

Gender Pay  
Report 2021



I am pleased to report that despite the challenges of the Covid pandemic, we have continued to make encouraging progress in narrowing our gender pay gap and improvements in the overall experience for women in the company.

Over the past year our pay gap moved from 19.2% to 16.8%, and one of the drivers was a voluntary redundancy programme, which we introduced in response to the impact of Covid on our industry. The programme saw around 10% of colleagues leave the business at the end of 2020, partly driving our pay gap improvement, as higher paid male colleagues and lower paid females left the company.

This created an opportunity to redress some of the previously reported gender imbalances, by actively encouraging female talent to apply for new management opportunities, as we reorganised the business. This has resulted in 36% of our promotions into our senior management grades being female, in comparison to 27% of our overall demographic. These factors, along with natural attrition, promotions and pay progression, have had a positive impact on our female colleagues and improved our gender pay gap overall.

The company has also adopted and sustained agile working, with colleagues benefiting from varied work arrangements, which is opening opportunities and removing barriers to greater gender balance.

While we have had a recruitment freeze in response to the pandemic, we have taken this time to continue to review our selection and recruitment processes to ensure they are fair and inclusive, helping us to attract a more diverse range of talent, when we are ready to start recruiting again.

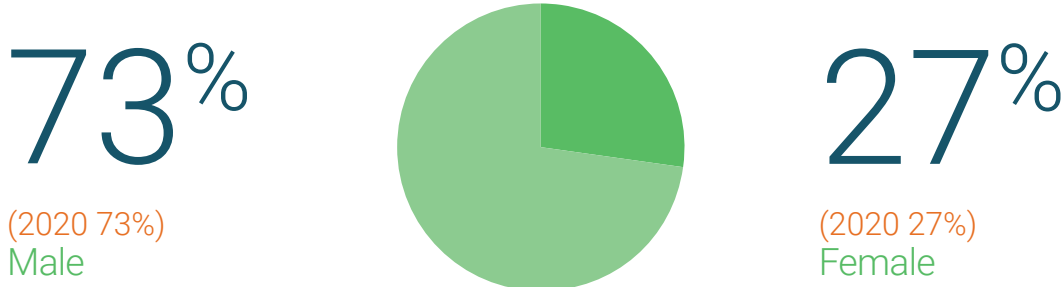
We launched our Diversity and Inclusion (D&I) vision, which was developed by a group of colleagues from across the organisation and can be found on a dedicated page of our website, **Under the same sky**. We identified our key D&I priorities for the next two years; Attract, Educate, Lead and Engage, all of which will contribute towards our aim to reduce our gender pay gap. We have also established a steering group, led by our CEO, and includes D&I leads from across the business and our **employee networks**, helping to drive the visibility and momentum needed to improve gender equality.

We celebrated National Inclusion Week, with a week of virtual events open to all colleagues to engage, listen and ask questions on a variety of D&I topics including an introduction to our Women's network, menopause awareness and women in aviation, and we also promoted HeForShe, which identifies the important role our male colleagues play in gender equality.

