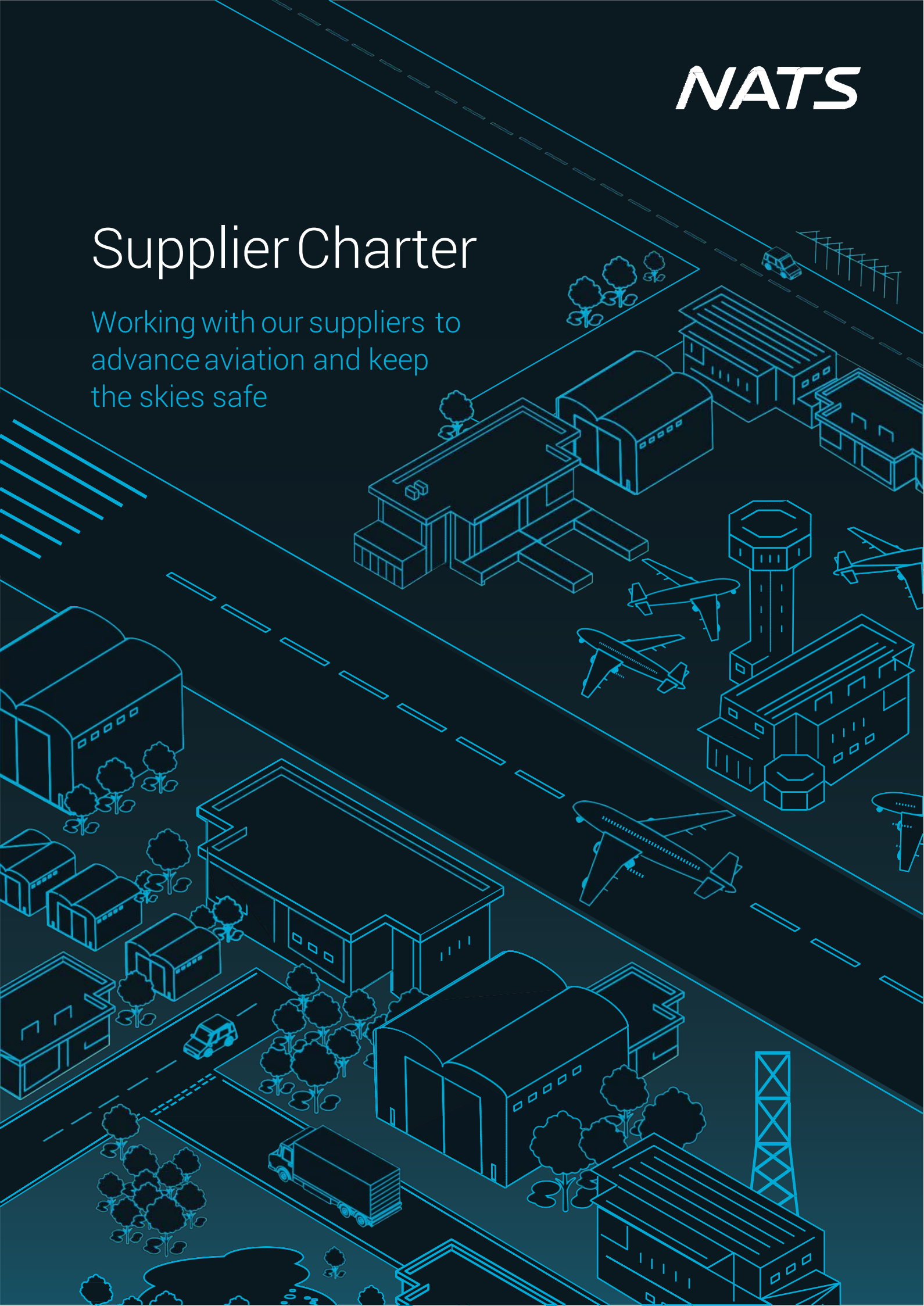


Supplier Charter

Working with our suppliers to
advance aviation and keep
the skies safe



Purpose

- This Charter seeks to establish a clear understanding of what we expect of our suppliers and what our suppliers should be able to rely on when working with us.
- In NATS we have embedded a culture of 'working together' and we extend this ethos to our relationships with suppliers. To ensure our business is conducted ethically, sustainably and within the law, we expect our suppliers, and their supply chains, to meet the principles set out in this Charter.
- This means as a minimum complying with local laws and regulations and respecting internationally recognised human and labour rights, together with the values of fairness and respect which are equally important.
- It applies to our arrangements with existing suppliers, as well as setting out how we want to work with new suppliers.

