue to support flexible working throughout the business. We encourage a healthy work-life balance, and flexibility exists right up to our leadership team. This helps us to attract and retain both male and female employees at all levels of the organisation.

We welcome the gender pay reporting obligations as an opportunity to analyse the make-up of our workforce and to ensure that we continue to reward men and women fairly for the contribution they make. We are committed to working to attract employees of all backgrounds to the organisation and to support them in developing and progressing through the business.

USEFUL TERMS:

Equal pay is when men and women performing equal work receive equal pay, as set out in the Equality Act 2010.

Gender pay gap refers to the difference between men's and women's average earnings across the organisation, expressed as a percentage of men's earnings.

We confirm that the information and data provided is accurate and in line with mandatory requirements.

Claire Bentley Managing Director, British Airways Holidays