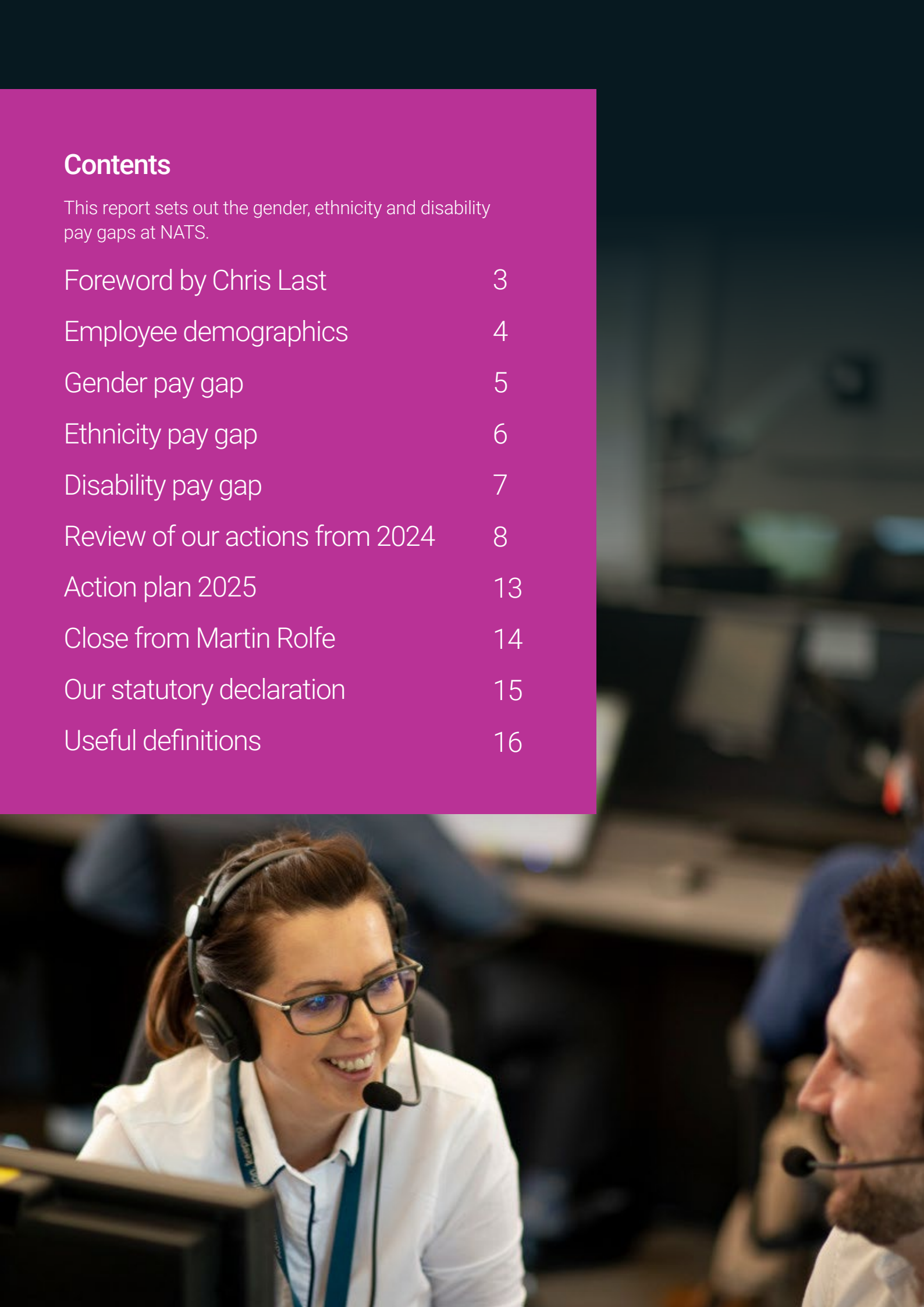


Pay Gap Report 2024

Contents

This report sets out the gender, ethnicity and disability pay gaps at NATS.

Foreword by Chris Last	3
Employee demographics	4
Gender pay gap	5
Ethnicity pay gap	6
Disability pay gap	7
Review of our actions from 2024	8
Action plan 2025	13
Close from Martin Rolfe	14
Our statutory declaration	15
Useful definitions	16





Foreword by Chris Last

Overall we have seen an improvement in our gender and disability pay gaps, with our ethnicity pay gap increasing. Our gender pay gap has improved mainly due to the timings of a recent pay award being given to many of our female colleagues at the snapshot date, which has brought it back closer to our 2022 pay gap.

