

The NATS logo is displayed in a white, italicized, sans-serif font in the upper right corner of the page. The background of the entire page is a dark night sky with several glowing blue and red lines that curve across the frame, resembling flight paths or data trajectories. At the bottom of the page, there is a dark silhouette of an airport tarmac with some lights and structures visible.

NATS

Gender Pay Report 2017



This is the first time we have reported on our gender pay and believe this is a great opportunity for us and other organisations to make a difference. As a result of this work we have identified we do have a gender pay gap of 16.9% and we have created a gender pay action plan in response.

Our commitment is to address the imbalance in our gender pay. We are taking steps to understand and tackle the root causes of our pay gap and to improve the ways we attract, support, develop and progress women in our organisation. By analysing the gender pay gap we hope that we, and other organisations in the UK, can rebalance gender diversity and overcome the historical practices and difficulties of attracting women into technical and operational roles.

Our pay gap exists primarily because we have more men than women in senior roles and this is reflective of the gender imbalance we have across our whole organisation; 26% of our employees are women. Our aim is to increase the proportion of women in our organisation and in our managerial team by 2020.

Our gender imbalance also represents a wider UK issue. Only 11% of the engineering and technical workforce in the UK are women*. There is more that we, and other organisations like us, must do to encourage and support women in pursuing STEM (Science, Technology, Engineering and Maths) related careers.

We are committed to addressing the issues that have created our gender imbalance and attracting women to organisations like ours. This commitment also goes beyond gender diversity. Attracting and retaining employees with diverse backgrounds, thoughts, experience, knowledge and skills who can help continue to advance aviation and keep the skies safe is fundamental to our success.

A handwritten signature in black ink that reads "Julie Elder".

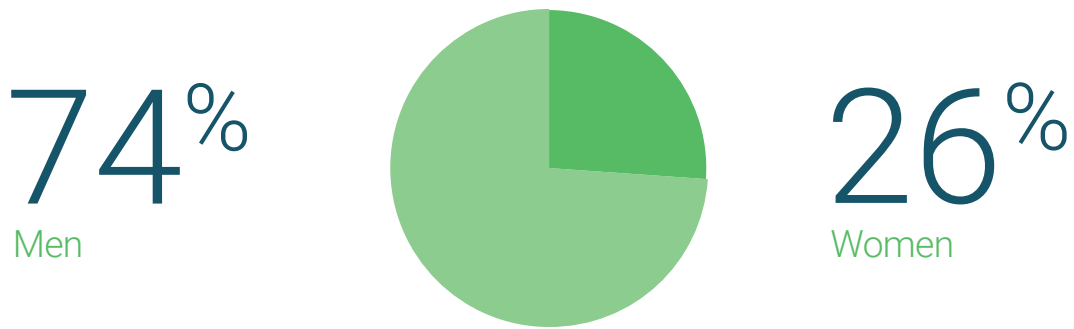
Julie Elder

HR & Corporate Services Director

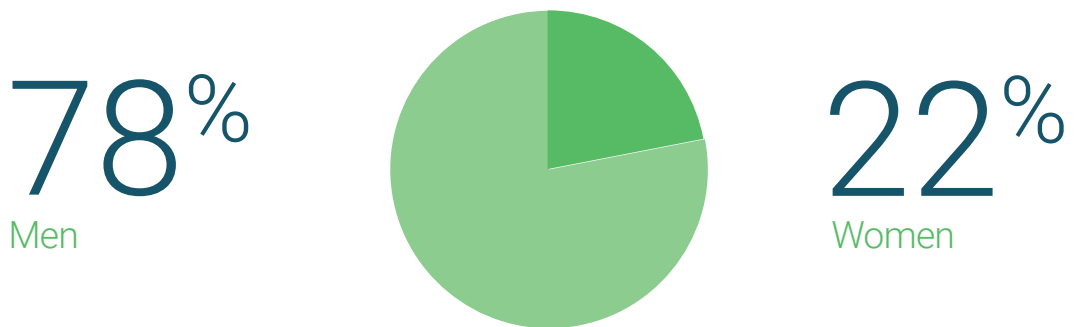
*2017 IET skills survey: <https://www.theiet.org/factfiles/education/skills2017-page.cfm?type=pdf>