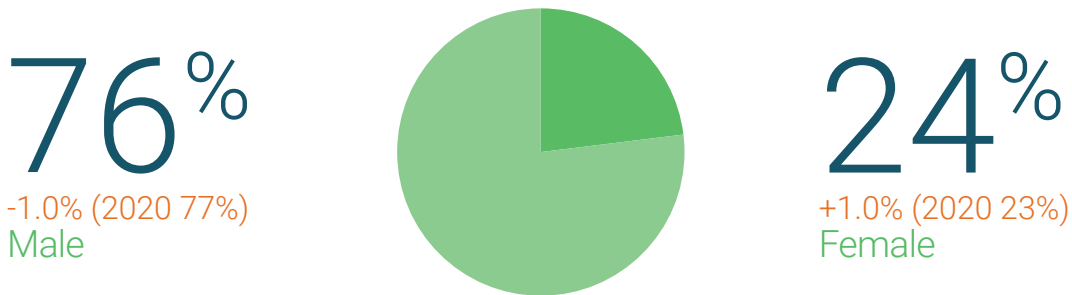
**Chris Last**  
HR Director

## The gender of our employees

### The proportion of employees at NATS



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

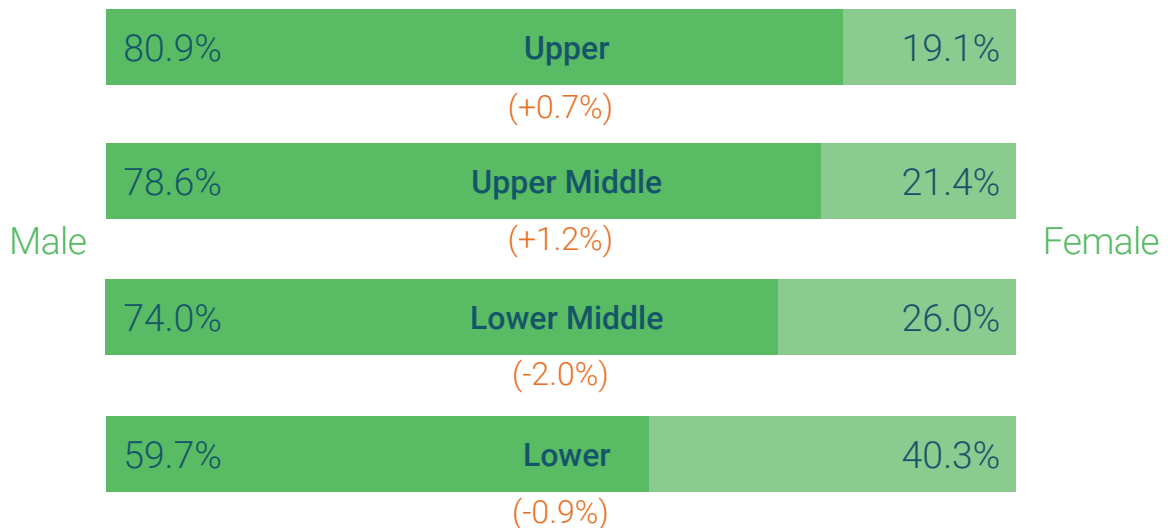


We believe the proportion of females in our senior management group has improved because of focused efforts of female colleagues on their development, the positive action being taken to encourage female talent to apply for management opportunities and the increased flexibility available for colleagues to work in a more agile way.

### The proportion of employees in each pay quartile

We are seeing a similar trend to last year, in that the percentage of women in our upper quartiles is gradually increasing and our low quartiles is decreasing, creating an overall improvement in both our mean and median pay gap position.

Difference in female proportion compared to 2020



## Our pay gap

16.8%

-2.4% (2020 19.2%)  
Our mean pay gap

19.6%

-3.4% (2020 23.0%)  
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 higher paid roles are our operational and engineering grades, which are predominately male, and with many being shift based, attract additional pay.

## Our True Pay Gap

For the purposes of our legal declaration, we complete our calculations in line with the government rules, which creates consistency when comparing us to other organisations. However, we believe it does not allow us to compare like with like. The main difference that skews our figures is an employee's pension status. Many colleagues have opted out of our pension scheme due to their accrued pension values approaching and exceeding tax thresholds, and have opted to take a cash allowance in lieu of pension. Some 85% of this group are male. This allowance forms part of their pay and is therefore included in our gender pay gap calculations. However, we do not include either the employer or employee pension contributions in 'pay' for those employees who remain in our pension scheme. This has affected the outcome of our gender pay gap analysis. Therefore, this year we are also showing our pay gap with neither pension allowances nor contributions, so that a true comparison of the pay of our male and female colleagues can be seen.

14.2%

Our mean pay gap  
(without any pension payments)

18.0%

Our median pay gap  
(without any pension payments)

## Our bonus gap

# 29.4%

-6.3% (2020 35.7%)

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 bonus pay gap reduced due more women progressing into our senior management grades and their average bonus increasing, while the average male bonus has reduced during the same time frame.

Our median bonus gap is 0% due to our Company Performance Related Pay Scheme, which 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 2020 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.

There is an update on the following page on how we have progressed against our action plan.