Our overall gender bonus gap has increased, as it included a lump sum payment relating to a pay award for some employees who didn't receive it in the previous year. From a bonus perspective, it is also our first year of awarding full bonuses to our management population, following restrictions during the pandemic.

Our mean bonus gap increased, as we have more men than women in senior roles, with the median gap reduced to zero because of the lump sum payment relating to a pay award applying to a significant group of employees.

Our disability pay gap, which is in the second year of reporting, has seen an improvement from 27.9% to 22.7%. From an ethnicity pay gap perspective we have seen our pay gap increase, however our demographic split for ethnicity has improved, due to more people from ethnic minority backgrounds joining us in junior roles, such as our graduates.

This year we have made progress with both our Equality, Diversity and Inclusion (EDI) and STEM outreach programmes, which has seen noticeable improvements to our processes, such as a new workplace adjustment process, a new Trainee Air Traffic Controller (TATC) bursary and financial support to attend our outreach events. We have also partnered with new organisations to increase our reach and visibility with people from underrepresented groups and lower socio-economic backgrounds.

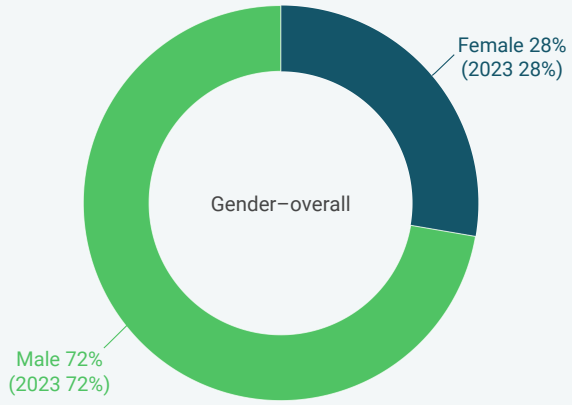
Achieving 27th place in the UK Top 50 Inclusive Companies list is a testament to the ongoing improvements we are making and reflects the great work of our employee networks and support groups.