Our values

We are safe

- Our commitment to the safety of our people, operations and positive safety culture remains consistent, unwavering and permeates everything that we do.

We are one team

- We accomplish more together. We share knowledge and collaborate, put team goals ahead of personal ones, trust each other to deliver on commitments and support each other.

We are courageous

- We have the courage to think differently, to speak up and create a positive working environment in pursuit of our goals and to strive for better.

We are respectful

- We value everyone regardless of background. We treat each other, customers, partners and suppliers with dignity and professionalism and we acknowledge the value each of us brings, our differences, and our contributions.

Our approach



We want to work constructively with suppliers that share our values and can support our business objectives.

Our supply chain is key to the services we provide our customers, both within the UK and overseas. We cannot do everything on our own and need to work with other organisations to benefit from their expertise and capability.

Working effectively with suppliers and partners means that we can achieve our goals of transforming and enhancing the way that we deliver safe and efficient services to airlines and airports. It means that we can continue to run and deliver a safe air traffic system to meet current and future demand, whilst increasing efficiency and improving environmental performance.

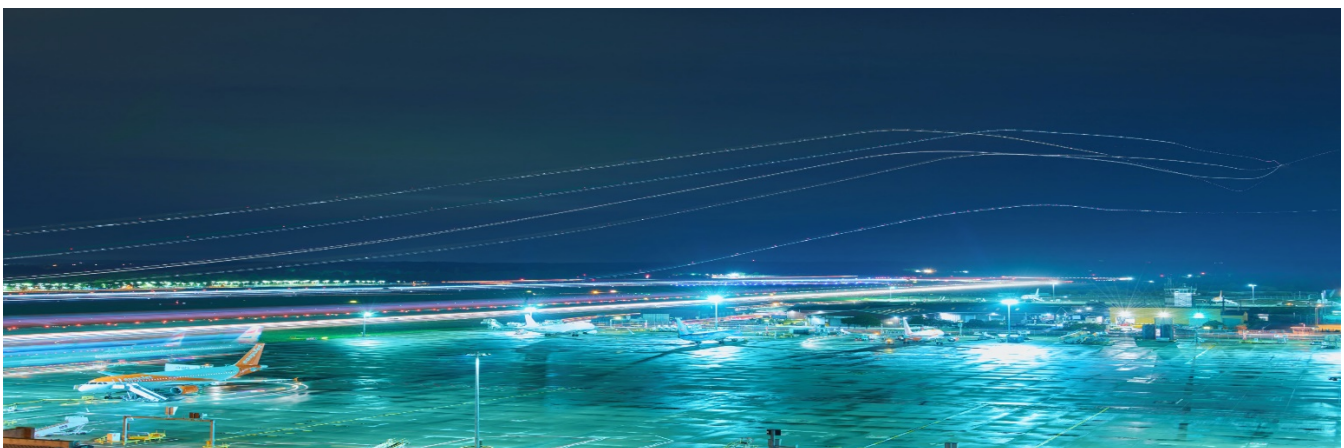
We want to work with suppliers who share our own values towards safety, the environment, people and innovation.

We want to encourage good performance with all our suppliers and, whenever appropriate, innovate and create mutual value.

It is important that our existing and potential suppliers understand what they can expect from us and what we expect of them.

This Supplier Charter sets this out and creates a clear understanding of how we can succeed together.

Tim Bullock
Director of Supply Chain, Property, and FM



How we want to work together with our suppliers

We understand that how things are done can often be just as important as making sure they get done.

Which is why we seek to work constructively and harmoniously with our suppliers through co-operation and/or collaboration.

We believe a set of principles for a shared approach helps us to focus on the needs and expectations of the ultimate customer, whilst acting in the best interests of our people and our organisations. These principles are set out below:

Behaviours

We believe that appropriate behaviours will lead to better outcomes when they are applied by all parties, in particular:

- Approaching each other in an open, trusting, fair and equitable manner;
- Seeking to work in a co-operative way;
- Approaching dealings in a way that avoids disputes through transparency and embraces a 'no blame' culture;
- Valuing the skills and respecting the responsibilities of each other.