# 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 'HeForShe' movement.

# 3



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

## A review of our 2020 gender pay action plan (continued)



**Katie Foster**  
Head of People Services



Given the impact of the Covid pandemic on our industry, we froze external recruitment for all of the last 12 months. As the industry is now slowly beginning to recover, we anticipate resuming external recruitment, which is positive news. We have made significant progress with a new Recruitment and D&I action plan, which was generated from workshop discussions with individuals across the business and network representatives, and covers a number of areas that we want to improve. This year has seen progress in the following areas:

### > D&I Statement

We have a new D&I statement, developed in line with our overall vision, for use within our recruitment advertising – *'If you share our passion to advance aviation and keep the skies safe – we would like to hear from you whatever your age, sex, race, faith, sexual orientation, gender identity, gender expression, visible or invisible disability. Individuals that bring different perspectives, skills, life experiences and backgrounds help us be at the forefront of our industry'*. We are also refreshing other aspects of our job advert templates, such as reducing jargon, providing greater clarity on essential versus desirable skills, and promoting discussion on reasonable adjustments.

### > Careers Webpage Review

We have reviewed our Careers webpages from an employer brand and D&I perspective and created a new page called 'Why NATS?' to showcase our commitment to D&I, our employee networks, the agile working environment, our values, and charity and community affairs.

### > Early Careers Campaign

We have launched our new early careers attraction campaign, which will hopefully see over 40 new colleagues join us in September 2022 on various graduate, undergraduate and apprenticeship programmes across different business areas. As part of the attraction strategy we have worked with our Corporate Communications team to create a new early careers website, to include new material with more inclusive imagery, content and tone. We are also excited to share a virtual careers exhibition, a new concept for our attraction campaign this year, which provides potential candidates with a modern experience to hear more about our schemes and how to apply. It is viewable on any device and has an alternative microsite version to maintain accessibility.

## A review of our 2020 gender pay action plan (continued)



### > Partnerships and Channels

We are reviewing the channels and partnerships we have to support attraction of a more diverse talent pool. As part of this, we have commenced a new partnership with Fantasy Wings, an organisation that promotes individuals from Black, Asian and Minority Ethnic backgrounds and women into the aviation industry, and look forward to working with them initially on promoting our early careers 2022 campaign and supporting their programme conference in early 2022. We have also recently partnered with Vercida, who provide an inclusive job board platform.

### > Diverse Interview Panels

We are monitoring and seeking to increase the use of diverse interview panels. We average around 44% of panels being gender diverse. While this will remain a challenge given our current demographic base, we want to see an increase in this proportion.

### > Unconscious Bias Training

All assessors for our early careers scheme have undergone unconscious bias training this year. Assessors for our Trainee Air Traffic Controller selection campaign also go through similar accreditation, via an external body. During National Inclusion week we delivered sessions on D&I in recruitment, including unconscious bias. We plan to roll out further unconscious bias training across our hiring manager community. This will be supported by the development of a hiring manager toolkit, which will include (interview guidance, scoring templates and a competency based question bank,) to ensure fair and consistent selection practices.

Looking forward to next year, we have a significant project to implement a new Applicant Tracking System. This will improve D&I within the recruitment process, engagement, and overall candidate experience. It will also provide us with improved diversity data capture throughout the process to inform where further improvements need to take place.

Alongside this, we aim to agree a new Recruitment policy with our Trades Unions in order to bring together all aspects of how we conduct fair and inclusive recruitment within NATS.

## A review of our 2020 gender pay action plan (continued)



**Denise Percy**

Co-chair Women's Network



As the majority in our business, it's vital male colleagues support gender equality through their allyship and use their voice and influence to amplify initiatives.

Our Women's Network has made allyship a key focus of their work in 2021/22, starting with Executive commitment to the HeForShe campaign in August 2021 and a focused internal campaign.

Starting with National Inclusion Week and culminating in a month-long campaign during Women's History month in March 2022, allyship was a key message throughout all of the network's activities this year, with the campaign in March focussing on HeForShe and how our male colleagues can make a difference, advocating for women and helping to create lasting change.

