

North Air Gender Pay Gap Report

April 2020 (Snapshot April 2019)

Background

Each year, by 4th April, public, private and voluntary sector organisations with 250 or more employees are required by the UK government, to report on their gender pay gaps, using six different measures:

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|-----------------------|--|
| Mean Gender Pay Gap | <ul style="list-style-type: none">•The difference between the mean hourly rate of pay of male full pay relevant employees and that of female full-pay relevant employees |
| Median Gender Pay Gap | <ul style="list-style-type: none">•The difference between the median hourly rate of pay of male full pay relevant employees and that of female full-pay relevant employees |
| Mean Bonus Gap | <ul style="list-style-type: none">•The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees |
| Median Bonus Gap | <ul style="list-style-type: none">•The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees |
| Bonus Proportions | <ul style="list-style-type: none">•The proportions of male and female relevant employees who were paid bonus pay during the relevant period |
| Quartile Pay Bands | <ul style="list-style-type: none">•The proportion of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands |

The gender pay gap differs from equal pay as it is not exclusively about men and women doing the same job and the difference in their pay. When calculating the differences in average hourly rates of pay the gender pay gap takes into account all jobs, at different levels and all salaries within an organisation. This means that the gender pay gap can result from many different factors which we will look to explore in relation to North Air.

All employees who are employed by North Air on the snapshot date are counted, irrespective of the duration of their employment. Employees are then split into 2 categories 'Full Pay Relevant Employees' and 'Relevant Employees'. The company's snapshot date was **5th April 2019**.

Reporting our Gender Pay Gap

The regulations state that companies must show the overall mean and median gender pay gap based on hourly rate as well as reporting on Gender Bonus Pay Gap and the proportion of each gender in each quartile pay band.

As of our snapshot date of 5th April 2019 North Air had **355** Relevant employees (an increase of 23 from 2018) and **351 Full-Pay relevant** employees. (318 males and 33 females)

| | |
|-----------------------|--------------|
| Mean Gender Pay Gap | 11.9% |
| Median Gender Pay Gap | 24% |

As of our snapshot date of the 5th April 2019 North Air had 199** relevant employees (that were paid a bonus)

| | |
|-----------------------------|---------------|
| Mean Gender BONUS Pay Gap | -22.2% |
| Median Gender BONUS Pay Gap | -75.0% |

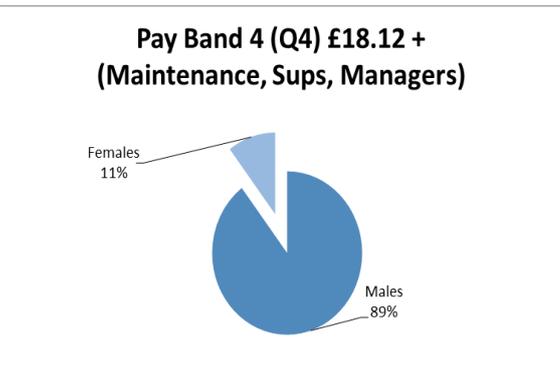
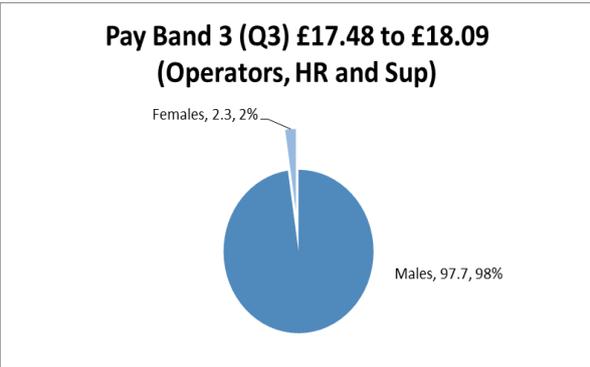
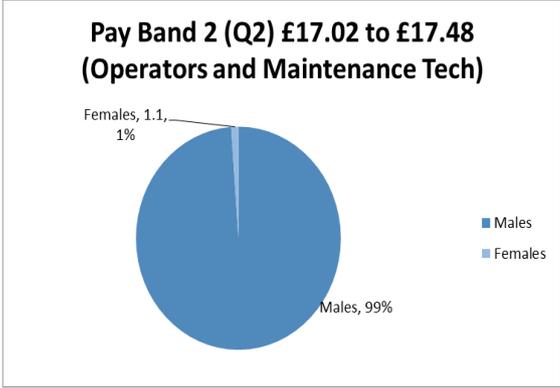
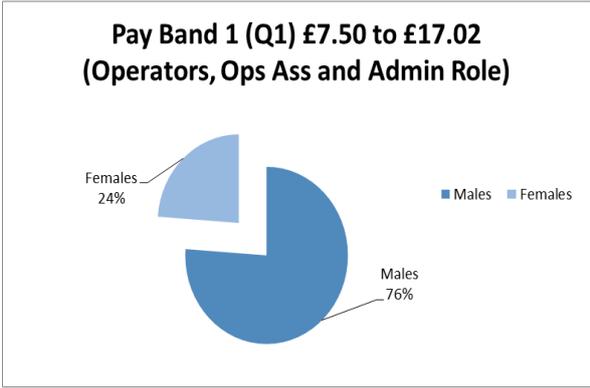
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|---|--------------|
| Proportion of MALES receiving a bonus | 52.0% |
| Proportion of Females receiving a bonus | 94.1% |

