

North Air Gender Pay Gap Report

May 2021 (Snapshot 5th April 2021)

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:

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 companies snapshot date was **5th April 2021**.

This year our gender pay gap calculations are affected by 'Furlough'. In line with the regulations, as employees who are on 'Furlough' leave earn less than their normal salary (we did not top up to 100% salary at the time of the snapshot date) they should be counted as 'relevant' employees for the purposes of the gender bonus gap calculations but not as full pay relevant employees for the purposes of the gender pay gap calculations.

Reporting our Gender Pay Gap

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

As of our snapshot date of 5th April 2021 North Air had **260** Relevant employees (A decrease of 45 from 2020) and **65 Full-Pay relevant** employees. (54 males and 11 females)

Mean Gender Pay Gap	-2.8%
Median Gender Pay Gap	-14.0%

As of our snapshot date of the 5th April 2021 North Air had 260 relevant employees of which 244** were paid a bonus.

Mean Gender BONUS Pay Gap	-73.7%
Median Gender BONUS Pay Gap	0.9%

** there were 260 relevant employees on the snapshot date however 16 did not receive a bonus and were removed from the calculations as per the regulations. The negative % relates to the fact that the mean level of bonus for males was lower than the level of bonus received by females.

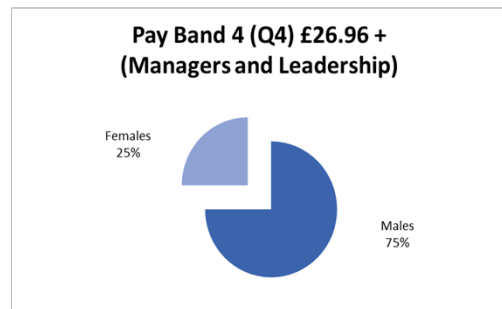
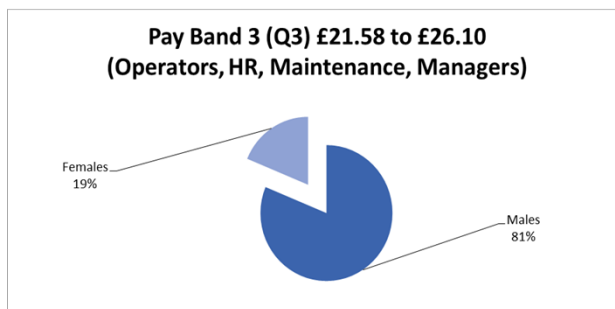
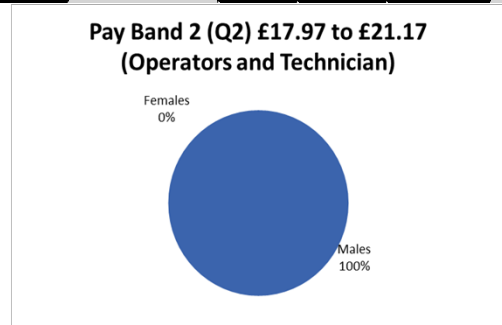
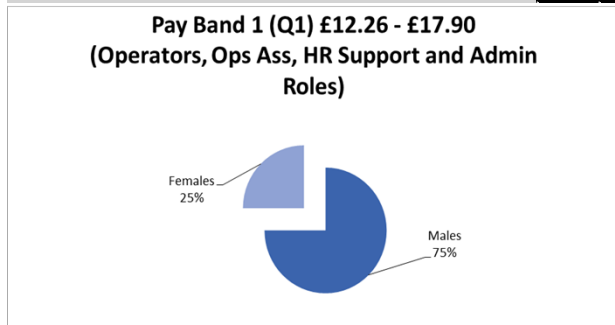
Proportion of MALES receiving a bonus*	94.1%
Proportion of Females receiving a bonus*	91.7%

*Based on the relevant employees of 260.

Gender Split by Pay Band (quartile):

All the full pay relevant employees (65) are split into 4 equal quartile pay bands and the proportion of males and females in each.

Full Pay Relevant Employees			Number		Proportion			
		65						
Lower Quartile	Q1	16	Males	12	75.0	Females	4	25.0
Lower Middle	Q2	17	Males	17	100.0	Females	0	0.0
Upper Middle	Q3	16	Males	13	81.3	Females	3	18.8
Upper	Q4	16	Males	12	75.0	Females	4	25.0



Understanding the Gender Pay Gap at North Air

Our industry is male dominated with 90.8% 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.

While we have been working towards changing the proportion of females working for North Air we have not seen enough change in the proportions to affect our Gender Pay Gap.

As at the 2021 snapshot date we have seen a significant decrease in our Gender Pay Gap from 2020 but this is as a result of Covid 19 and Furlough affecting the proportion of males and females from our workforce that were counted as 'Full Pay' relevant employees.

As a comparison the proportion of males to females of our full pay relevant employees are:

2019		2020		2021	
(Males)	(Females)	(Males)	(Females)	(Males)	(Females)
351	33	304	27	65	11
318	33	277	27	54	11

The North Air Gender Pay gap of **-14.00 for 2021** is significantly less than previously reported for April 2020 and shows that on average the mean hourly rate of pay for females is higher than males.

If we look at the make up of the female full pay relevant employees, they are all working within support and senior roles which attract higher rates of pay. This coupled with the significant decrease in the number of males included in the calculations have contributed to this swing.

It should also be noted that the timing of salary increases may have further contributed to this swing. Most Females, due to the roles in which they work have not had a salary increase, which could be reflected in the gender pay gap calculations since 2019 (April increase and April 2019 snapshot). Whereas most males would have had salary increased in August 2019 reflected in the 2020 snapshot calculations.

At odds with previous years, **North Airs Gender Bonus Gap is 0.9%** compared to -286.5 at the 2020 snapshot date. Meaning that males earned higher median average bonus than females.

This year we had 244 people receiving a recognition payment, which was part of North Air's strategy to reward employees who have continued to work during the Covid Pandemic, and although the payments were of a small monetary value, they still had to be included in the bonus gap calculations in line with the regulations. Overall, this higher number of employees receiving a bonus has affected our Bonus Gap figures this year as 222 were men compared to 22 females who received a bonus.

This is a significant change from 2020 where on average our females earned higher bonuses than their male counterparts. Which was again determined by the number of relevant employees, the number of those receiving a bonus, the proportion of males to females and the overall value.

For comparison we considered what our Gender Bonus Gap would be if we only looked at those male and female employees who are in the annual bonus scheme that received a bonus payment related to this scheme in 2021. 4 Females to 19 Males received a bonus with the median Gender Bonus Gap changing to -1.7% showing, in line with previous years our median female bonus payment his higher than the male median bonus payments.

Tackling Action on North Airs Gender Pay Gap

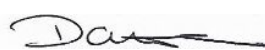
At North Air we will continue to focus on how we attract females to work for us, how we keep them at North Air through changes in their life and how we help promote them through the company in more skilled and senior roles.

Some of the initiatives that we are looking at are:

- 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
- 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

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

David Atherton
CEO North Air



Julia Bryden
Head of HR