The network also worked with HR to encourage our network members, some of whom are men, to step forward as mentors and help to support the development of women at NATS.

The message of allyship and HeForShe will continue into 2022/23 and beyond.



## A review of our 2020 gender pay action plan (continued)



**Melissa Kettle**  
Head of Learning

Over the past 12 months we have designed and developed sessions across a range of topics including:

- > Inclusive leadership
- > Unconscious Bias
- > Respect for all
- > Inclusive teamworking
- > Positive challenge

We are seeing an upward trend in the number of employees signing up for these sessions and have scheduled additional dates to meet demand.

During National Inclusion Week there were 25 virtual sessions, run by colleagues, our employee networks and external speakers on a variety of topics including women in aviation, menopause, unconscious bias, inclusive team working, trans and non-binary awareness and language and terminology.

**3**



## And what else...



**Keely Stafford**

Employee Relations Business Partner

### **Agile Working**

During the pandemic, while many of our colleagues have been working remotely, we have been developing our approach to agile working. Our Whiteley site reopened on 6 September 2021 and there has been a steady flow of people using the newly reconfigured workspaces. Where their role allows, many colleagues have been continuing to work remotely, and our data shows that people are working with a mix of site based and remote working. We have also started to develop agile working space at our operational centres (for non-operational colleagues).

### **Menopause Policy**

Our policy forum developed and launched a new menopause policy, with accompanying support pathways for individuals and manager guidance. This has been well received by the organisation, sparking awareness and positive discussions that may not have taken place previously. We've also signed up to the European Menopause and Andropause Society's Menopause and Work Charter as part of our ongoing commitment to support colleagues experiencing or being impacted by the menopause.

### **Work and Family**

The work and family policy has been refreshed to include some legislative and agreed changes from the policy forum. It is also proposed to introduce a 'day one' right to carers leave and foster carers leave. In the refresh, we have tried to simplify this policy and make it easier for people to find the information relevant to their circumstances.

In addition, a group of colleagues are developing an internal intranet page that provides support and guidance for employees before, during and after a period of family leave (e.g. maternity/ adoption leave).

## And what else...



**Nicky Upton-Goodall**

Employee Communications  
Consultant

### **Stonewall Workplace Equality Index**

In 2021, for the first time, we submitted for assessment in the Stonewall Workplace Equality Index, which evaluated our achievements and progress on LGBTQ+ equality. We were assessed on eight areas of employment policy and practice, including family policy, gender identity and menopause. There was also an anonymous employee survey as part of the assessment.

### **Ambassador Toolkit**

We introduced a new ambassador toolkit, which includes an 'About us' presentation and other age-appropriate resources, for colleagues to use when they are invited to speak at industry events, educational establishments and local community groups and charities. The toolkit can be used to reach out to female talent to promote our career opportunities and learn about our exciting industry.

## Action Plan 2022

Our future action plan is aligned to four key areas that support our overall D&I vision:

### Engage

- > Support our Women's network to deliver their strategy, objectives and awareness campaigns, such as HeForShe.
- > Celebrate gender awareness events such as, International Women's Day, International Women in Engineering Day and International Men's Day.

### Educate

- > Educate and support colleagues on how they can support gender equality and help reduce our gender pay gap.
- > Embed gender equality into our employee induction programme and new leadership learning pathways.
- > Provide workshops on inclusive leadership, inclusive team working, unconscious bias, positive challenge and respect for all.
- > Provide bespoke development opportunities for our Women's network, starting with coaching and mentoring.



The coaching and mentoring session was really helpful in explaining the difference between a coach and a mentor and when they are needed. I always thought becoming a mentor or coach was only for very experienced professionals, so it's great to hear that I can improve my development through courses that teach me how to become an effective mentor and/or coach.

**Aimee Perrott**  
Innovation Delivery Lead

## Action Plan 2022 (continued)

### Lead

- > Provide coaching and reverse mentoring opportunities for our leaders.
- > Support leaders in setting personal objectives that champion inclusion and gender equality.
- > Support leaders in owning and delivering local D&I plans within their business areas and teams.