Performance

The basis of any good relationships is doing what is expected of us by the other party; this is strengthened through:

- Always aiming for a 'right first-time' approach;
- Meeting agreed commitments, dependencies and KPIs;
- Utilising best and safe practices;
- Encouraging innovation and efficiency.

People

Our people are a huge contributor to our success; we value them greatly and find like-minded organisations do too, through:

- Supporting and promoting diversity, equality and wellbeing;
- Providing and promoting an enjoyable and healthy working environment;
- Encouraging appropriate training and staff development.

Team working

How our people work with our suppliers' people is often key to ensuring successful outcomes, so we encourage team working through:

- Planning and promoting clear and effective communication;
- Engendering a working environment that is conducive to shared problem solving;
- Providing mutual support.

Commercial

We are clear about our commercial objectives and seek to align these with our suppliers' commercial interests where appropriate and possible, by:

- Focusing on adding value and enhancing each other's reputations;
- Creating incentives for maximising the rewards of all parties;
- Encouraging transparency and certainty of information;
- Providing constructive feedback when appropriate.



We are certified to **ISO44001**, The international standard for collaborative business relationship management.

Our commitments

To build effective relationships and encourage high professional standards in all our business interactions, we understand the importance of communicating how we want to do business, as well as what matters to us and our preferred approach to working with our suppliers.

We aspire to meet the highest standards of business conduct and expect the same from our suppliers. We want to lead by example to ensure that all participants in our supply chains are beyond reproach and display exemplary conduct.

If our suppliers are ever concerned or believe that any of our employees are not meeting the high standards of professionalism that we set ourselves, then they are invited to raise directly with our Director, Supply Chain.

Acting responsibly

Fairness, integrity, impartiality and prudence are important dimensions of how we work with our suppliers, ensuring:

- We conduct our supply chain and relationship management activities to the highest ethical standards and in line with all relevant legislation.
- We are as open and informative as possible with suppliers throughout our supply chain and procurement processes.
- We respect our suppliers' intellectual property and use appropriate confidential agreements to protect this.
- We seek to identify and manage information risk throughout each stage of our supplier relationships, for the protection of all parties.

Conduct

NATS employees are subject to a business wide **Code of Conduct**. It includes aspects such as: Disclosure of Interest; Gifts and Hospitality; Civil or Criminal Proceedings; Communication of Company Information; Offers of Employment; Comments in Public Forums; Bankruptcy; Social Media; as well as the **NATS Code of Ethics and Professional Behaviours**.

We have an embedded **'Whistle Blowing'** process to ensure our employees can highlight any suspicion of unethical practices as well as criminal or fraud-related acts.

We have an established **Responsible Business Policy**.

We uphold the Chartered Institute of Procurement and Supply professional **Code of Conduct** to maintain the highest standard of integrity in all business relationships.



NATS Supply Chain has been independently assessed through the Chartered Institute of Procurement and Supply globally recognised Procurement Excellence Programme, and achieved Platinum standard, the highest level of certification.

Our commitments

Supporting our values

We are proud of our reputation for safety, co-operation and ingenuity and seek to enact our values in our dealings with partners and suppliers:

- We are safe
- We are one team
- We are courageous
- We are respectful

Respecting and recognising the importance of people

Both outside our organisation and within we understand the importance of people, so:

- We will seek to prevent all aspects of **modern slavery** in our business and our supply chain.
- We recognise that individuals perform best when they can bring their full selves to work, and we celebrate the diversity of our colleagues and suppliers.
- We seek to create an environment where suppliers feel comfortable being open and offer constructive feedback.
- We provide training and staff development for our people to enable us to work better together.

Protecting the environment

- We look at all times to source sustainably and encourage solutions that minimise their effect on the environment.
- We have committed to be carbon-neutral by 2035 and carbon-negative by 2040 and seek to work with suppliers who can help us achieve this.



Our **Modern Slavery Oversight Group** conducts an annual risk assessment and sets actions to deliver on our commitment of preventing slavery and human trafficking in all our corporate, business activities and supply chains



Our **Small Business Policy** includes 'friendly practices' towards small and medium sized enterprises



As a responsible business we strive to pay our suppliers on time. Our **prompt payment policy** stipulates that we pay within the timescale we agree with suppliers, with most on our standard 30 day terms.



