

**NATS**

Gender Pay  
Report 2020



For the first time since we started reporting in 2018, we have seen an improvement in our gender pay gap, which is now at 19.2% compared with 19.7% last year. The proportion of females in our business remains at 27%, but we do have more females in our upper pay quartiles and in more senior grades, demonstrating that our actions on progressing females through our organisation has started to have a positive impact.

Whilst the calculations in this report relate to April 2020, the Covid-19 pandemic has enabled us to make significant and accelerated progress on our action plan target, which is focussed on enabling and valuing agile working at all levels. Whilst remote working has been a common theme across the UK, we are committed to agile working in the long-term, which we hope will have a positive impact on our gender balance and pay gap in the future.

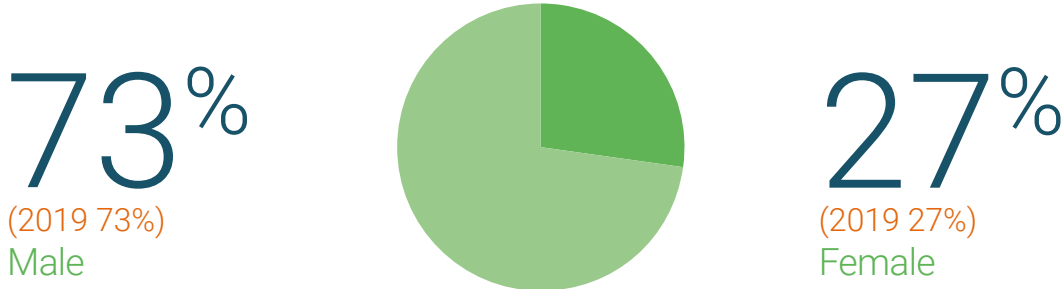
During 2020, we went through an extensive voluntary redundancy programme, with around 10% of colleagues leaving the business. Whilst we continue to go through a period of reorganisation, this gives us an opportunity to readdress some of the gender imbalance, and we are consciously encouraging female talent to apply for opportunities, through fair and transparent processes, to move into our management roles.

Although we have implemented a recruitment freeze in response to the Covid-19 pandemic, we are taking this time to review our selection and recruitment processes to ensure they are fair and inclusive, helping us to attract a diverse range of talent, when we are ready to start recruiting again.