### Attract

- > Elevate our employer brand, develop an inclusive attraction strategy and utilise the Vercida job board platform, to attract more female talent.
- > Monitor and promote the use of gender diverse interview panels.
- > Coach hiring leaders to challenge thinking around the type of person required, essential versus desirable skills and to consider transferable skills and different options for filling a post e.g. flexible working and job share options, to encourage more female colleagues to apply for positions.
- > Provide mandatory training for all hiring leaders, which includes training on unconscious bias, supported by a hiring manager toolkit to include guidance on conducting interviews, scoring templates and sample competency-based questions bank.
- > Aim to recruit on a 50/50 gender split basis within our 2022 early careers intake.
- > Seek to attain a D&I/best practice recruiting accreditation for our focus on improving our inclusive practices.
- > Build our relationship and provide support and opportunities to 'Fantasy Wings', an organisation that seeks to help individuals from Black, Asian and Minority Ethnic backgrounds and women access opportunities within the aviation industry.



I am very proud to be the sponsor for our D&I initiatives in Operations; it is a role that I am hugely passionate about. I firmly believe that having more diversity across our teams leads to a better place to work and a better business for all of us. As a leader in NATS, I have a key role to play in building on our inclusive culture and creating an equal playing field, ensuring that everyone can reach their potential, regardless of gender. We have brought together an Inclusion Group in Operations to identify and drive positive and long term change, working alongside our employee networks and the leadership team. This has allowed us to put a focus on positively challenging and educating the business through training, awareness, visibility and mentoring opportunities. Colleagues in this group and more widely across Operations play a vital role in highlighting great role models and providing honest feedback that helps us to shape our inclusion plans.

**Dave Harvey**  
Director Operations Support

## Looking ahead



It has been another difficult year for all companies in the aviation industry, as we are still feeling the impact of the travel restrictions caused by the pandemic. Despite these turbulent times, I am pleased to see some improvement in our gender pay gap and progress against the action plan we set ourselves.

Following our recruitment freeze, I am pleased we have been able to re-open our early careers programme for a September 2022 intake. To support our target to reach a 50/50 gender split we held a 'Women of NATS' talk, where potential applicants could hear from female colleagues from across the business about their experiences and career journeys at NATS.

We have also focussed, more than ever before, on D&I, with the introduction of our D&I vision and priorities. These were developed organically by colleagues from across the business, focussing on what we need to be better at and how we get there. It is the employee voice, turned into direct action, and the identification of our D&I focus areas of Lead, Educate, Engage and Attract that will help us to plan and align our activities in the years ahead.

I have also taken on the role of executive chair of our new D&I steering group. We meet quarterly with D&I leaders from across the business and our employee networks to help shape and drive our D&I agenda and gender pay action plan. I am there to ensure the team gets the support they require to make the improvements needed to make us more inclusive, equitable and diverse.

Last year, I felt proud to see us celebrate National Inclusion Week, which was a first and something we intend to do again. I attended many sessions as a participant to listen and learn from my colleagues and further my own understanding.

We have really started to embrace the value of diversity and I see it being embedded across the business through better representation of women in management roles and a desire to understand what role we can all play in gender equality. This is so important if we want NATS to continue being a successful business and great place to work in the future.

We have a lot of work still to do and it will take time to build our awareness, understanding and capabilities, but I am fully committed, as is my leadership team, to address the challenges around gender equality and make improvements for the future.

I confirm the information and data reported is accurate as of the snapshot date 5 April 2021.

A handwritten signature in black ink, appearing to read 'Martin Rolfe'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Martin Rolfe**  
CEO

