

North Air Gender Pay Gap Report - 5th April 2017

Background

By April 2018, public, private and voluntary sector organisations with 250 or more employees will have had to report on their gender pay gaps, using six different measures:

Mean Gender Pay Gap	•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	•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	•The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
Median Bonus Gap	•The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
Bonus Proportions	•The proportions of male and female relevant employees who were paid bonus pay during the relevant period
Quartile Pay Bands	•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 2017**.

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 North Air had 319 Relevant employees and **314 Full-Pay relevant** employees. (284 males and 30 females)

Mean Gender Pay Gap	9.76%
Median Gender Pay Gap	18.09%

As of our snapshot date of the 5th April 2017 North Air had 166** relevant employees (that were paid a bonus)

Mean Gender BONUS Pay Gap	-25.9%
Median Gender BONUS Pay Gap	-67.7%

Proportion of MALES receiving a bonus	49.83%
Proportion of Females receiving a bonus	70.97%

** there were 319 relevant employees on the snapshot date however 153 did not receive a bonus and were removed from the calculations as per the regulations

Gender Split by Pay Band (quartile):

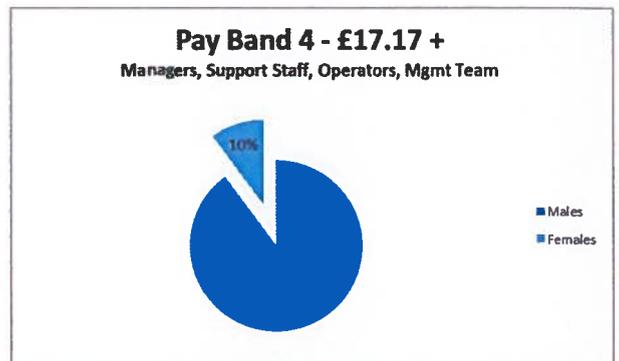
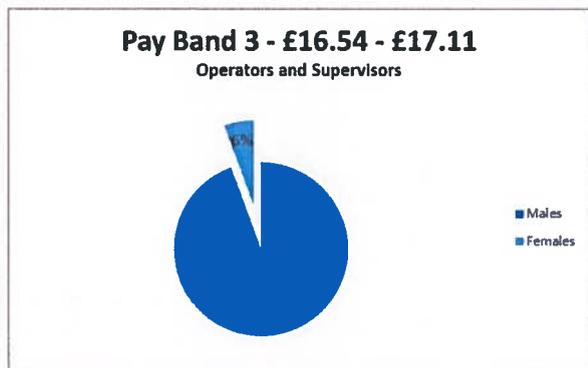
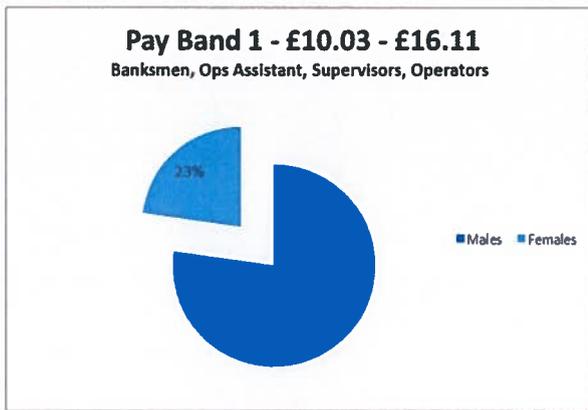
All the full pay relevant employees (314) are split into 4 equal quartile pay bands and the proportion of males and females in each.

Pay Band 1 - 79 people - £10.03 to £16.11 per hour

Pay Band 2 - 84 people - £16.14 to £16.53 per hour

Pay Band 3 - 72 people - £16.54 to £17.11 per hour

Pay Band 4 - 79 People - £17.17 + per hour



Understanding the Gender Pay Gap at North Air

The North Air Gender Pay gap of 18.09% for 2017 is in line with the UK gender pay gap for all employees in 2016 of 18.4%, North Air Aims to reduce this gap by attracting more females.

Our analysis shows that the majority of women within North Air work in lower paid, less skilled roles than males within the business and we must ensure that the roles that women do come into have good progression potential within the company.

Our industry is male dominated with 90% of our workforce being male. The majority of women are employed in less skilled roles within North Air.

The underrepresentation of women is due to a number of factors, which include the serious shortage of women with the skill requirements for the job due to our main recruitment pool being HGV drivers and the flexibility of working hours offered in operational roles.

In addition the perception of the role of an aircraft refueller being very physical and working outdoors in all weathers makes it less appealing to many females.

Conversely, North Air does not have a Gender Bonus Gap as our analysis shows that 70% of our Females earn a bonus compared to 50% of our males and that Females earned higher bonuses than their male colleagues. This is due to the majority of our males employees work in roles that do not attract any annual bonus payments and our females whilst employed in lower skilled roles are part of our annual bonus scheme.

Tackling Action on North Airs Gender Pay Gap

The Gap in our mean and medial gender pay shows that we still have some work to do, and while we don't have an equal pay issue we do still need to take steps to reduce the gap.

At North Air our action plan focuses on how we attract females to work for us, how we keep them at North Air though changes in the life and how we help promote them through the company in more skilled and senior roles.

One major factor in the make up of our population and resulting Gender Pay Gap is the number of female refuelling operators. We will therefore work on our **Recruitment Strategy** to improve the diversity of our workforce. This includes where we advertise our roles, how our adverts are worded, gender balanced shortlists for certain roles and how we work with our partner agencies.

As part of this new recruitment strategy we will review our investment in **Education** for both new employees but existing employees who would like to change roles. It is a skill requirement of our operators to have a Class 1 license (in most cases) and it is unusual for females to have this qualification so we will invest in supplying suitable candidates with their license and design our recruitment and induction process around this added training need.

For our existing employees we will work on **Career Progression Plans** from our less skilled roles such as Banksman through to Ops Assistant to refueller and beyond. This includes the use of educational assistance agreements.

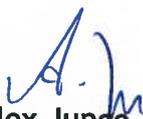
To date we have reviewed our **Family Friendly Policies** ensuring that they are in line with legislation and where possible offer enhancements to entice females employees to stay with North Air after life changing events. We will continue to take feedback from the Employee Forum and our partners to make improvements to our family friendly policies.

In response to our final challenges causing the under representation of women in North Air we will work with mangers and shift planners to promote the advantages of flexible and part time working on all sites and also review the facilities available to females employees to design a comfortable working environment.

This report has been reviewed and approved by North Air's CEO and the Shareholder Board of Directors, who are all fully committed to the actions identified, aimed at reducing our Pay Gap



David Atherton
CEO North Air



Alex Junge
Shareholder Board Director
BP International



Gerard Reumer
Shareholder Board Director
Skytanking