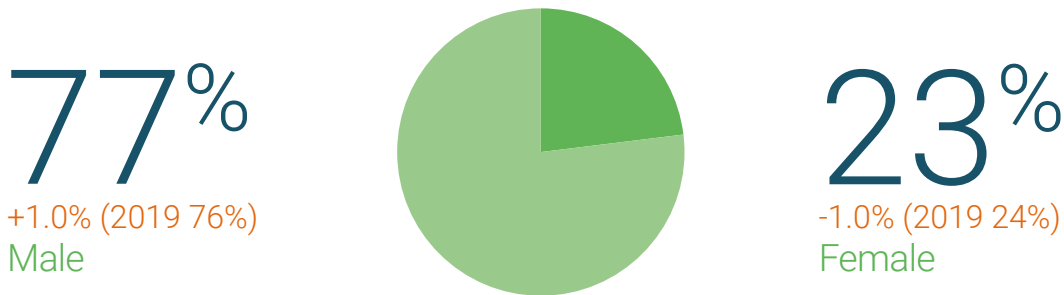
**Chris Last**  
HR Director

## The gender of our employees

### The proportion of employees at NATS



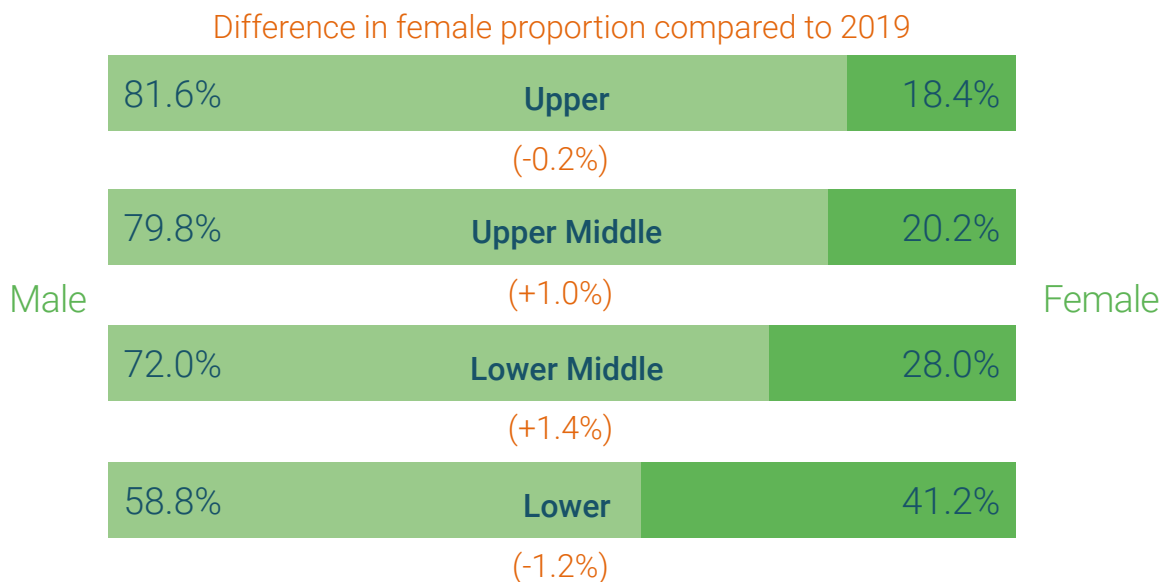
### The proportion of employees in our senior management roles



Although the proportion of females in our management group has decreased compared to the number of men, we have seen an increase of around 10% in our female management population.

### The proportion of employees in each pay quartile

We have an overall increase in women in the middle and upper pay quartile (our higher paid roles), which demonstrates that our focus on progression is now starting to materialise. We also saw an increase in the number of males in the lower pay quartile, mainly Trainee Air Traffic Controllers. These factors created an overall improvement in our pay gap.



## Our pay gap

19.2%

-0.5% (2019 19.7%)

Our mean pay gap

23.0%

-2.4% (2019 25.4%)

Our median pay gap

## Why we have a pay gap

Quite simply, we have more men than women across NATS, with more men in our senior roles.

Many of our higher paid roles are operational and engineering grades, which are predominately male, and with many being shift based, attract additional pay.

## Our bonus gap

35.7%

+0.3% (2019 35.4%)

Our mean bonus gap

0%

Our median bonus gap

## Why we have a bonus gap

Our managerial group attract additional bonus payments as part of their remuneration package; we have more men than women in this group. Their bonus is calculated as a percentage of salary and, as we have more men than women in senior higher paid roles, this contributes to our bonus gap.

Our median bonus gap is 0% due to our Company Performance Related Pay Scheme. This rewards all our employees the same level of bonus, regardless of role, for their contribution in helping us to successfully achieve our business objectives.

## A review of our 2019 gender pay action plan

Last year we published a gender pay action plan, which outlined three commitments to improving the gender balance and reducing our pay gap. A full summary of progress against our plan is shown on page 6.

### **1 Enable and value agile working in all job roles at all levels and where appropriate for operational roles**

We have created principles to support flexible working in our operational environment, but further work is required to educate colleagues on the benefits and different approaches to agile working.

We want to make agile working the norm, so employees can fulfil their work in a way that suits both them and the company. Our Future Workspace programme is supporting this by creating a modern agile working environment.

We need to role model and open up jobs at a senior level to agile working by creating a culture that emphasises the value of a colleague's contribution and performance, rather than where or when they work.

### **2 Improve our inclusive attraction, recruitment and selection practices**

Hiring managers will complete unconscious bias training prior to assessing candidates and receive additional guidance to ensure they are assessing and measuring against competencies.