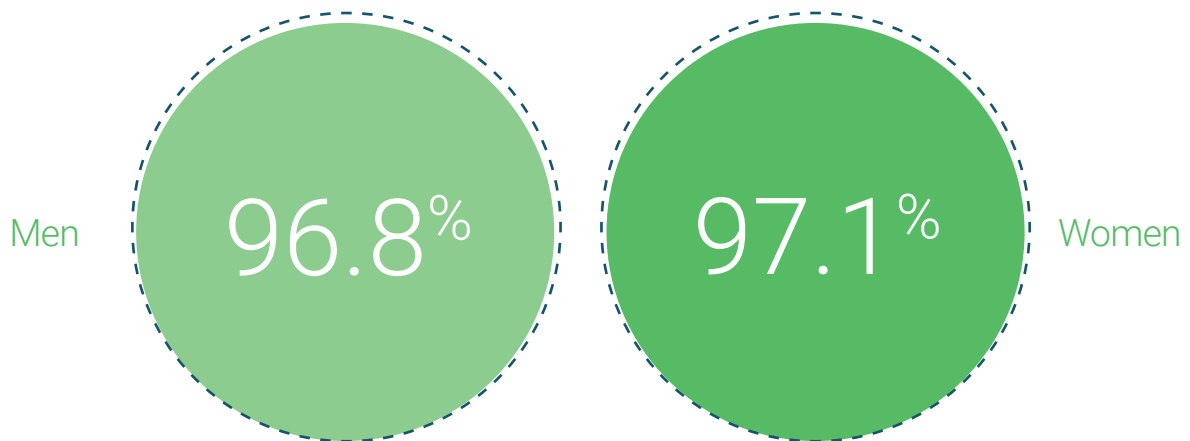
## Our Statutory Declaration (continued)

### Gender Pay Figures Snap Shot 5 April 2021

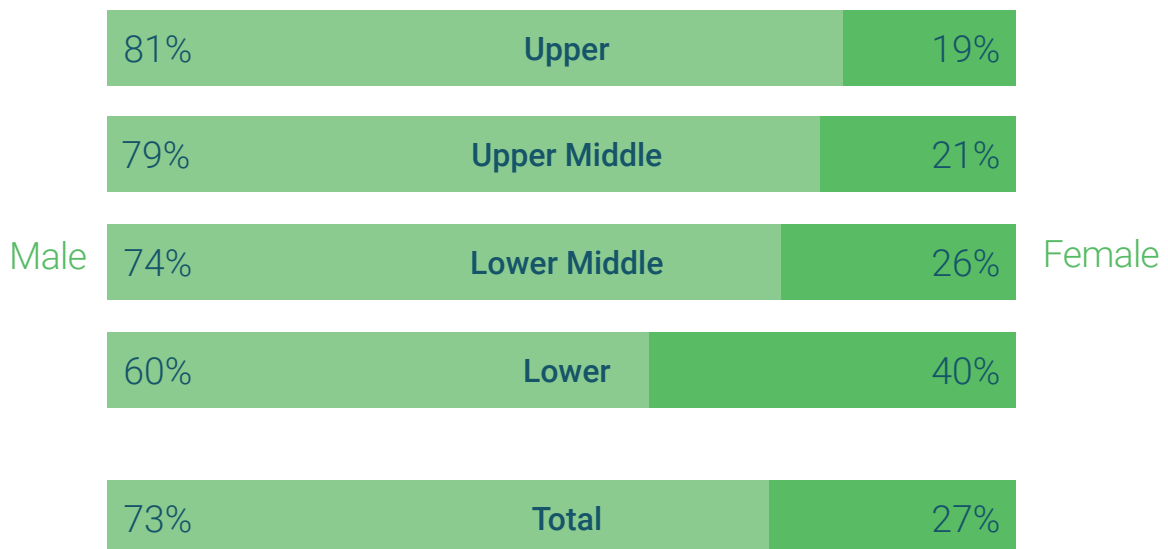
#### NATS Group

| Pay and bonus gap | Mean  | Median |
|-------------------|-------|--------|
| Hourly Pay        | 16.8% | 19.6%  |
| Bonus             | 29.4% | 0.0%   |

