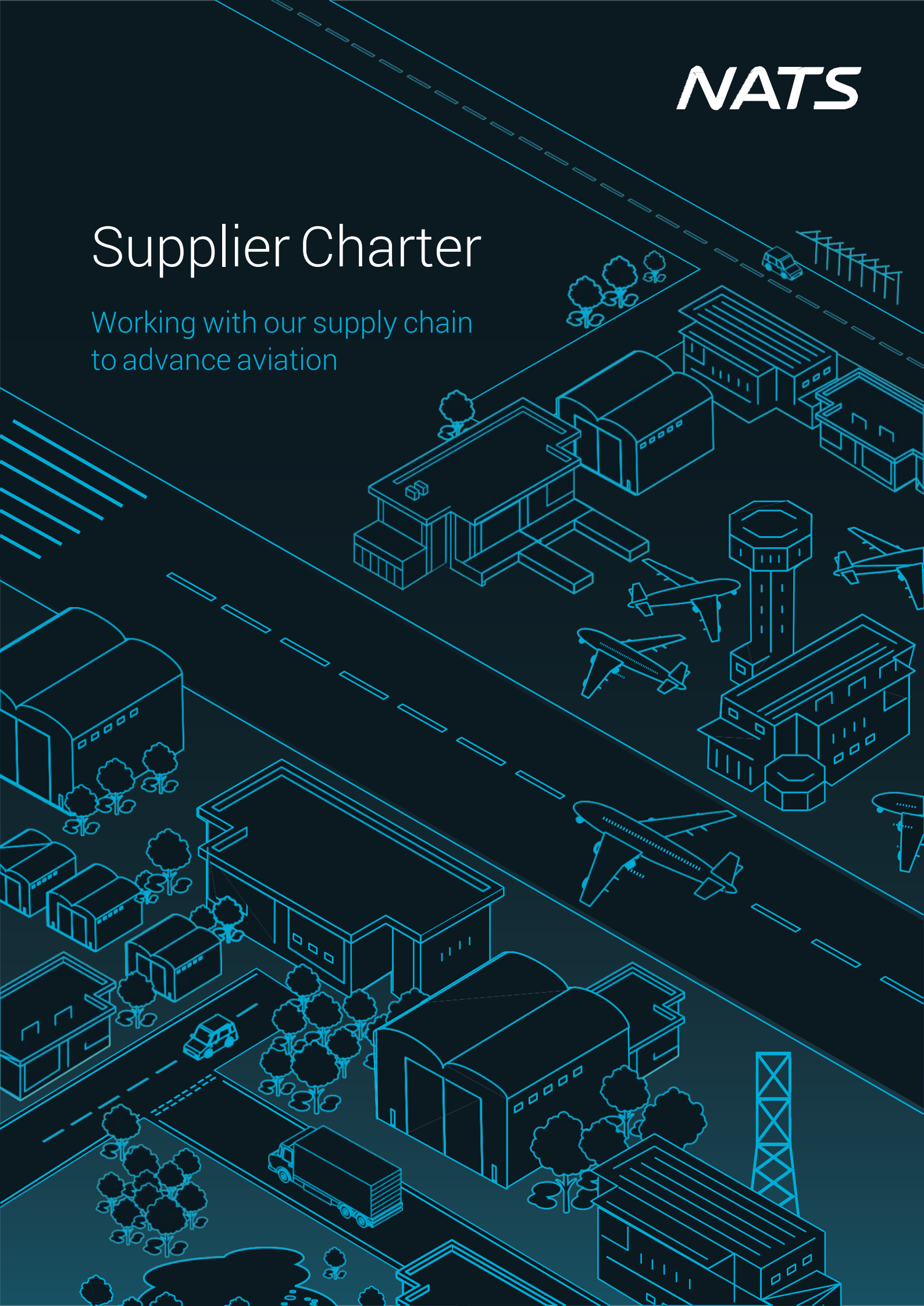


Supplier Charter

Working with our supply chain
to advance aviation



Purpose

- This Charter seeks to establish a clear understanding of what NATS expects of its suppliers and what our suppliers should be able to rely on when working with NATS.
- In NATS we have embedded a culture of 'working together' and we extend this ethos to our relationships with suppliers. To ensure NATS' business is conducted ethically, sustainably and within the law, NATS expects its 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.

NATS purpose and values

We are safe in everything we do

- Every one of us has a part to play in ensuring our operational, physical, cyber and personal safety every day.

We work together

- We are one committed team, passionate about aviation.