The gender of our employees

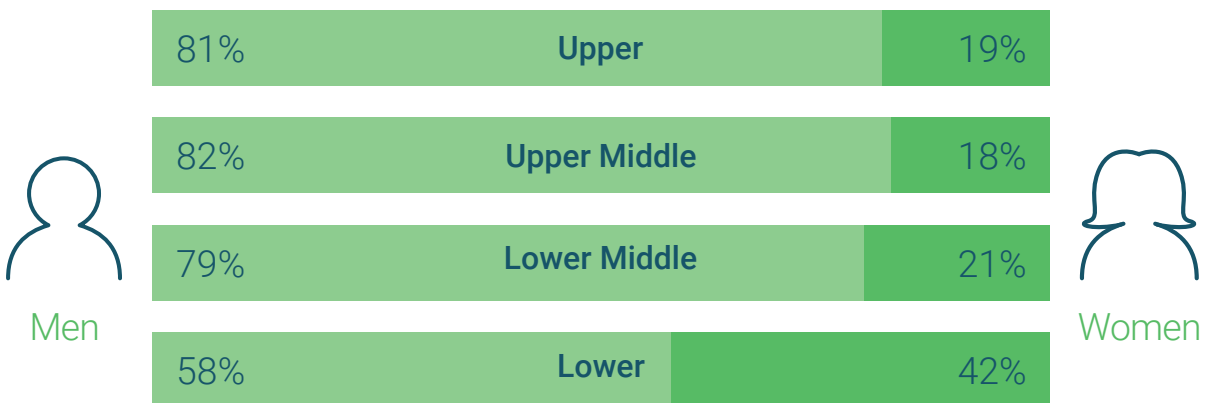
The proportion of employees at NATS



The proportion of employees in our senior management roles



The proportion of employees in each pay quartile



Our pay gap

16.9%

Our mean pay gap

19.9%

Our median pay gap¹

Why we have a pay gap

Our gender pay gap is largely driven by more men in senior roles. When we remove this factor and look at the average pay gap at each level it drops to around 1.5%.

Our bonus gap

27.6%

Our mean bonus gap

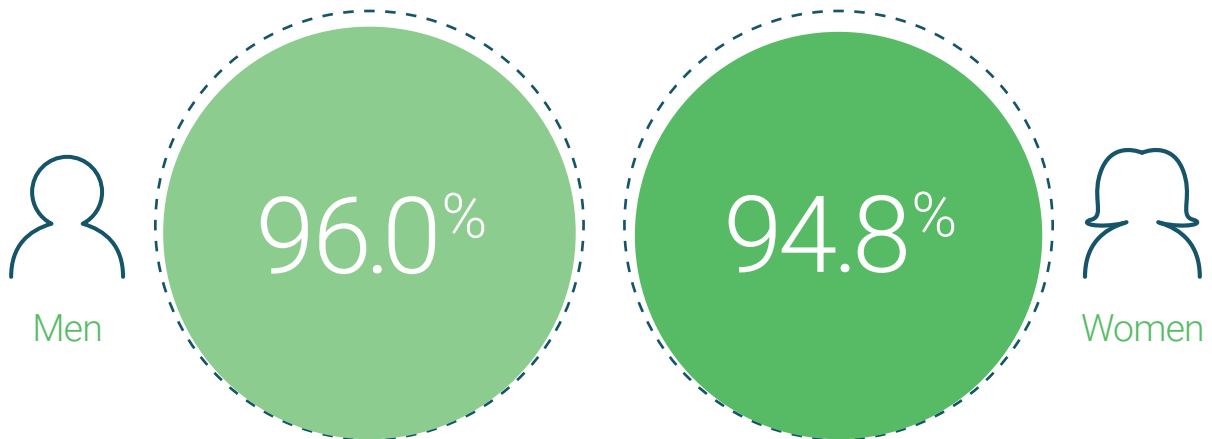
0%

Our median bonus gap

Our bonus figures include a one-off group payment, which was made in October 2016 and has positively impacted our position this year. Our median bonus gap of 0% reflects our Company Performance Related Pay scheme which rewards all our employees the same level of bonus regardless of their role or level, for their contribution in helping us to successfully achieve our business objectives.

