



# Employment Equity Pay Transparency Report

**2021**

## Our 2021 Pay Gap Report

### Jazz Aviation LP

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Diversity and inclusion have long been priorities at Jazz. We strongly believe that a working environment that respects a diversity of identities and perspectives is critical to the success of our organization and that our employees should reflect the diversity of our customers and the communities we serve.





We believe that a focus on equity, diversity and inclusion strengthens our competitiveness because:

- Employees from varying backgrounds, with diverse identities, and a range of abilities, leads to diversity of thought within Jazz.
- Inclusive work environments lead to greater innovation when employees feel comfortable to share their skills, perspectives, and experiences.
- Authentically valuing diversity creates access to top talent and positions us as an employer of choice.

Over 89% of Jazz's workforce is unionized, which means that wages are determined by rules established in collective agreements. Seniority within a bargaining unit plays a critical role in influencing wage gaps.

Upon review of our pay gaps, it is clear that these gaps are not as a result of unequal pay, but primarily of an imbalance in the representation of men in our more highly paid pilot and maintenance engineering groups. This is a known, industry-wide challenge that we have been actively involved in improving for years. While we are making steady progress in the representation of women, Indigenous people, persons with disabilities, and visible minorities, our initiatives remain focused on increasing the representation of all designated groups, especially into these predominately and historically roles dominated by men, along with ensuring a diversity of talent in our leadership and management pipeline. We are focused on sustained and intentional effort to make meaningful change.

Our corporate Inclusion and Diversity Strategy aims at embedding diversity and inclusion across the organization. To support the successful implementation of the strategy, we established the Jazz Diversity Council. The Council provides leadership, including executive-level support for our diversity and inclusion initiatives and supports the various Jazz Employee Resource Groups (ERGs).

	<p><b>Jazz Diversity Council</b></p> <p>To create awareness and celebrate the diversity that exists in our organization. We strive to achieve a respectful environment that is free of barriers by fostering differences. The Council is an overseeing group of management level employees who work with the sub-committees to ensure that goals are aligned to the overall corporate diversity and inclusion goals and strategy.</p>
	<p><b>Jazz Indigenous Employee Group</b></p> <p>To cultivate awareness and inclusion, while respecting the celebration of Indigenous people, their culture, and the seven generations to follow. Jazz is working to achieve this by reaching out to employees and the communities that we serve.</p>
	<p><b>Jazz 2SLGBTQIA+ Network</b></p> <p>To cultivate awareness and inclusion of employees regardless of sexual orientation or gender identity and to celebrate the diversity of all Jazz employees. The group creates awareness internally as well as within the communities we serve by creating a safe environment of inclusion. The group acknowledges the importance of allies in creating inclusive workspaces and will encourage contributions from all employees, while empowering our differences.</p>
	<p><b>Jazz Black Employee Network</b></p> <p>To Promote a diverse and inclusive work environment: provide a pathway to mentorship and networking at Jazz Aviation with a particular focus on current and future Black employees.</p>

Our commitment to diversity and inclusion through our initiatives have been recognized on a national level. For the past 11 years, Jazz has been honoured to receive several awards in recognition of our culture, including Canada’s Best Diversity Employers. Our employees play a pivotal role in fostering the culture that we’re so proud of today.

Reporting on these gaps for the first time gives us a valuable baseline to build our equality, diversity, and inclusion commitments. At Jazz, we are dedicated to continuing to focus our efforts to further reduce pay gaps.

*“At Jazz, we promote and celebrate diversity and the unique perspectives that an inclusive employee group creates. Fostering inclusion in the workplace, with the varied experience and background that each individual brings, is a key component to our success.” Randolph deGooyer - President*

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## WHAT IS A PAY GAP?

A pay gap is not the same as equal pay where everyone who does a job of equal value must earn the same pay. Pay gap reporting looks at all jobs and all rates of pay and makes comparisons between the average pay for different groups of employees. It tells you whether some groups of employees typically earn more or less than other groups.