We rise to the challenge

- We solve problems, managing complexity and embracing the big challenges our customers face every day.



'Advancing aviation, keeping the skies safe'

Supply Chain management strategy

Supply Chain Management plays a critical role in developing, implementing and managing Supply Chain solutions that support the delivery of our business objectives, whilst supporting our purpose and values.

Our supply chain has been externally recognised through CIPS Platinum Corporate Certificate Standard and ISO44001 accreditations.

A significant element of these accreditations is grounded in the effectiveness of our supplier relationships – an approach that we are committed to maintain and continually improve to ensure that we get the most out of working with our suppliers.



A message from our Director:

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

We recognise that we cannot do everything on our own and so need to align 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 NATS delivers 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 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, Supply Chain

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 you 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.



NATS is certified to **ISO44001**, The international standard for collaborative business relationship management.

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.

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 this 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**.

NATS Supply Chain upholds 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:

- Safe in everything we do – Where appropriate we will involve our suppliers in order to help support our safety mission across all aspects of operational, physical, cyber and personal safety.
- Work together – We seek to build co-operative relationships with our suppliers and want to work together to overcome any challenges and difficulties in an efficient and effective manner.
- Rise to the challenge – We want to harness the inventiveness and extensive capability of our existing suppliers and work in conjunction with new suppliers to grow, innovate and improve.

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 promote clear and effective communication within our own business and in conjunction with our 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.



Our **modern slavery oversight group** conducts a periodic risk assessment and issues a statement on our commitment to preventing slavery and human trafficking in all our corporate, business activities and supply chains



Our **SME policy** includes 'friendly practices'

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.

Relationships

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

- 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.



We pay our suppliers on time because it's responsible business practice. Our **prompt payment policy** stipulates that we pay within the timescale we agree with suppliers, with most on our standard terms of 30 days



Our **Collaboration Policy** is predicated on encouraging long term mutually beneficial relationships

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:

Non-Discrimination – to not discriminate based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, or union membership.

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

Prevention of Modern Slavery – to ensure that our suppliers shall not traffic persons or use any form of slavery 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.

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 (CSR)

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.

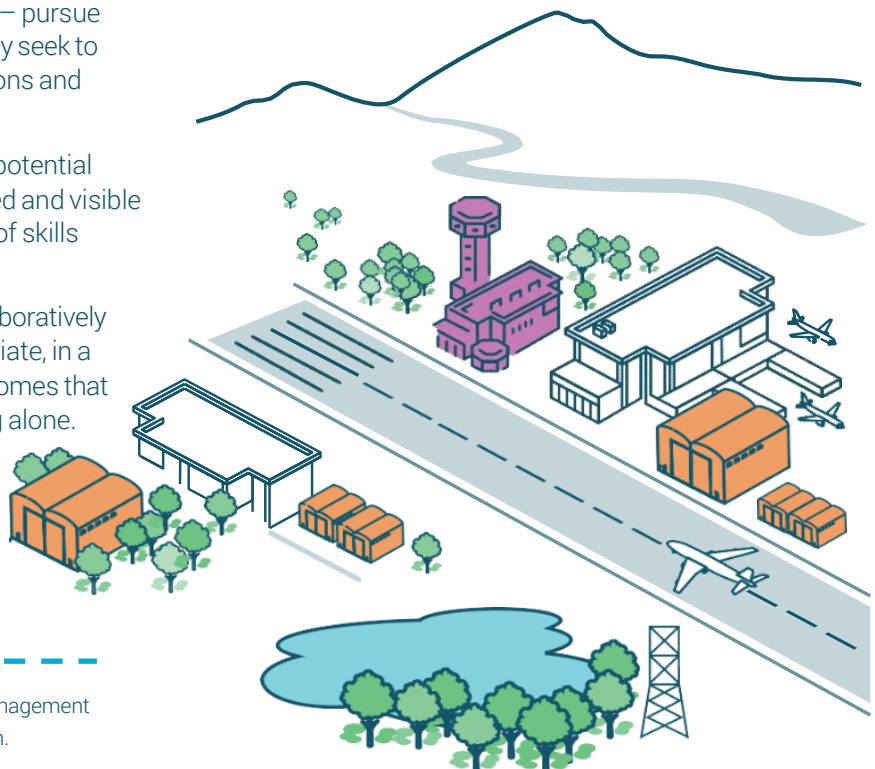


NATS is certified to ISO 14001 for its Environmental Management System. We support our suppliers that seek certification.