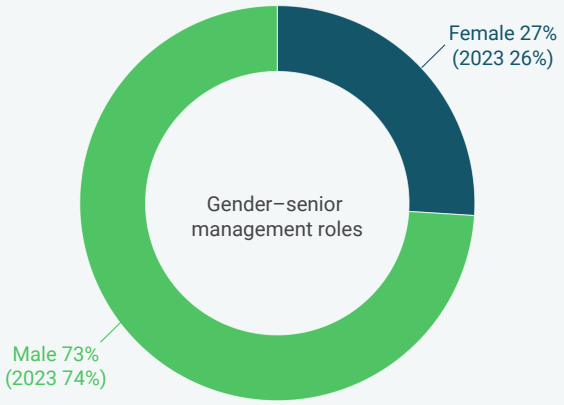
Chris Last
HR Director



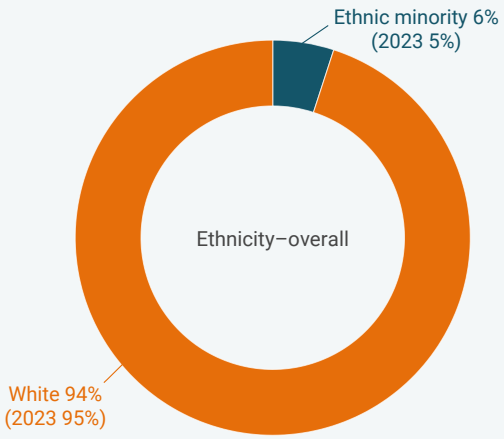
Employee demographics

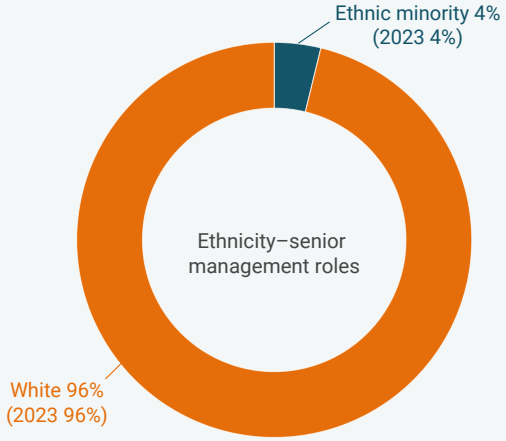
Gender



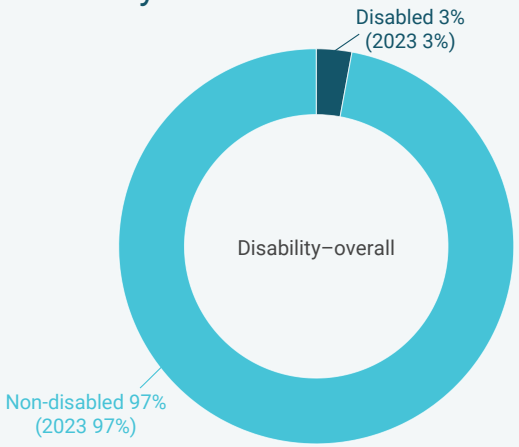


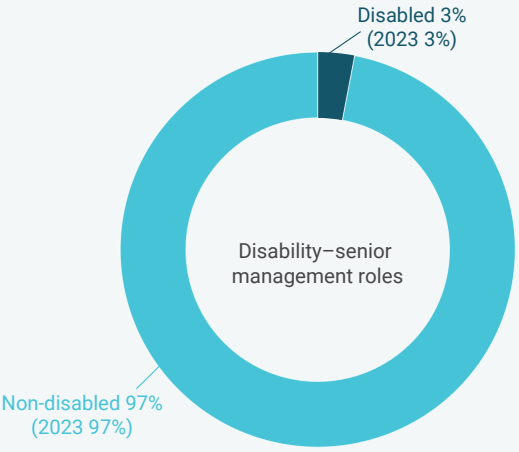
Ethnicity





Disability





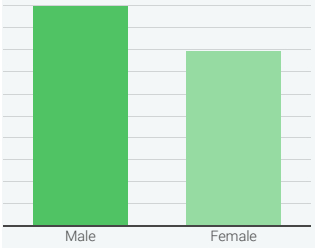
Gender pay gap

Why we have a gender pay gap

We have a pay gap because we have more men in more senior roles and structurally, we have more men in our higher paid roles such as engineers and Air Traffic Controllers.

Gender pay gap

Mean Pay Gap

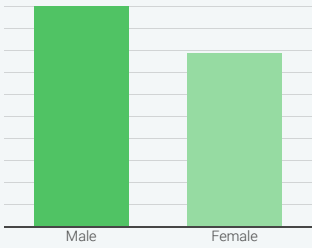


Female employees earn on **mean** average

19.3%

less than male employees (2023 20.5%)

Median Pay Gap

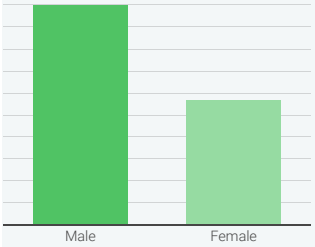


Female employees earn on **median** average

20%

less than male employees (2023 23.5%)

Mean Bonus Gap

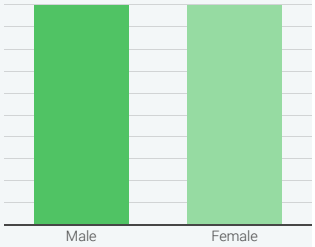


Mean average female employees bonus earnings are

53.9%

lower than male employees bonus earnings (2023 27.5%)

Median Bonus Gap



Median average female employees bonus earnings are

0%

lower than male employees bonus earnings (2023 45.5%)

Proportion of male and female employees by quartile

(Difference in female proportion compared to 2023)

Upper quartile

Male Female

80.2% 19.8% *(+1.3%)*

Upper middle quartile

Male Female

79.8% 20.2% *(+0.8%)*

Lower middle quartile

Male Female

70.6% 29.4% *(+2.6%)*

Lower quartile

Male Female

56.6% 43.4% *(-2.5%)*

Ethnicity pay gap

Why we have an ethnicity pay gap

We have more white employees overall, and our colleagues of ethnic minority background are mostly in the lower pay quartiles. We have seen an improvement in our overall demographic, however that has predominately been due to our focus on attracting more diversity to our graduate schemes, which has resulted in widening our pay gap as they enter the organisation in our more junior roles.