**Mean** – The mean involves adding up all of the values of a group and dividing the result by how many values are in the group.

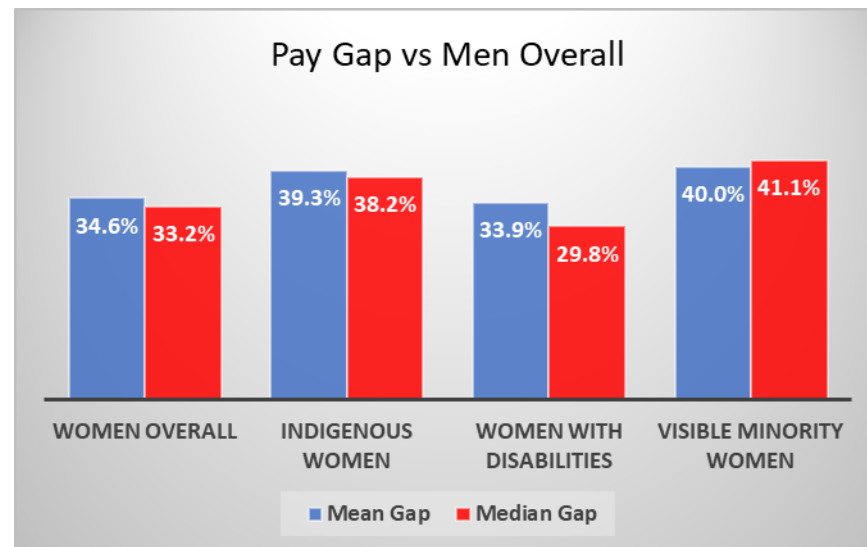
**Median** – The median involves listing all of the values in numerical order; if there is an odd number of values, the median is the middle number. If there is an even number of values, the median will be the sum of the two middle values divided by two (2).

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## OUR PAY GAP

At Jazz our overall 2021 gender pay gap is:

Median 33.2%    Mean 34.6%

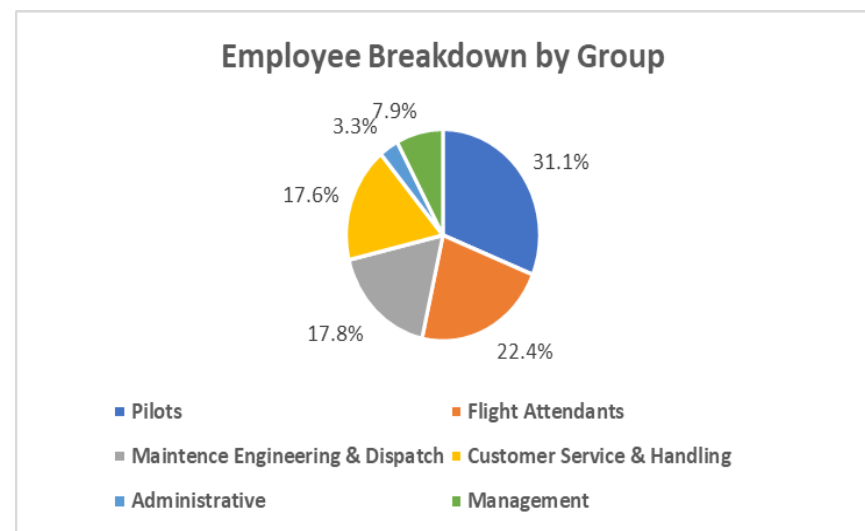
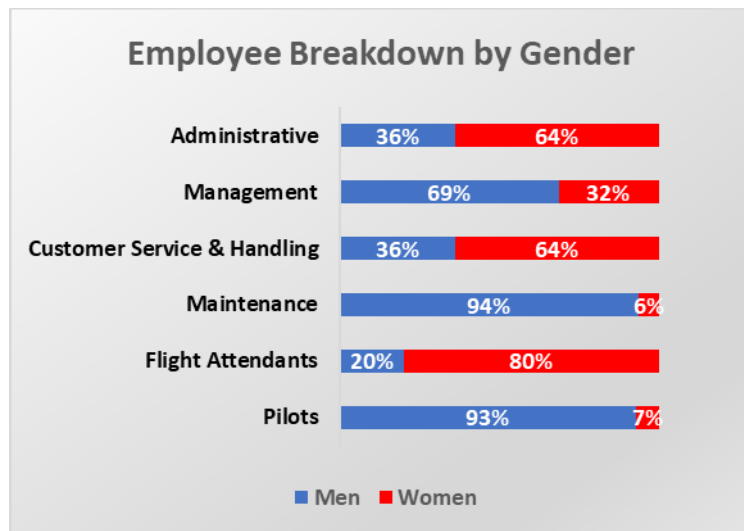