Our **Supplier Sustainability Forum** brings over 25 suppliers together on a quarterly basis to share best practice and learn from each other in our efforts to decarbonise

Good practice

We always look to meet appropriate levels of best industry practice in our supply chain undertakings:

- We promote prompt payment and will act to ensure we pay our suppliers in a timely manner.
- We endeavour to provide clear and concise instructions to our suppliers.
- We will always seek to apply existing recognised standards whenever possible.
- We shall provide debriefing and constructive feedback on request, in as full and proper a manner as possible, within the constraints of preserving confidentiality and encouraging competition.

Building relationships

Our Supplier Relationship Management approach is designed to get the most out of our relationships:

- We will seek to build co-operative relationships with our suppliers.
- We want to promote and encourage working with small and medium businesses (SME's) whenever possible and appropriate.
- We reward good supplier performance through repeat business opportunities.
- We will identify and manage situations where there could be any potential conflicts of interest.

Our expectations

We believe that our suppliers should maintain the highest possible standards and their business activities and practices should be underpinned by a broad range of commercial and industry good practices.

Which is why we do not work with suppliers who do not meet our desired standards.

Health and safety

We expect our suppliers to guarantee a safe working environment for their employees:

Occupational Health, Safety, and Hazard Prevention

Identify, evaluate, and manage occupational health and safety hazards through a prioritised process of hazard elimination, engineering controls, and/or administrative controls.

Emergency Prevention, Preparedness, and Response

Identify and assess potential emergency situations and as appropriate adopt or implement emergency plans and response procedures that minimize harm to life, environment, and property.

Incident Management – have a system for workers to report health and safety incidents and near misses, as well as a system to investigate, track, and manage such reports. Suppliers shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.

Fair treatment of employees and sub-contract personnel

We expect that our suppliers will apply the highest standards of employment protection with their employees:

Equity, Diversity and Inclusion – to have an inclusive culture backed up with policies and action plans to ensure a breadth of representation across protected characteristics.

Anti-Harassment and Abuse – commit to a workplace free of harassment and abuse.

Prevention of Modern Slavery – to take active measures to ensure that there is no form of slavery or forced labour within their own workforce and supply base.

Wages and Benefits – ensure that their workers receive at least the legally mandated minimum wages and benefits, along with paying them in a timely manner. UK suppliers should be paying at least the Real Living Wage.

NATS has multiple Health and Safety Gold Medal Awards from The Royal Society of Prevention of Accidents (**RoSPA**).

These awards are important because they demonstrate our commitment to health and safety and the standards we wish to uphold, both within our business and with our supply chain, including how we communicate our health and safety policies.

NATS is committed to ensuring that our supply chain complies with all relevant legislation relating to employee protection, including:

The contents of the **Equality Act 2010**.

The requirements of the **Modern Slavery Act 2015**.



Our expectations

Corporate and Social Responsibility

We expect our suppliers to understand the importance of working closely with their local communities, charities and other good causes, therefore, our suppliers are:

- **Community Engagement** – encouraged to help foster social and economic development and contribute to the sustainability of the communities in which they operate.
- **Management Accountability and Responsibility** – periodically asked to demonstrate their Corporate Social Responsibility or Sustainability approach outside, or even within their business.

Relationships

We seek to encourage, develop and sustain fruitful and enduring relationships with our suppliers, which are more likely to be achieved when we can:

- **Strategy** – be open about aims, objectives, strategies and alliances as they relate to NATS business.
- **Transparency** – make clear any assumptions and/or risks to NATS that underpin the ability to deliver the required solutions.
- **Business & Relationship Improvement** – pursue continuous improvement and proactively seek to identify and share experiences, innovations and market advances.
- **Integration** – proactive in working with potential sub-contractors to promote an integrated and visible supply chain and to make effective use of skills and resources.
- **Collaboration** – Motivated to work collaboratively with NATS and other parties, as appropriate, in a networked supply chain to achieve outcomes that cannot be delivered or achieved working alone.