Job adverts will focus on transferable skills, not just work experience, and we will have diverse selection panels and targets with our recruitment partner to provide diverse shortlists. We will work with our Employee Networks to improve our attraction and selection process.

We will introduce a returnship programme by 2021 and aim to reach a 50/50 gender split on our Early Careers programme by 2023 and 70/30 on our Trainee Air Traffic Controller college intake by 2025.

We will continue to focus on improving the diversity of our talent pipeline by targeting schools and promoting careers through events such as Future Minds.

### **3 We will review our promotion practices to improve fairness and consistency for all**

We will ensure there is sufficient internal advertisement of positions, as well supporting colleagues to apply for a position by building confidence and being clear about our commitment to agile working.

Promotion panels will be diverse, with transparent processes and inclusive methods of assessment.

Job criteria will be refreshed ensuring required work experience is still relevant to the role and not likely to preclude more women or men.



## Here is an update on how we have progressed against our action plan



### What do we mean by flexible working and agile working?

**Flexible working** is about formal changes to working patterns or hours.

**Agile working** is informal and based on complete flexibility to drive long-term organisational success. Agile working aims to simply create a more responsive, efficient and effective organisation. It gives employees more freedom to work where, when and how they choose by using communication and information technology to work in different ways.

Our approach to agile working officially launched in November 2020, but we have been working differently since March 2020 as a result of the pandemic, when most of our employees started working from home. We were already on this journey, but our concept of agile working has been propelled due to Covid-19 by demonstrating just how much was possible by working remotely. A steering group called 'Back to our Future' was set up in April 2020 to consider how the organisation would respond to the crisis, and one aspect of this was how we can adopt agile working to use our workspaces and offices differently in the future.

We believe that remote working has already helped to break down some of the barriers to agile working and anticipate that it will continue to embed the concept that work is something that we do, rather than a place we go. This is expected to open opportunities for development, movement and promotion for people within the business by offering greater flexibility for all, where it possibly didn't exist previously.

To support agile working, we have created learning and development resources to upskill employees and give them support as they adapt to this new way of working. In addition, we have offered support to our management population through virtual courses including titles such as 'Leading through Ambiguity' and 'Leading Change'.

Our set of behaviours support our focus on this area and highlights our expectation that our people work with real agility of thought and encourage others to see the positive outcomes of doing things differently.

#### **Keely Stafford**

Employee Relations Partner

## Here is an update on how we have progressed against our action plan (continued)



In April 2019, we launched a revised recruitment and selection process for our Trainee Air Traffic Controller campaign. We carried out an extensive review to consider how we could more effectively attract candidates who are more likely to succeed in appointment, as well as develop a more diverse candidate pool, and provide an improved candidate experience throughout. Our new three-stage process involves an expertly designed standardised approach, accreditation and supporting toolkit for assessors, regional hubs for assessments, to ensure our hiring decisions are consistent and fair and our processes are inclusive. Alongside this, we partnered with an external recruitment marketing company to address our limited profile in the market, creating a fresh attraction campaign and ensuring we would be reaching out to a diverse pool of talent. Our controllers come from a vast array of backgrounds and designing a campaign aimed at broad range targeting is crucial.

Due to a change in business demand for air traffic controllers, the campaign closed to new applicants last summer as a result of the impact of the global pandemic, so we will not understand the true impact of the revised process for some time. We did however complete a review of progress seen to date, and the findings were positive. The attraction campaign has seen an excellent results in driving candidates to apply, outperforming industry benchmarks. Stages 1 and 2 of the selection process were also found to effectively screen the mental abilities required for the air traffic control role, whilst protecting the diversity of the candidate population. We plan to undertake a review of the Stage 3 assessment centre as the final component once a large enough sample size is available.

Our HR team provides regular education to managers within business areas on diversity and inclusion, with particular focus on maximising the opportunities for increasing diversity as we have been reorganising teams. So far our reorganisation following our redundancy programme has resulted in promotions being 37% female, greater than our average demographic of 27%, demonstrating that our actions are having a positive impact. These actions include over 50% of our recruitment panels being gender diverse, the targeting of specific candidates for development, mentoring and encouraging applications by colleagues who may not have applied in the past. We are positively promoting flexible working with the statement "Happy to talk flexible working" going on all our internal jobs by default.