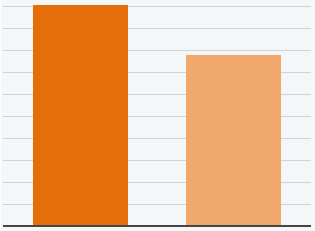
In our data analysis, we have used the terminology drawn from our ethnicity data and the categories used are as follows:

- White - those who recorded 'white'.
- Ethnic minority includes:
  - Arab
  - Bangladeshi
  - Black/African
  - Black/Caribbean
  - Chinese
  - Indian
  - Mixed - White and Asian
  - Mixed - White and Black African
  - Mixed - White and Black Caribbean
  - Other Asian Background
  - Other Black/African/Caribbean Background
  - Other Ethnic Group
  - Other Mixed/Multiple Ethnic Background
  - Other White Background
  - Pakistani

Any employee who did not provide data or chose 'prefer not to provide' was excluded.

Ethnicity pay gap

Mean Pay Gap

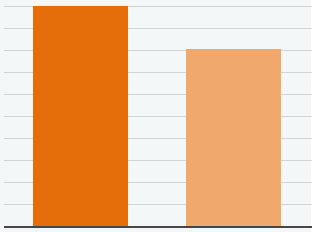


Ethnic minority employees earn on **mean** average

25.1%

less than white employees (2023 22.7%)

Median Pay Gap

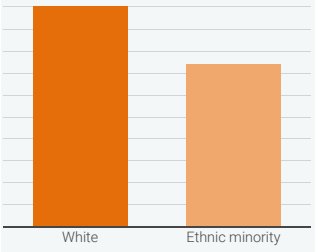


Ethnic minority employees earn on **median** average

19.3%

less than white employees (2023 17.9%)

Mean Bonus Gap

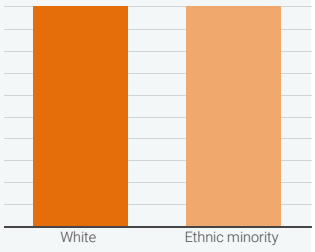


Mean average ethnic minority employees bonus earnings are

25.7%

lower than white employees bonus earnings (2023 18.2%)

Median Bonus Gap



Median average ethnic minority employees bonus earnings are

0%

lower than white employees bonus earnings (2023 0%)

Proportion of white and ethnic minority employees by quartile

(Difference in ethnic minority proportion compared to 2023)

Upper quartile



98.4% 1.6% *(-0.2%)*

Upper middle quartile



94.6% 5.4% *(+0.9%)*

Lower middle quartile



92.9% 7.1% *(+0.1%)*

Lower quartile



90.9% 9.1% *(+2.2%)*

Disability pay gap

Why we have a disability pay gap

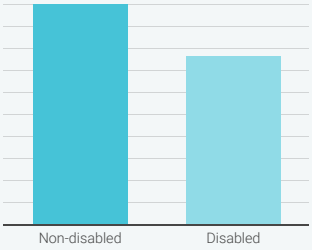
Our disability pay gap has improved this year, with a decrease in the proportion of disabled colleagues in the lower pay quartile and an increase in all other pay quartiles.

Our declaration rate has remained consistent with last year at 80%, however of that group only 3% declare as disabled. Therefore any movement in this group, because it is a small percentage, does have a significant impact on the pay gap.

Employees who did not provide data or chose 'prefer not to provide' were excluded.

Disability pay gap

Mean Pay Gap

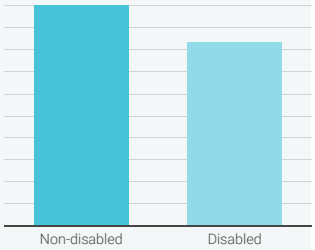


Disabled employees earn on **mean** average

22.7%

less than non-disabled employees (2023 27.9%)

Median Pay Gap

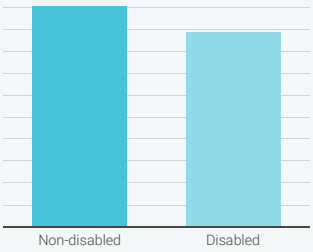


Disabled employees earn on **median** average

15.1%

less than non-disabled employees (2023 21.6%)

Mean Bonus Gap

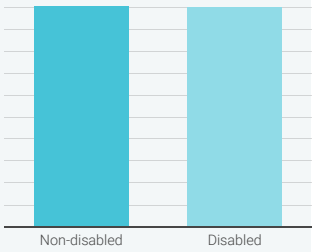


Mean average disabled employees bonus earnings are

11.3%

less than non-disabled employees (2023 15.6%)

Median Bonus Gap



Median average disabled employees bonus earnings are

0%

less than non-disabled employees (2023 18.2%)