** there were 355 relevant employees on the snapshot date however 156 did not receive a bonus and were removed from the calculations as per the regulations. The negative % relates to the fact that the level of bonus for males was lower than the level of bonus received by females.

Gender Split by Pay Band (quartile):

All the full pay relevant employees (351) are split into 4 equal quartile pay bands and the proportion of males and females in each.

| Full Pay Relevant Employees | | 351 | | Number | Proportion | | Number | Proportion |
|-----------------------------|----|-----|-------|--------|------------|---------|--------|------------|
| Lower Quartile | Q1 | 88 | Males | 67 | 76.1 | Females | 21 | 23.9 |
| Lower Middle | Q2 | 88 | Males | 87 | 98.9 | Females | 1 | 1.1 |
| Upper Middle | Q3 | 88 | Males | 86 | 97.7 | Females | 2 | 2.3 |
| Upper | Q4 | 87 | Males | 78 | 89.7 | Females | 9 | 10.3 |



Understanding the Gender Pay Gap at North Air

Our industry is male dominated with 90.4% of our workforce being male. The majority of refuelling operation roles, have traditionally been filled by males. Our career progression path starts in operations and moves usually to supervisor and manager, with the majority of this pool already begin male it has a knock on effect.

We are committed to changing this and have been working over the last 2-3 years to increase the number of females across our organisation particularly at Operator, Supervisor and Manager levels. During this time, we have employed various tactics to recruit females into the organisation but this hasn't been reflected in our Gender PAY gap.



The North Air Gender Pay gap of **24% for 2019** is greater than previously reported in April 2018 (increase of 3%). According to the ONS the gender pay gap for ALL employees in 2019 was 17.3%.

Between 2018 and 2019 snapshot dates we have had an increase in Relevant Employees of 23, however only 1 of these was female. Since we began recording our gender pay gap our headcount has increased from 319 (288 males to 31 females) relevant employees to 355 (321 males to 34 females) relevant employees.

Within this increase in headcount the majority of our new hires have been into newly created Refuelling Operator Roles (which require an HGV license) and Maintenance Roles. Both of which are professions which continue in society, to attract more males than females.

Operators are our core role within North Air and as an organisation this is not going to change meaning that there is limited opportunity to change the nature of work or available roles to something that would have a higher female pool of candidates.

We also have to consider the impact of the salary review process on our gender pay gap. Operators salaries are reviewed annually through collective bargaining at some sites which can drive increases to be slightly higher for the operator population compared to increases for non operational roles, which are held in the majority by our female employees. Therefore, year on year as the male salaries increase, female salaries have not increased at the same rate, contributing to our gender pay gap.

The report conversely shows that North Air does not have a Gender Bonus Gap, 52% of our males earned a bonus last year, compared to 94.1% of females and females earned higher bonuses than their male colleagues. This is solely due to the fact that the roles our females do are included in our performance related bonus scheme, which the majority of roles their male colleagues are employed in (operators) do not participate in.

Tackling Action on North Airs Gender Pay Gap

The Gap in our mean and median gender pay and the fact that the gap has increased compared to last year, shows that we still have some work to do.

At North Air we will continue to focus on how we attract females to work for us, how we keep them at North Air through changes in their life and how we help promote them through the company in more skilled and senior roles.

Some of the initiatives that we are looking at are:

- Imagery - updating our website and other materials to include more images of our female operations staff
- Working with our preferred agencies to attract female candidates into Operations roles
- Creating “trainee” Operator positions (through our preferred agency) to give opportunities where the focus is more on “behaviours” as opposed to HGV licence (opening up opportunity for females to apply for refuelling roles)
- Succession plans to identify female candidates for future Management/Supervisory roles
- Using Education Agreements to support some of our less skilled workers (Banksmen/Operations Assistants) to obtain HGV licence, enabling them to progress into refuelling operations roles
- Considering more flexible working patterns, to attract more female candidates
- Recruitment processes: Sources of recruitment, wording of adverts, gender balanced shortlists for certain roles, influencing our agency selection process
- Family friendly policies

Our CEO and Shareholder Board of Directors are fully committed to reducing our gender pay gap.



David Atherton
CEO North Air



Arun Sriskanda
Shareholder Board Director
BP International



Gerard Reumer
Shareholder Board Director
Skytanking