



GENDER PAY REPORT

2022

Developed with the support from
Gallagher | Reward & Benefits Consulting



Gallagher

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1. Introduction

In light of the Government Regulations regarding Mandatory Gender Pay Gap Reporting, which applies to all employers in England, Wales and Scotland with at least 250 employees as of the 5th of April 2021 snapshot date, Gallagher Reward Consulting have been tasked with writing the Gender Pay Narrative to support the gender pay gap reporting requirements for Incora.

2. Foreword

As a business we have a passion for excellence, providing innovative supply-chain solutions for companies and the military around the world. Everything we do, from our financial disciplines to our human resource policies, is focused on that aspiration. As an organisation, our promise to our customers is to reduce complexity and increase reliability so that they can deliver mission-critical solutions that improve our world.

Like many organisations, the Coronavirus (COVID-19) pandemic has had a significant impact on our organisation. In some areas of our business, we have needed to furlough teams, adapt quickly to remote working, and assist individuals with shielding, self-isolating or increased childcare and home-schooling responsibilities.

The full impact of the Coronavirus (COVID-19) pandemic is reflected in our 2021 gender pay gap reporting as the consequences for women of increased childcare and home schooling responsibilities, furlough and job losses, are realised. We recognise that these pressures are shrinking an already pressurised female talent pool and continue to create the potential for the gender pay gap to widen as a result across the UK. We believe at Incora it is therefore even more critical at this time to remain committed and focused on equality as we work towards a more gender balanced workforce.

We care for our people and recognise that they are our greatest asset. We want to ensure our workforce is diverse and inclusive and our culture continues to be open and fair. We are passionate about being an inclusive organisation and seek to provide job opportunities for everyone regardless of gender, age, background and nationality. We are committed to building an organisation which leverages individuals' unique talents so that we deliver a world-class service to our customers.

We continue our journey towards a more gender balanced organisation, building upon the action plan we established to improve our programmes and activities already in place. We have a mean gender pay gap of 13.07% favouring males, with our median gender pay gap at 8.21% favouring females. These figures compare favourably to the national figures reported by the Office for National Statistics. When looking at year on year trends, it is important to note that this is our first year reporting as Incora, with both Westco Aircraft and Pattonair data combined. We actively continue to invest in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

Females currently represent 35% of our overall workforce. Last year 42% of employee promotions were female, with 34% of those being promoted into management positions.

In our fifth reporting year, our leadership team continues to strive towards making our organisation a fair and balanced workplace. A number of initiatives are collectively influential in taking strides towards moving Incora towards a more gender balanced workforce.

We have launched our D&I Council, supported by our Executive Sponsor, who will be developing different diversity initiatives for the coming year. We have operated a programme of events to highlight the importance of inclusion using story-telling across our organisation.

We continue to ensure our HR policies encourage and support flexible working within the organisation and are working to ensure that what we have in place works for everyone. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture which reflects our company values.

We continue to encourage greater female representation across the organisation through a variety of initiatives and are committed to maintaining the momentum we have experienced over the last year, as we strive towards a more gender balanced organisation.

3. Gender Pay Gap

Mandatory Gender Pay Gap Reporting applies to all private and voluntary sector employers in England, Wales and Scotland with at least 250 employees as of the 5th of April 2021 snapshot date. Those organisations are required to publicly report their gender pay gap metrics as follows on the government-sponsored website, with the aim of eliminating the gender pay gap:

Mean gender pay gap	Median gender pay gap	Gender bonus gap
Difference between average hourly earnings of males and females	Difference between median hourly earnings	Proportion of male and female employees receiving bonus within the 12 month period
Mean gender bonus gap	Median gender bonus gap	Pay quartiles
Difference between average bonus earnings	Difference between median bonus earnings	Insight into career paths

As of the 5th April 2021 payroll, our mean gender pay gap stood at 13.07% favouring males, with our median gender pay at 8.21% favouring females:

Mean Hourly Pay Differences		Median Hourly Pay Differences	
Male Hourly Rate	£20.21	Male Hourly Rate	£14.38
Female Hourly Rate	£17.57	Female Hourly Rate	£15.56
Pay Gap	13.07%	Pay Gap	-8.21%

These are both below the national mean (14.6%) and well below the median (15.4%) as reported by the Office of National Statistics, 2021.