## CAUSES OF OUR PAY GAPS

The distribution of men and women across industries plays a key role in explaining these gaps, particularly the higher proportion of men working in more highly paid positions such as pilots, maintenance engineers, and senior management. Our pilots and maintenance engineers are representative of the available gender diversity in Canada; however, the percentage of Jazz pilots who are women is small in comparison to our pilot group as a whole at only 7.1%, and only 6.3% of our maintenance engineering group are women. For the most part, the same explanation accounts for the gaps seen when comparing wages for Indigenous to non-Indigenous, visible minorities to non-visible minorities, and persons with disabilities to persons without disabilities.

At present, 26.7% of senior management roles at Jazz are held by women. We have committed to increase diversity in senior roles by 2027.

Women's higher rate of part-time work, which has lower average wages than full-time work, also contributed notably to the gender wage gap for certain groups at Jazz in 2021.

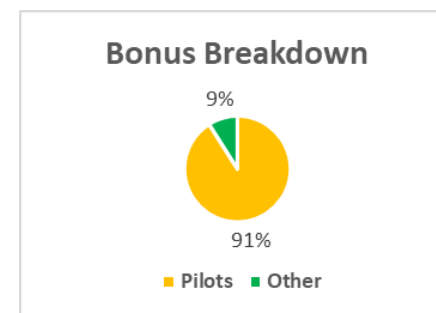
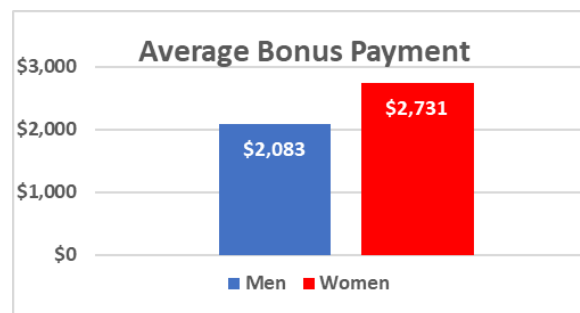
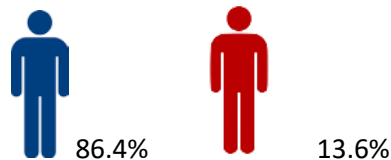


## BONUS PAY GAPS

The Jazz 2021 overall bonus gender pay gap is:

Mean Bonus Gap: -35.2%      Median Bonus Gap: 0%

During the reporting period, 530 Jazz employees received a bonus: 13.6% women and 86.4% men.



Of the 530 employees who received bonuses in 2021, 484 (91%) were pilots. These payments were signing bonuses related to a collective agreement settlement awarded on seniority.

The remaining 46 employees were management and administrative employees. The information reported for bonus payments for this group was based on amounts for 2020, paid in 2021. In 2021, Jazz's Annual Incentive Program (AIP) was not paid for 2020 due to the pandemic and the focus on cash conservation. A small budget was approved to recognize some employees for exception contribution. Payments in the range of 20% of the annual incentive target for their positions were awarded. The total bonus payout for this group amounted to approximately 6.6% of the previous year.

This gap of -35.2% means that on average, women received bonus payments 35.2% higher than men. All pilots received the same amount of bonus, however, due to the large number of pilots who are men who received this payment it resulted in the average payout being lower for men than women, when the management and administrative bonuses were included.