#### Proportion of employees receiving a Bonus



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



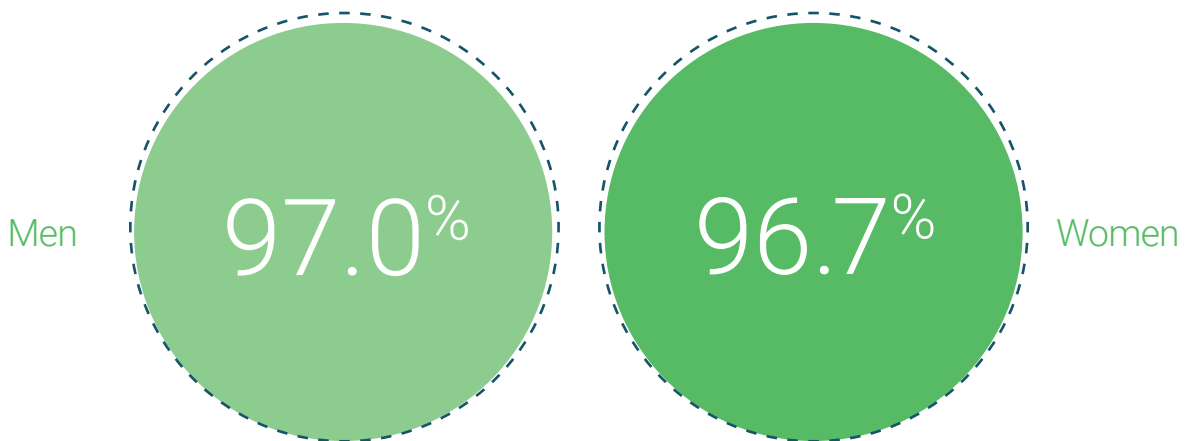
## Our Statutory Declaration

Gender Pay Figures Snap Shot 5 April 2021

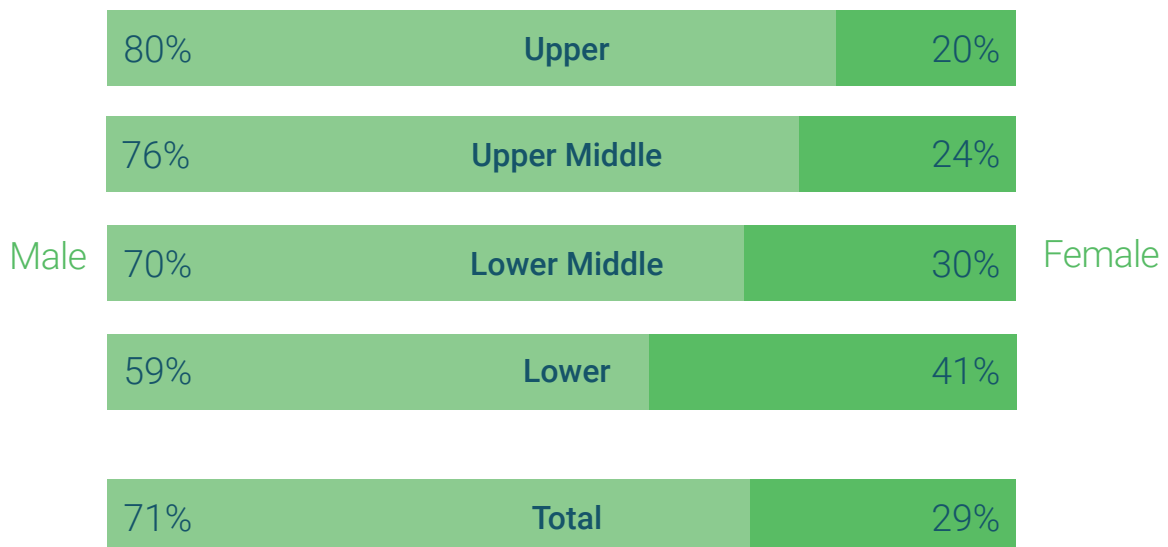
NATS (En Route) PLC

| Pay and bonus gap | Mean  | Median |
|-------------------|-------|--------|
| Hourly Pay        | 16.9% | 18.0%  |
| Bonus             | 26.3% | 0.0%   |