### **Katie Foster**

Head of People Services

## Here is an update on how we have progressed against our action plan (continued)



We successfully launched a Return to Work scheme in 2019 aimed at getting those who may have been out of work for a period of time, back into the workplace. We had 20 candidates apply for the scheme, with two female applicants securing permanent positions within our business. We were able to offer flexible working hours to support the applicants in their return to work.

Due to the impact of Covid-19, all face to face support for our Science, Technology, Engineering and Maths (STEM) initiatives had to be cancelled, including our Future Minds programme, which helps inspire young females to look at careers in engineering. However, we committed to supporting schools and colleges throughout 2020, by delivering virtual webinars mentoring and other activities.

We have seen a 4% increase in female representation in our talent pipelines with our overall amount now sitting at 34%. We have an emerging talent population, which has now seen an 11% increase of female nominations to 46%.

### **Helen Fuge**

Head of Learning and Talent



## Future Action Plan 2020



I am pleased to be supporting our Women's Network as their executive sponsor and doing what I can to create the right environment where equality is the foundation of opportunity for all.

It's also important for us to recognise that gender equality is not the responsibility of women alone. Our commitment to 'HeforShe' will help us identify the important role our male colleagues have in creating meaningful change.

**Alastair Muir**  
Safety Director

1



Continue with reviewing our internal and external people processes ready for when we recruit again, ensuring they are fair and inclusive, attracting a diverse talent pool.

2



Identify and mobilise the important role our male colleagues have in gender equality through allyship and supporting the 'He for She' movement.

3



Broaden our training and education offering through e-learning, virtual workshops, conversation toolkits and sharing real people stories.

## Looking ahead



It has been a difficult year for NATS, we are hugely impacted by the pandemic, however gender equality and diversity and inclusion overall, are still an important focus for us and our board. We are starting to see the impact our action planning is having with an improvement in our figures and gender balance across the organisation.

We have seen a significant number of redundancies and therefore we will be taking the opportunity to change the shape of NATS, so we have worked hard to ensure we do it properly, valuing diversity and inclusion at the heart of our organisational changes.

It is extremely important to me that we value all types of diversity in order to be world leaders, and to do that we need to have an inclusive culture. Therefore we will continue to embed our Respect at Work campaign and educate colleagues to create an environment where everyone can thrive, which in turn will have a positive impact on our pay gap.

The new ways of working are levelling the playing field and we are encouraging our employees to embrace agile working for the future, not just whilst we navigate our way through the pandemic.

We still have a way to go, but I am fully committed to the action needed to address the imbalance both now and in the future.

I confirm the information and data reported is accurate as of the snapshot date 5 April 2020.