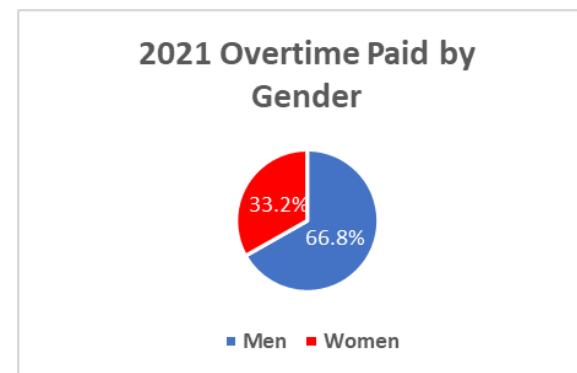
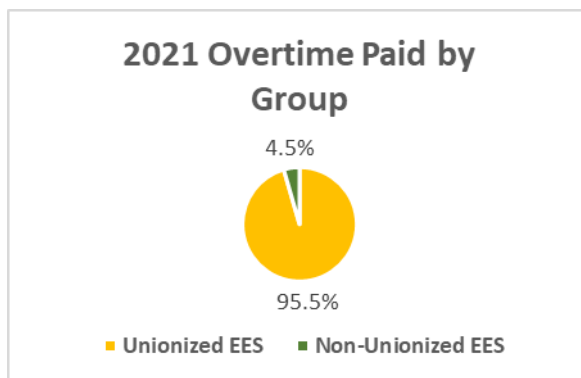
## Overtime Pay Gap

The 2021 overall gender pay gap for overtime is:

Mean Overtime Pay Gap %:	48.7%	Median Bonus Gap %:	48%
Mean Overtime Pay Gap Hours:	-11.9%	Median Overtime Pay Gap Hours:	-1.4%

89% of Jazz employees are unionized. This means that overtime for these employees is based on the overtime rules as stipulated in the collective agreements, which are solely based on seniority and choice.

95.5% of overtime paid out in 2021 was to unionized employees.



The remaining 11% of Jazz employees (non-unionized) are either management or administrative. This 11% relates to 456 employees: 318 of which are management and 138 who are administrative. There are very few management employees who are eligible for overtime, thus the majority of this overtime was paid to administrative employees.

## ACTIONS TO REDUCE OUR GAPS

At Jazz, we are committed to continuing our efforts and reducing the pay gaps by focusing on action plans that can truly make a difference. Some of these initiatives will deliver benefits in the short- or medium-term, whereas others will require long-term effort to drive change, for example influencing the career choices of future generations.

Our efforts over the next year focus on four areas and involve key actions within each. They are as follows:

1. **Representation Goals** - We recognize that closing the pay gap is a journey and we have selected diversity goals to drive progress. We believe these goals are challenging, yet achievable.
  - Board Diversity Pledge - Our commitment to a diverse and inclusive workplace begins with setting the tone from the top, starting with the Chorus Board of Directors. We seek to create Board and senior leadership teams that consist of talented and dedicated individuals whose skills, backgrounds, and personal characteristics reflect the diverse nature of the environment in which we operate. To formally promote this objective, Jazz's parent company, Chorus Aviation, has a Board Diversity Policy. Currently 30% of the Board's membership is held by women.
  - Increase Overall Representation – To increase representation across all designated groups, our immediate goal is to improve our representation by at least 10% for each of the designated groups by 2027. We are setting diversity targets for our organization and will break these down to the department level so that each area of the business is clear about the progress we need to make.
  - Increase Leadership Representation – To increase the total diversity of our leadership team (directors and executives) to 50% by 2027.
2. **Career Pathways / Employee Resource Group (ERG) Focus** – Continued focus on ERGs at Jazz and forging new career paths.
  - BlackNorth Initiative CEO Pledge – Committing to 7 goals towards ending anti-Black systemic racism and creating opportunities for underrepresented groups. As part of this we are launching a career progression and talent framework by



implementing a Black, Indigenous, and People of Colour (BIPOC) Internal Career Pathway Program in direct response to employee consultation.