¹The **mean** is the sum of all the numbers in the set divided by the amount of numbers in the set. The **median** is the middle point of a number set, in which half the numbers are above the **median** and half are below.

The proportion of employees receiving a bonus payment



Why we have a bonus pay gap

Our managerial group attract additional bonuses as part of their remuneration package and we have more men than women in this group. Bonuses for this group are calculated as a percentage of individual earnings and as men fill more of the senior higher paid roles their bonus is typically higher. When we improve the gender balance in our senior roles we expect the bonus gap to improve.

Bonus pay is pro rated for part-time employees, this contributes to our bonus gap, however this way of working is valued by employees and supports our values. We support family-friendly working practices and where possible will accommodate part-time and flexible working, to suit individuals and attract and retain the talent we need to succeed as an organisation.

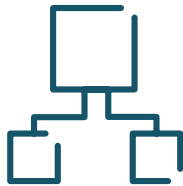
A summary of our gender pay action plan:

1

We will increase the proportion of women in our senior management roles by 2020 and encourage progression into and through senior roles by investing in their development through our new talent strategy.

2

We will make every effort to remove any unconscious bias in our people processes.

3

We will encourage more young women to consider STEM subjects and NATS as a future career choice.

Our gender pay action plan

1

We know that as an organisation we need to do more to improve both our pay and bonus gaps. We have reviewed the proportion of men and women in senior management roles, and created targets to improve this. We have identified talented women across our business and are supporting them through development programmes.

2

Recently, we looked at understanding any bias within our recruitment and selection processes by analysing success rates for men and women. Whilst our analysis does not indicate any particular bias issue we are continuing to work closely with our recruitment providers to ensure we access diverse applicant pools for all recruitment opportunities. We are committed to training our managers in unconscious bias and will be reviewing our selection and people processes in an attempt to improve our diversity.

3



Bring Your Daughter to Work Day 2017

We are not alone in having difficulty attracting women to technical and operational roles; it is a nationwide issue and compared to other Air Traffic Service Providers in Europe, our gender split is reflective of the industry. Just one way we are starting to address this is through our 'Bring Your Daughter to Work Day 2017' which we launched in July 2017 and was aimed at school and college aged females. Feedback was extremely positive with 92% saying they are studying or thinking about studying a STEM subject. We hope that this and future events will help to play a part in encouraging women to consider STEM subjects, and NATS as a career path.

Our talent

We have created a talent strategy that outlines how we will attract, retain and develop our employees to support their success and the success of our organisation.

An objective of our talent strategy is to develop a more diverse workforce and we plan to strengthen our approach to this through the creation of a new diversity and inclusion strategy in 2018/19.

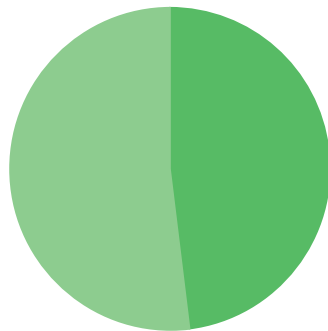
Our balanced approach to succession planning helps us identify high-potential employees who we offer development opportunities such as mentoring and leadership programmes.

We also invest in the development of women with potential to help accelerate their progress to more senior roles and we provide funding and time off from work to employees who want to gain a professional qualification. We believe that this investment in development will help to drive progression through the business, encouraging more women to progress to senior roles.

The proportion of employees currently studying for a professional qualification

52%

Men



48%

Women



Our future

NATS is a great company to work for and I believe that it is important that all of our employees are rewarded equitably regardless of gender, encouraging an environment that supports diverse thinking and backgrounds.

I fully endorse our gender pay action plan and believe that these steps will help us reduce the gender imbalance we have at NATS.

As an employer in the UK, and globally, our gender pay action plan means we will also be helping to improve the imbalance of women in operational and technical careers.