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

**Martin Rolfe**  
CEO

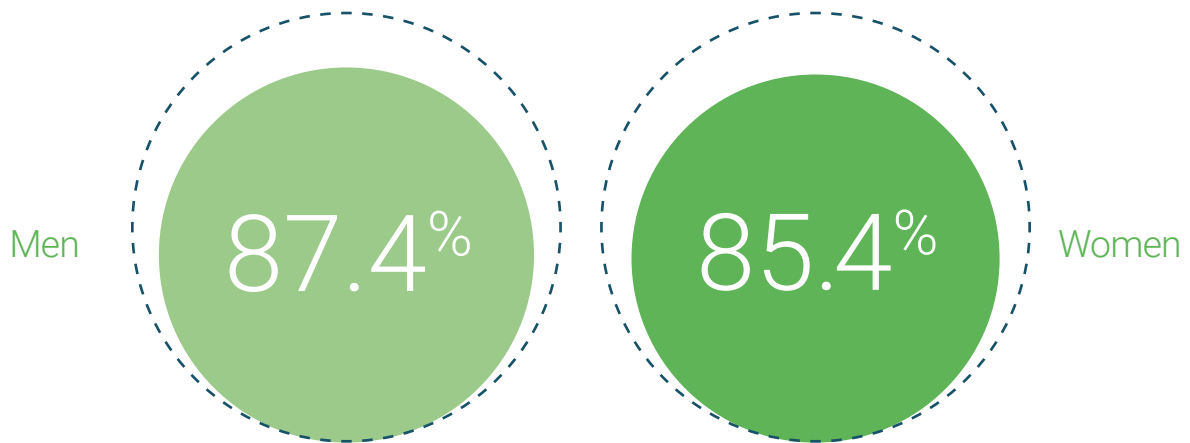
## Our Statutory Declaration

Gender Pay Figures Snap Shot 5 April 2020

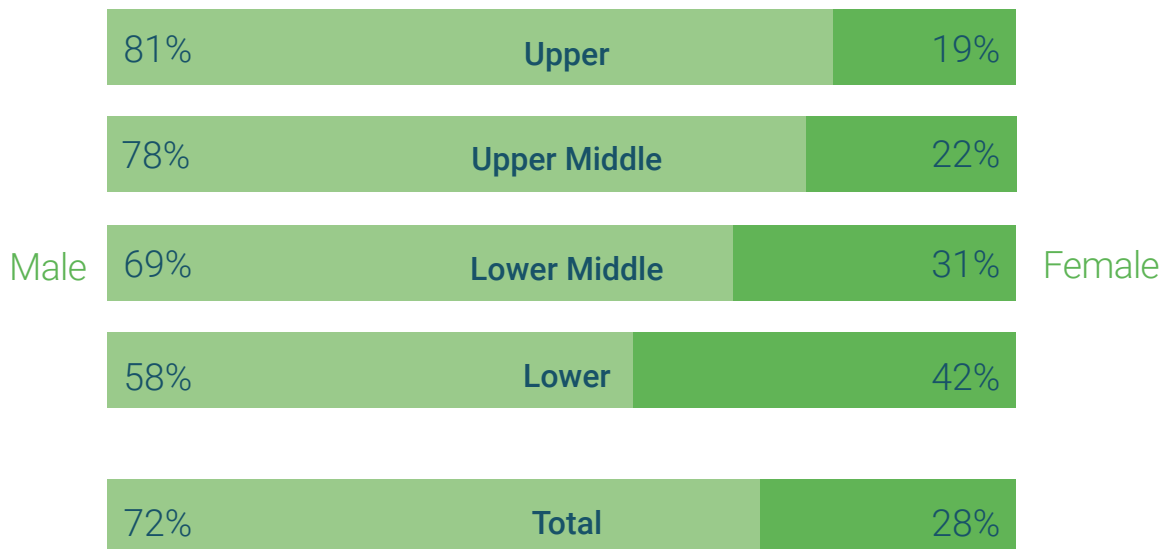
NATS (En Route) PLC

Pay and bonus gap	Mean	Median
Hourly Pay	19.0%	20.9%
Bonus	30.2%	0.0%

### Proportion of employees receiving a Bonus



### The proportion of employees in each pay quartile



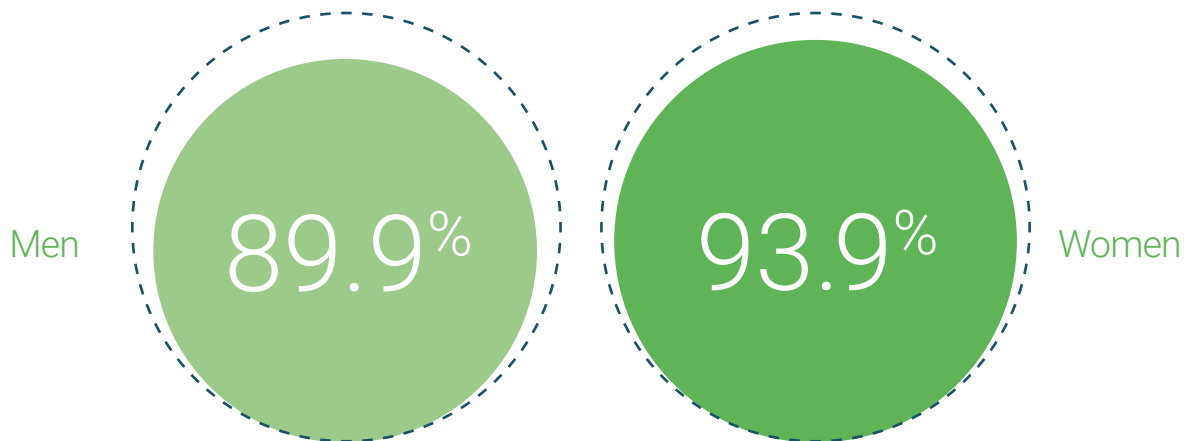
## Our Statutory Declaration (continued)