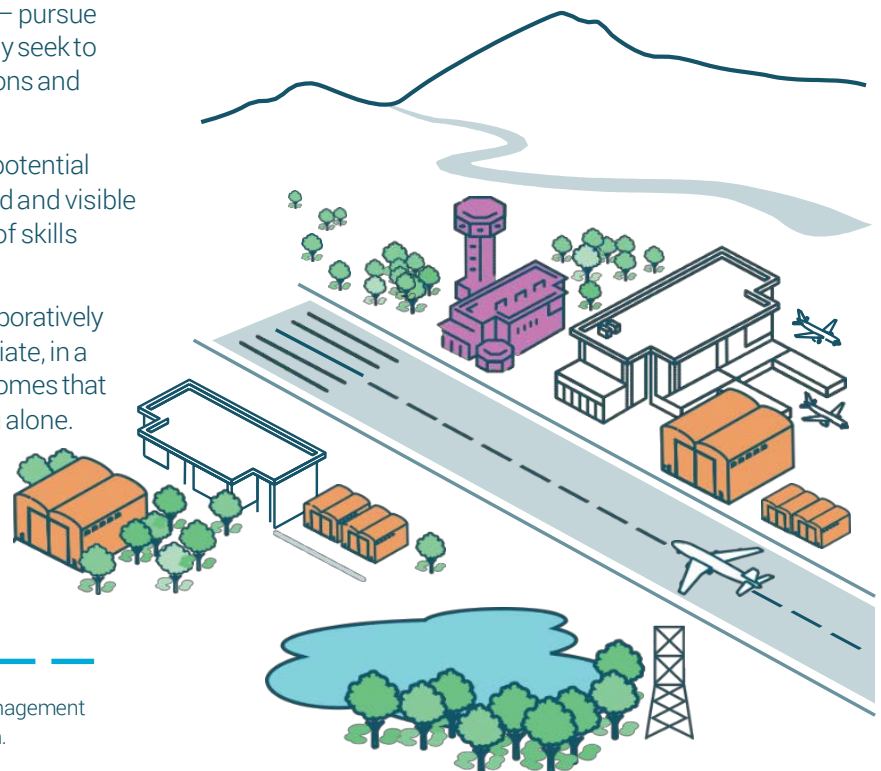
Environment

We expect our suppliers to develop, implement, and engage in environmentally responsible business practices regarding:

- **Reduction of greenhouse gas emissions** – to measure and openly report greenhouse gas emissions and to have an action plan that reduces these in line with the latest climate science. Larger organisations should have their carbon reduction plans and targets independently validated by the Science Based Target Initiative (SBTI)
- **Responsible Waste Management** – to implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle hazardous substances and non-hazardous waste.
- **Pollution Prevention and Resource Reduction** – reduce energy, water, and natural resource consumption by implementing conservation and substitution measures. Suppliers shall minimise hazardous substances consumption by implementing reduction and substitution measures.



NATS is certified to ISO 14001 for its Environmental Management System. We support our suppliers that seek certification.



Our expectations

Good practice

We encourage the development and embedding of good practice, so we expect to see that:

- **“No Purchase Order, No Payment”** – our suppliers should not undertake work without a Purchase Order (PO) number. We require all suppliers to have a PO number before accepting work as following this practice will allow faster payments to be made.
- **Risk Assessment and Management** – our suppliers maintain a process to identify risks associated with their business practices and operations; determine the relative significance of each risk; and implement appropriate procedures and controls to control the identifiable risks.
- **Performance Objectives Plans and Measures** – suppliers have written standards, performance objectives, targets, and plans, including periodic assessments of performance against objectives.
- **Audits and Assessments** – suppliers perform periodic evaluations of their operations, and those of their subcontractors and suppliers to ensure compliance with their contractual obligations.
- **Documentation and Records** – suppliers have processes to identify, understand, and implement applicable laws and regulations and maintain documents and records to ensure compliance.
- **Training and development** – suppliers have suitable training and development programmes to facilitate proper implementation of their policies, procedures and continuous improvement objectives.
- **Performance** – suppliers can communicate clear and accurate information about the performances of their people, sub-contractors and customers.
- **Continuous improvement** – suppliers have an ongoing process to obtain feedback on their practices to foster continuous improvement.
- **Corrective Action Process** – suppliers have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.

Business ethics

We expect our suppliers to maintain and even exceed the highest possible standards of ethical conduct in every aspect of their business, including their relationships, practices, sourcing and operations. This means they shall:

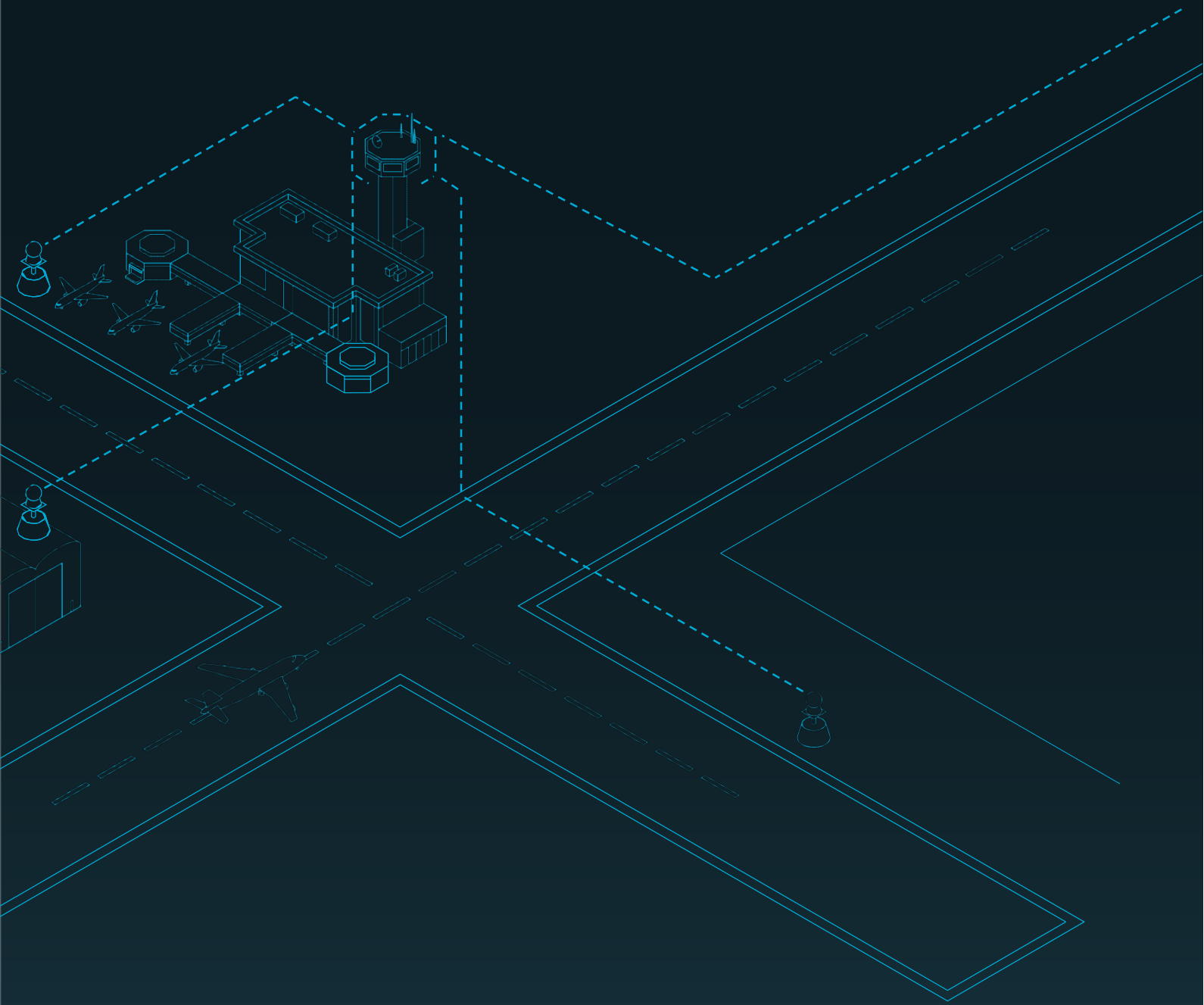
- **Business Integrity** – not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Suppliers shall abide by all applicable anti-corruption laws and regulations of the countries in which they operate.
- **Disclosure of Information** – accurately record information regarding their business activities, labour, health and safety, and environmental practices and shall disclose such information, to all appropriate regulatory or law enforcement parties.
- **Protection of Intellectual Property** – respect intellectual property rights and safeguard customer information. Suppliers shall manage technology and know-how in a manner that protects intellectual property rights.
- **Security** – protect personal data complying with GDPR legislation and NATS data, systems and premises by applying high standards of protection including the latest cyber security standards as required.

NATS is committed to ensuring that our supply chain complies with all relevant legislation relating to ethical business standards, personal information protection and security including:

- UK Bribery Act 2010
- Data Protection Act 2018 (GDPR) - only permitting third parties' access to personal data subject to sufficient security guarantees.



NATS is certified to ISO 27001 for Cyber Security. We encourage our technology suppliers to seek certification.



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