We will continue to encourage and support transparency on gender pay issues and we will keep up to date with, and share, best practice and ideas with other organisations as we aim to improve gender imbalance across the aviation industry.

I confirm the information and data reported is accurate as of the snapshot date 5 April 2017.

A handwritten signature in black ink, appearing to read 'M Rolfe', with a long horizontal flourish extending to the right.

Martin Rolfe
CEO

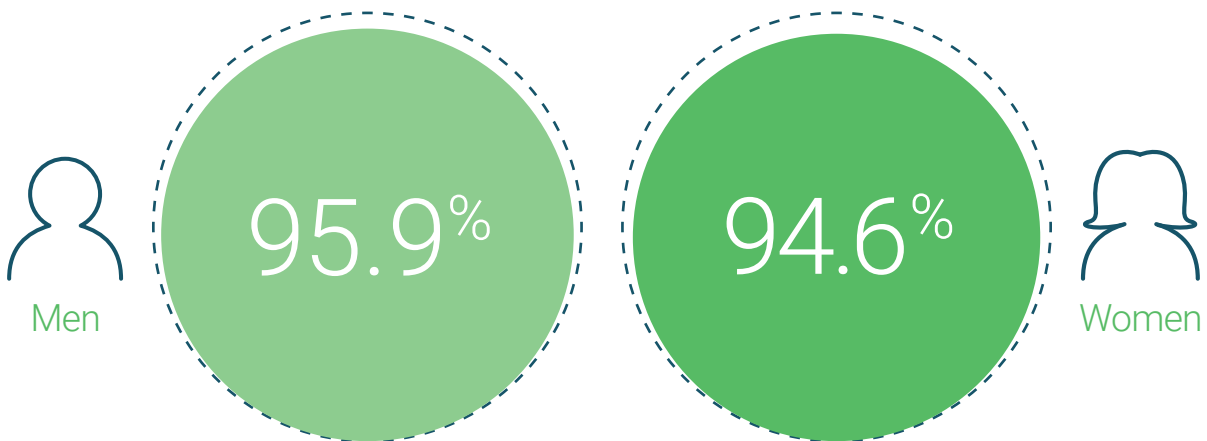
Our Statutory Declaration

We have two employing entities within the NATS Group; NATS (En Route) PLC and NATS (Services) Limited. NATS (En Route) PLC employees work on the en route side of our business. NATS (Services) Limited employees work in our airports and commercial arm of our business. Under the Gender Pay Reporting Regulations we are required to provide information for both these entities. This is set out below.