Gender Pay Figures Snap Shot 5 April 2020

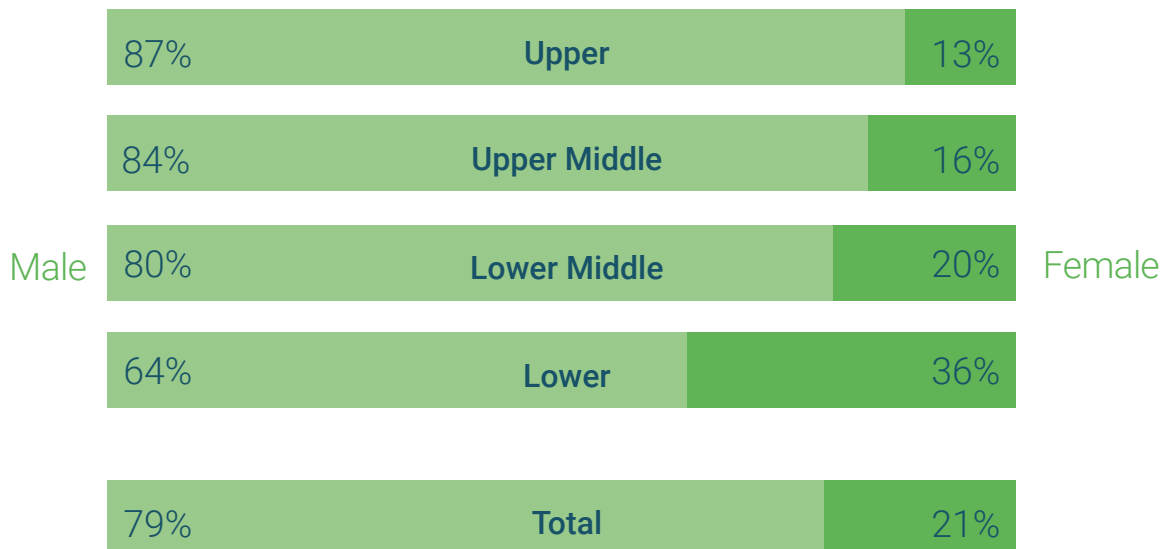
### NATS (Services) Limited

Pay and bonus gap	Mean	Median
Hourly Pay	19.6%	26.9%
Bonus	56.0%	0.0%

### Proportion of employees receiving a Bonus



### The proportion of employees in each pay quartile



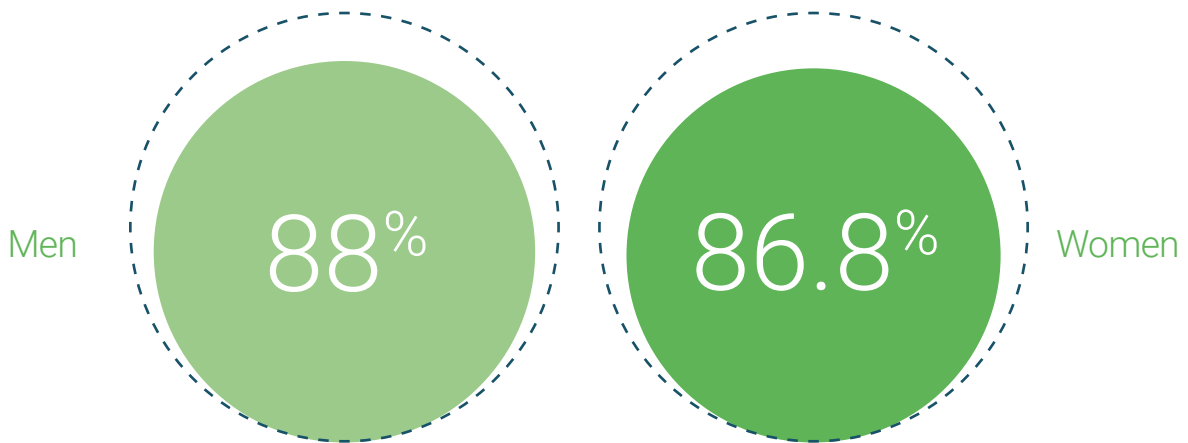
## Our Statutory Declaration (continued)

### Gender Pay Figures Snap Shot 5 April 2020

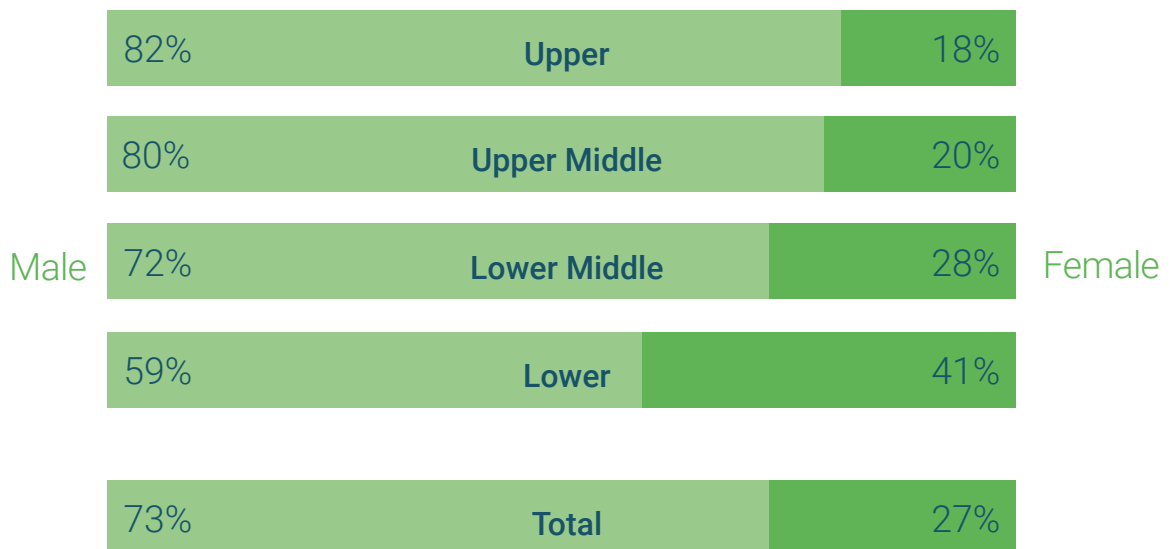
#### NATS Group

Pay and bonus gap	Mean	Median
Hourly Pay	19.2%	23.0%
Bonus	35.7%	0.0%

#### Proportion of employees receiving a Bonus



#### The proportion of employees in each pay quartile





## Unequal Pay vs Gender Pay Gap

Whilst both unequal pay and the gender pay gap deal with the difference in pay women and men receive in the workplace, they are two different measurements:

Unequal pay refers to the pay difference between two individuals or groups of workers carrying out the same comparable work. Under the Equal Pay Act 1970, it is unlawful to pay people unequally because they are a man or woman.

The Gender pay gap however is a measure of the difference between men's and women's average earnings across an organisation. It is expressed as a percentage of men's earnings. The Gender pay gap in the UK is currently 17.3% (ONS 2019).