Proportion of disabled and non-disabled employees by quartile

(Difference in disabled proportion compared to 2023)

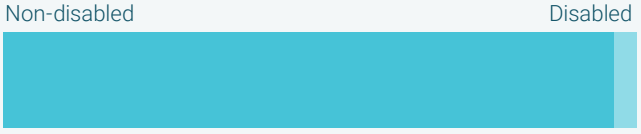
Upper quartile



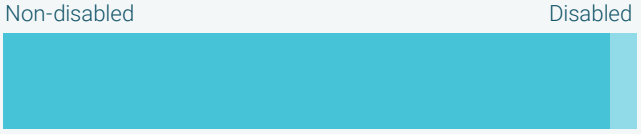
Upper middle quartile



Lower middle quartile



Lower quartile



Calculating our ethnicity and disability pay gaps

In the absence of any government guidance on how to calculate our ethnicity and disability pay gaps, we have mirrored the rules we use for our gender pay report. Our report includes colleagues employed under our NATS En Route and NATS Services entities, which both have over 250 employees. Colleagues employed under our smaller entities of less than 250 employees are not included in these figures.

Review of actions from 2024

There are three key Equality, Diversity and Inclusion (EDI) related activities which can help to reduce an organisation's pay gaps.

- Encouraging more people from diverse backgrounds to join the organisation
- Supporting colleagues from underrepresented groups to develop and progress in the organisation
- Creating an inclusive environment where our colleagues feel they belong, so we retain diverse talent

This section of the report details what actions we have taken under these three headings and our plans to build on these actions next year.



Encouraging more people from diverse backgrounds to join our organisation

In general, we have undertaken many activities to attract people from diverse backgrounds and we have had some success, however we still have work to do to attract people from diverse backgrounds to senior roles, with both internal and external candidates.

Our goals

Gender: Our aim is for 50% of our new joiners to be female. In 2023, 32% of new recruits into the business declared their gender as 'female'.

Ethnicity: Our aim is that at least 14% of our new joiners are from ethnic minority backgrounds. For FY 23/24, 11.5% of new joiners were from an ethnic minority background, an increase from 6% in 2022.

Actions we have taken

Trainee Air Traffic Control (TATC) bursary: We received feedback from our current TATC apprentices that our current recruitment and assessment process may be causing financial barriers for some people from lower socio-economic backgrounds. Aspects such as funding additional medical screening or funding the travel to and from Whiteley can be costly, so we have designed a bursary to support students and funding to cover those costs. Through this bursary we hope to remove some of those financial barriers and make our application process more inclusive, especially for those from lower income backgrounds.

Financial support to attend outreach events: One of the most significant changes this year has been to provide funding to students from lower socio-economic backgrounds to ensure travel costs are not a barrier to accessing our in house outreach events. This year, for our 'Future Minds - Young Women in STEM' focussed outreach event, we asked if applicants would be interested to find out about funding opportunities, with five young women requesting funding. To help those who may not have readily available funds, we also transferred funding upfront, rather than participants having to spend their own money and it claim back afterwards.

Work to attract women: To encourage more women to apply for our TATC scheme, we created a recruitment video sharing insights on the role of an Air Traffic Controller from a female perspective. The video aims to bust some myths and show female role models from different backgrounds. We have also done follow up interviews with our female controllers to give advice to future trainees and shared them on our social media.

STEM outreach: In 2024, we appointed an Educational Outreach Programme Manager. Our programme will directly contribute to our EDI objectives, supporting communities from diverse backgrounds. This year, we re-ran our flagship 'Young Women in STEM' event, offering 60 young women the opportunity to gain awareness of STEM careers and inspirational role models. We worked with charity and partner organisations such as, Fantasy Wings, Developing the young workforce and URBOND, to advertise the opportunity to young women from underrepresented groups and lower socio-economic backgrounds.

Work experience: Through our partnership with with Fantasy Wings, we were able to offer work experience to young women and young people from ethnic minority backgrounds. This year, we facilitated trips to our Manchester, Stansted and Cardiff airport towers and we were awarded the Fantasy Wings 'work experience partner of the year' award.

Inclusive recruitment

On our external website, we highlight our stance towards workplace adjustments and encourage prospective candidates to share what support they may need. We want to normalise these requests, so we are developing a workplace adjustment guide to share with candidates to give examples of adjustments they can ask for.