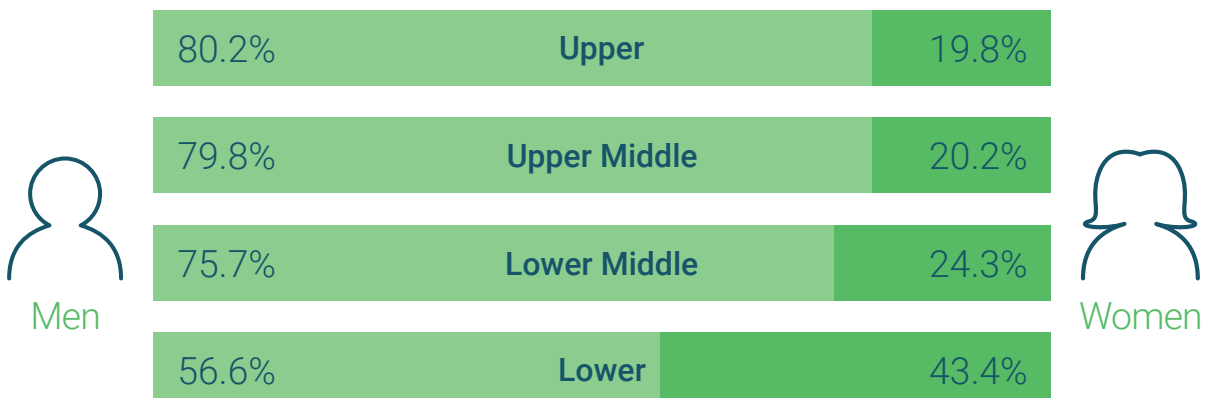
NATS (En Route) PLC

Pay and bonus gap	Mean	Median
Pay	16.4%	17.7%
Bonus	25.7%	0%

The proportion of employees receiving a bonus



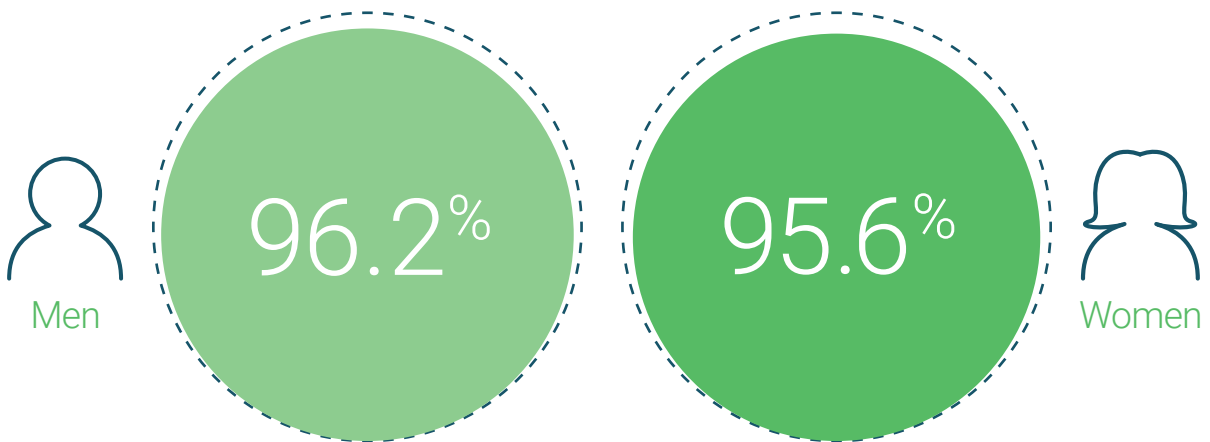
The proportion of employees in each pay quartile



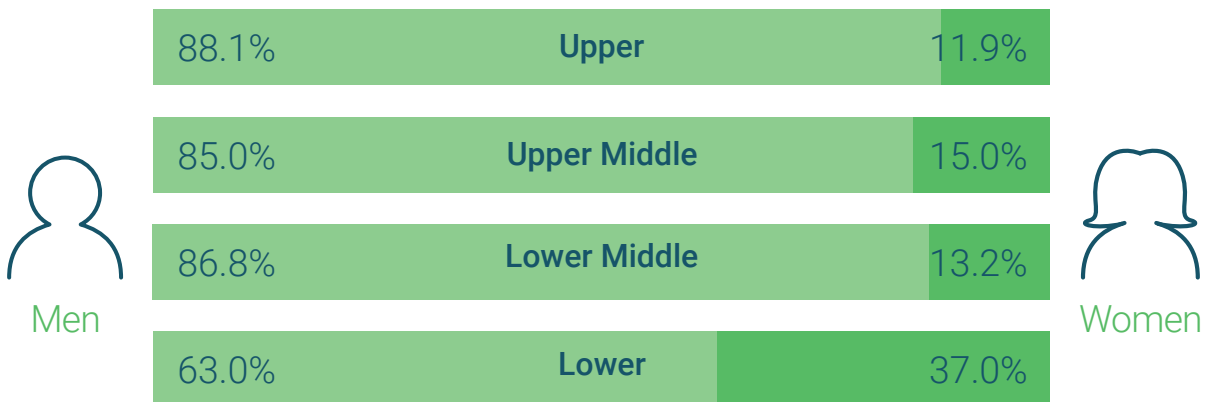
NATS (Services) Limited

Pay and bonus gap	Mean	Median
Hourly Pay	19.8%	23.5%
Bonus	33.3%	0%

The proportion of employees receiving a bonus



The proportion of employees in each pay quartile



The information in our report is based on average hourly rates of pay at the snapshot date of 5 April 2017. It also captures the mean and median differences between bonuses paid to men and women for the period 6 April 2016 to 5 April 2017.