The underlying reason behind the mean gap is predominantly due to the higher representation of males in more senior leadership roles. Both the Aerospace and wider supply chain management industry sectors are typically male-dominated and this is reflected across our organisation, recognising the majority of our roles are sourced from this industry. We know we have a lack of female representation in some of our more highly-skilled roles

which is contributing to our pay gap as we have a predominance of highly-qualified males in higher-paid roles which attract higher pay because of a scarcity of skills and competition in the market..

We are confident that all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs across our organisation. While females currently represent 35% of our overall workforce, we are pleased that 34% of our Senior roles are currently being undertaken by females.

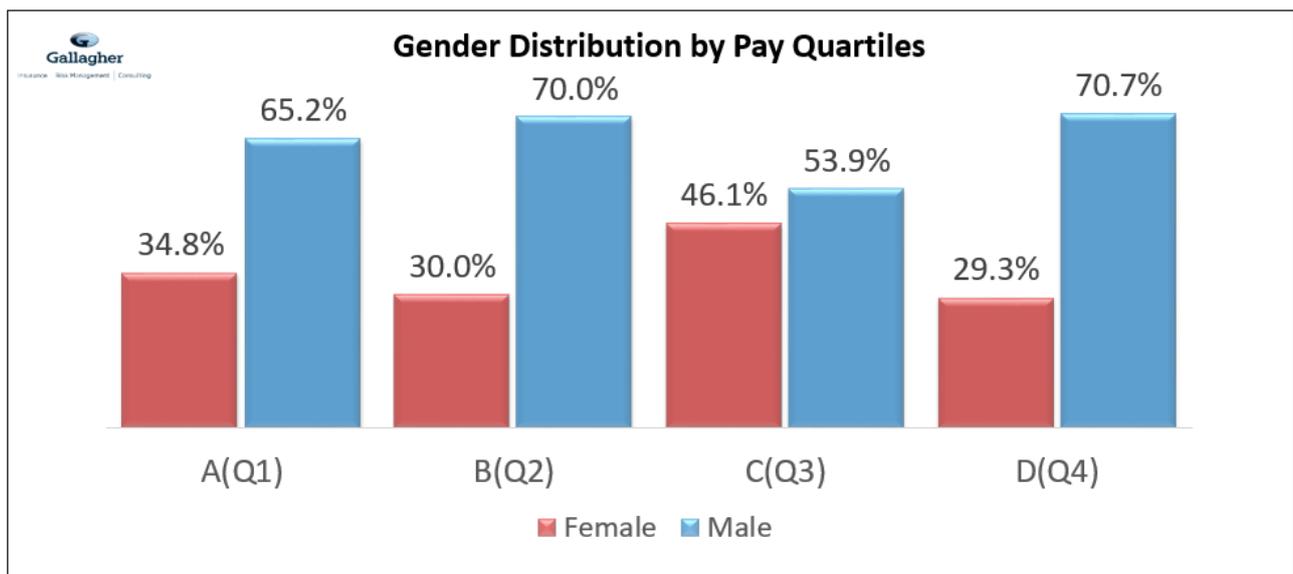
4. Bonus Payments and Participation

Our mean bonus gap currently stands at 182.08% favouring females, with our median bonus gap favouring females at 173.99%. Caution must be applied given the very small number of recipients (male n=3; female n=1), who are all in receipt of sales incentives. In light of economic circumstances, while we operate discretionary performance-related bonuses which account of company, business area and individual performance, no bonuses were awarded through this vehicle in this reporting cycle.

	Mean Bonus	Number receiving a bonus	% Bonus Distribution		Median Bonus	Number receiving a bonus	% Bonus Distribution
Female	£8,940.00	1	0.4%	Female	£8,940.00	1	0.4%
Male	£3,169.37	3	0.6%	Male	£3,262.93	3	0.6%
Bonus Gap	-182.08%			Bonus Gap	-173.99%		

5. Career Paths and Earnings

Our gender distribution by quartiles, as defined by the regulations, show us that female employees are underrepresented in all quartiles, most notably in the highest pay quartile.