- Employee Resource Groups (ERGs) are employee-led teams that represent a specific identity or underrepresented group within Jazz. These committees create learning and networking opportunities for employees to celebrate diversity and champion inclusion and accessibility. We are proud of the progress we have made with our Jazz Indigenous Employee Group, Jazz 2SLGBTQIA+ Employee Group and our long-standing participation in the Chorus for Women ERG, which encourages more women to consider aviation careers and provides development and networking opportunities for Jazz employees within the Chorus group of companies. We're very pleased the Black Employee Network resource group was formed in 2021. An Abilities Employee Group is currently being developed and will provide the vital input from our employees as we develop our Accessibility Plans under the Accessible Canada Act.

3. **Data Collection / Review** – Continue to work on reviewing the pay gaps more thoroughly and identifying barriers.

The pay gap data that we have reported provides a basic understanding of what the pay balance looks like within Jazz. However, to be able to target resources effectively to make improvements, it is essential that we know more about specific causes of any imbalances.

- We plan to review our data and gaps with these key questions in mind to help us identify potential causes:
  - ✚ Do employees face advancement barriers at certain levels within Jazz?
  - ✚ Are there imbalances in our promotions?
  - ✚ Are candidates from designated groups more likely to be recruited into lower paid roles?
  - ✚ Do employees from designated groups leave Jazz at higher rates?
  - ✚ Do particular aspects of pay, such as starting salaries and bonuses, differ by designated group?
  - ✚ Are we doing all that we can at Jazz to support part-time employees who want to progress?
  - ✚ Are we supporting both men and women to take on caring responsibilities for family members / or at home/??
- Conduct a new employment equity census to obtain a better understanding of our workforce.

- Chrysalis Human Rights Agency conducted comprehensive reviews of Jazz policies with diversity and inclusion top of mind just prior to the pandemic. We will look to implement their suggested changes and address issues in response to a review our systems, policies, and practices in order to identify any barriers for designated groups.
- Work on Pay Equity and National Occupation Code (NOC) accuracy.
  - ✚ The NOCs that make up some of the Employment Equity Occupational Groups (EEOGs) are so different that it is difficult to conduct an accurate analysis, such as pilots and paralegals being included within the same EEOG. This caused us concerns with the accuracy of the comparisons and the impact of comparing such different positions on the salary gaps. Understandably there is work being done to review the accuracy of the NOCs.
  - ✚ Pay Equity legislation came into effect on August 31, 2021. Pay equity aims to ensure that employers provide equal pay for doing work of equal value. The legislation requires employers to complete their plans within 3 years after the effective date of the Act. Over the next year we will be working on our pay equity plan with our unions and employee groups, including forming a Pay Equity Committee.

4. **Recruitment and Retention** – Increase the diversity of our workforce and provide fair opportunities for all people to join our team and contribute their skills.

- Encourage more women and diversity candidates to consider aviation careers and provide networking opportunities for current employees.
- Gender and equity balanced candidate short-listing is in place for women for all senior roles. We plan to expand to include equity groups in 2023.
- Invigorating our outreach activity to promote career options where designated groups are currently under-represented (pilots, maintenance engineering, and dispatch).
- Continue addressing the historic gender imbalance in the aviation industry by building balanced talent pools and working hard to reach underrepresented demographic groups. The key focus of our long-term action plan continues to be recruiting the best people from the widest talent pool, developing and advancing talent within the company and retaining our best people.

At Jazz we constantly challenge ourselves to provide a welcoming and safe environment in which we celebrate our individual differences and unique perspectives. In 2021, we continued to focus on making our diversity numbers more transparent, both internally and externally, while holding ourselves accountable by setting future targets. We are confident we will achieve these targets with the proactive efforts of our human resources and operational teams, supported by our leadership. The more diverse and inclusive we are, the better we perform on every front. This pay gap report is an important tool and we are committed to being open and transparent as we move forward.