Environment

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

- **Hazardous Substance Management and Restriction** – to implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle hazardous substances, as appropriate.
- **Non-Hazardous Waste Management** – to implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle non-hazardous waste, as appropriate.
- **Environmental Permits and Reporting** – obtain, monitor and comply with all required environmental permits. Suppliers shall comply with the reporting requirements of applicable permits and regulations.
- **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.



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 encourage suppliers to request 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:

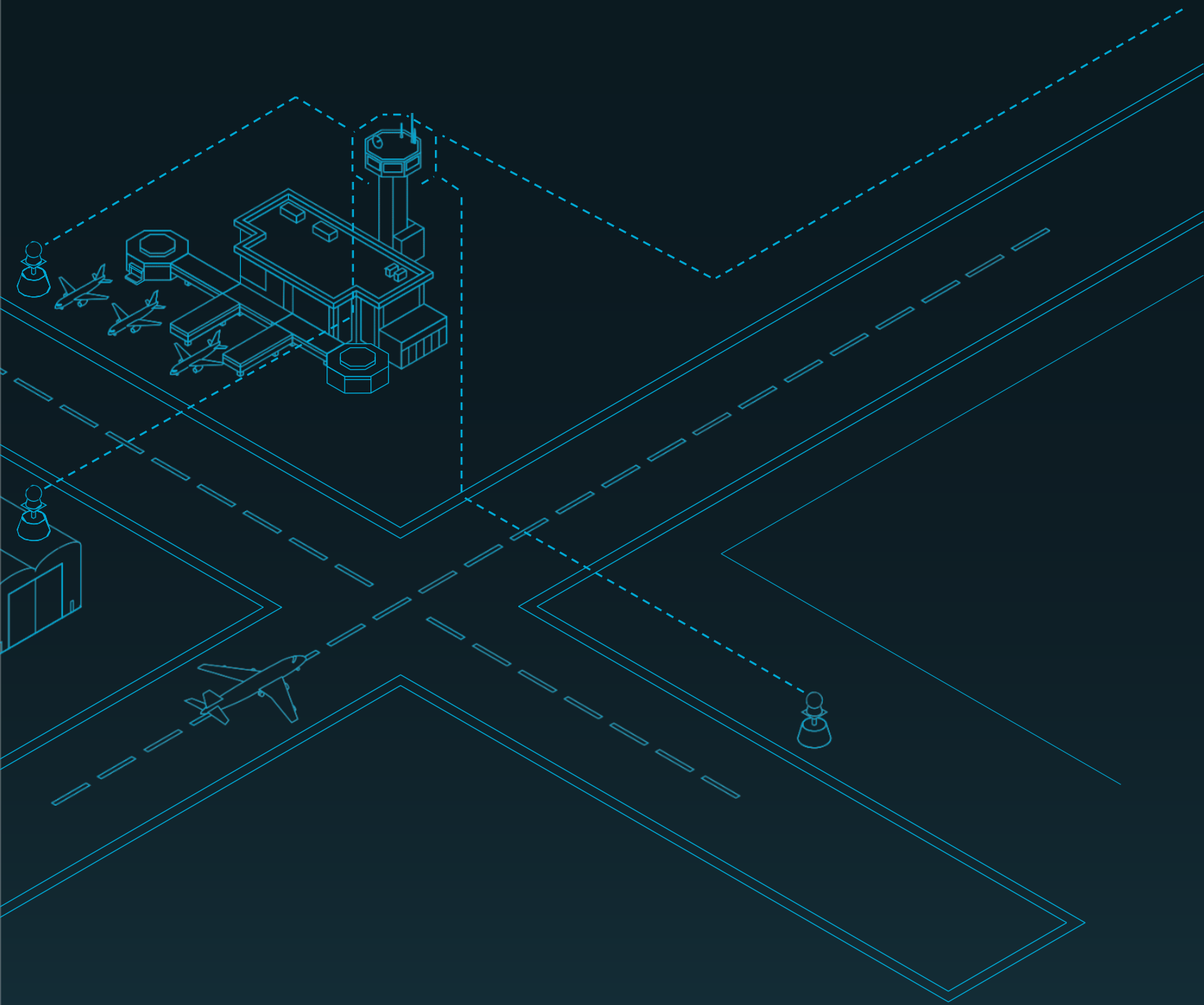
- **Business Integrity** – not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Suppliers shall abide by all applicable anti-corruption laws and regulations of the countries in which they operate.
- **Disclosure of Information** – accurately record 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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