### Proportion of employees receiving a Bonus



### The proportion of employees in each pay quartile





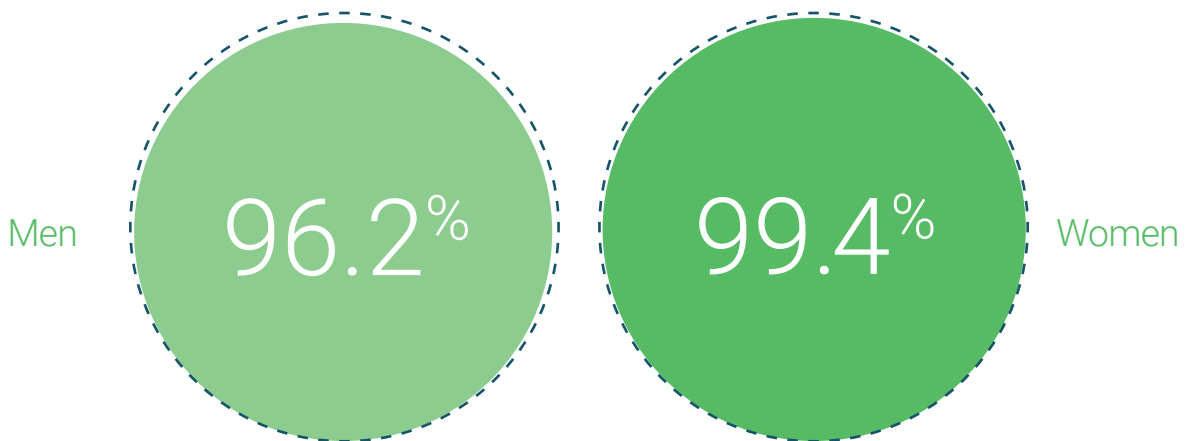
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Gender Pay Figures Snap Shot 5 April 2021

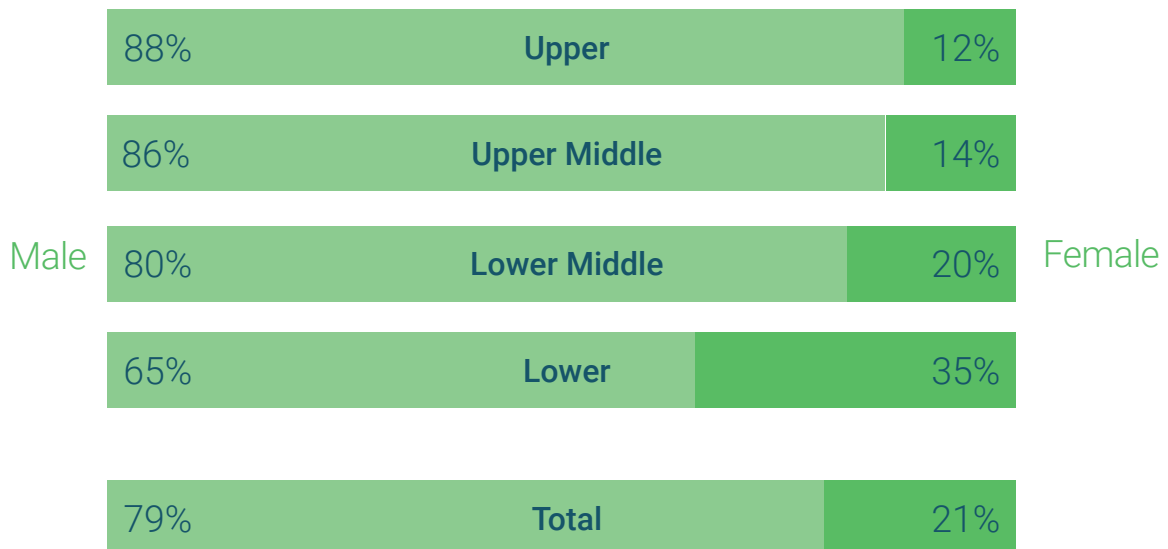
NATS (Services) Limited

| Pay and bonus gap | Mean  | Median |
|-------------------|-------|--------|
| Hourly Pay        | 16.7% | 19.8%  |
| Bonus             | 42.9% | 0.0%   |

### Proportion of employees receiving a Bonus



### The proportion of employees in each pay quartile



## Unequal Pay vs Gender Pay Gap

While 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 amongst all employees is currently 15.4% (ONS 2021). Having a gender pay gap does not necessarily reflect discrimination.