HR Strategy

Our HR philosophy is to attract and retain high calibre individuals and to leverage their unique talents to help create unique guest experiences every day.

During the Coronavirus (COVID-19) pandemic we adapted our ways of working, restructured our business and established our 'new normal'. As part of this, we identified roles most suited for hybrid working and launched this initiative on an informal basis which has been well-received.

We actively ensure that all our HR policies and tools proactively support flexible working across the organisation as we believe that these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation. As part of this, we now strive to ensure that all recruitment conversations promote our flexible work culture.

We actively create an environment where everyone is motivated to develop and progress through innovative HR policies and practices and an encouraging environment. As part of the merger, we launched an enhanced Maternity policy to level up the benefit across the organisation, which has been well received. We proactively keep in touch with those on maternity leave and are pleased that we saw a 100% return rate in 2021. We look to support our career returners with different tools to positively impact their back to work experience.

We recognise the motivational importance of positive senior role models to inspire confidence and success. We are pleased that a 34% of our Senior roles are occupied by females. Overall 33% of management positions are held by women. We acknowledge that our strategy needs to evolve to ensure that we attract a higher proportion of females into our organisation and that we actively ensure our hiring managers reflect our strategic approach to diversity.

We have launched our new values and leadership behaviours so that our workforce clearly understands what we as an organisation want to recognise and reward. We are working hard to embed these to further strengthen our employer brand and will be used to inform future HR and Reward initiatives.

We ensure roles are externally benchmarked, enabling us to obtain accurate market rates for each role. We acknowledge pay differentials may still remain in certain cases due to factors such as length of service, seniority and performance. Where pay differentials exist due to gender and are not justified by length of service, seniority or performance, we ensure that every effort is made to bridge those gaps. As part of our annual performance management and pay review process we ensure that our people are being paid fairly based on their role, responsibilities, experience and performance.

Recruitment

We ensure our recruitment approaches have a strong focus on ensuring a greater gender balance in potential candidates presented, tracking all new hires by gender and reporting on a monthly basis. We strive to ensure that all recruitment materials reflect our inclusive employer branding imagery.

We continue to actively challenge all our hiring managers to ensure their behaviour reflects our values in all their interactions.

We are pleased that 33% of our graduates are female and we will continue to work hard to increase these proportions. We are committed to promoting our industry and as part of this, will be exploring partnerships with local colleges and universities.

Development

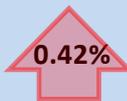
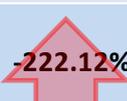
Employee Development is a key focus within our organisation and we are committed to making the most effective use of the talent, skills and abilities of our employees. We support the training and development of all our employees and apply a gender lens to all our talent development and succession planning discussions.

We have launched our D&I Council, supported by our Diversity Executive Champion, who will be developing different diversity initiatives for the coming year. We have operated a programme of events to highlight the importance of inclusion using story-telling across our organisation, including:

1. Black History Month
2. International Women's Day

6. Year on Year Comparison

When we consider year on year comparison, we note a slight widening mean gender pay gap at the mean, with a more pronounced movement at the median, reversing in favour of females. We see a much more pronounced movement in both median and mean bonus gaps, though as previously flagged, caution must be applied given the small headcounts.

	2019	2020	2021	2021 Vs 2020
Mean Gender Pay Gap	23.28%	12.65%	13.07%	 0.42%
Median Gender Pay Gap	1.70%	13.27%	-8.21%	 -21.48%
Mean Gender Bonus Gap	65.80%	40.05%	-182.08%	 -222.12%
Median Gender Bonus Gap	84.53%	52.22%	-173.99%	 -226.21%
Males receiving bonus	55.32%	59.67%	0.64%	 -59.03%
Females receiving bonus	60.14%	59.83%	0.40%	 -59.43%

7. Closing remarks

We know and understand the reasons why we see a gender pay gap within our organisation and are committed to actively managing this differential, as we try to move towards a more gender balanced workforce.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

Building on our values detailed below, we will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.

Our Values

- **Courage:** we will step outside our comfort zone, challenging ourselves and each other to be better
- **Collaboration:** we will success through the power of working together as one, accepting and celebrating difference and sharing ideas
- **Commitment:** we will show dedication and initiative to solve problems, achieve outstanding results and always deliver with flawless execution