At the screening stage, all candidates are asked whether they require any workplace adjustments for the interview, and we also offer interviews and assessments virtually, via MS Teams, rather than insisting on in-person assessments. Examples of adjustments we have made are, extra time for assessments, providing the themes of questions in advance and providing more detail about the structure of the interviews.

We proactively seek feedback on our recruitment and onboarding processes. Based on recent feedback, we have improved the level of communication with our candidates while their clearances go through to reassure them and help them feel prepared and that they belong in our organisation.

Anyone who recruits must complete our 'Inclusive Recruitment' training and use our 'Hiring Manager's Toolkit', covering topics such as unconscious bias, inclusive recruitment practices and evidence-based interviewing. We also recommend, where possible, interview panels include a colleague from another area of the business to add a broader perspective and avoid homogeneity. To rate candidates, we use a scoring matrix to ensure unconscious bias does not become a factor when deciding on who the role is offered to.

Supporting people from underrepresented groups

Another important aspect to address is creating a pipeline of diverse talent to progress into more senior leadership roles. Our focus this year has been on our talent methodology, understanding some barriers to progression and building our knowledge of inclusive leadership. Although we have made good progress in a year, there is still work to do to focus on supporting the career development of those from underrepresented groups.

Our goals

We want our leadership teams to be reflective of our employee diversity, and diverse thinking to be at the heart of our leadership. We have a goal for the overall diversity of our Senior Leadership Team to increase by a 1–3% year-on-year improvement, over a rolling five-year period.

In 2023, the overall diversity (gender, ethnicity and disability) of our Senior Leadership Team increased by 5% to 14.2%. We aim to increase the overall diversity of our promotions by 1–3% year-on-year improvement, over a rolling five-year period. In 2023, the overall diversity (gender, ethnicity and disability) of our promotions increased by 1% to 13.2%.

Actions we have taken

Talent development: We constantly review best practice to ensure that EDI is always a consideration throughout our talent development programmes. The methodology used for the talent development programme has been updated to include assessment of inclusive leadership traits, to test if potential future leaders have EDI at the forefront of their mind.

Our talent assessors undergo training on the use of the scoring matrix and inclusive assessment training, including a focus on neurodiversity and unconscious bias, to ensure the focus of their assessment is on evidence provided and not non-verbal communication.

We monitor the diversity of those nominated as 'talent' to make sure our managers are not being biased towards any groups and we ensure our talent populations are representative of our demographic breakdown, with similar levels of representation of underrepresented groups.

Exploring Neurodiversity open session: This year, we developed a training session called 'Exploring Neurodiversity', which is open to all colleagues and introduces the topic and signposts extra resources. This has been popular for line managers to help them learn how to best support their team members.

Royal Academy of Engineering Inclusive Leadership programme: We secured a place on the Royal Academy of Engineering's Inclusive Leadership programme; a new and ambitious programme, to increase inclusivity within the engineering industry and develop leaders who are role models of inclusive leadership. We have four leaders across the business taking part in the scheme, including our Director of Safety and Assurance, who will receive inclusive leadership training to develop their own understanding of inclusion and how to embed it in the workplace. They will lead a project, bespoke to the needs of our organisation, to increase the inclusivity of our culture or the services we deliver. Our aim is they become a visible role model of inclusive leadership and share their learning from the programme, such as the power of reciprocal mentoring and sponsorship activities and insights from different engineering organisations.



Creating an inclusive environment

Our goals

In 2022, we decided to become a member of Inclusive Companies to take part in their external benchmarking, as we were keen to get an external view of our progress in becoming an even more inclusive employer. In 2023, we entered the Inclusive Companies Top 50 UK Employers list, a league table of the UK's most inclusive employers and highlights exemplary practices across all areas of diversity, including age, disability, gender, LGBT+, race, faith, and religion.

We achieved 44th place which was a real achievement for our first submission. In 2024, we resubmitted evidence of our inclusion related work, and we achieved 27th place in the index, which is a huge jump from last year.

Advancing up the index reflects our improved performance across a range of key areas within the EDI space and we are proud of this achievement. Through continuing to make our organisation even more inclusive, we hope to ensure all colleagues feel they belong here, they are supported and therefore want to continue to work for us.

Actions we have taken

Creating an inclusive environment where our colleagues feel they belong

'Respect Matters' training: We launched new 'Respect Matters' training in September 2024, which is mandatory for all colleagues. We listened to feedback on the previous version of the training and worked with an external company to make our training more impactful. The training highlights our 'Respect at work' policy and procedures for reporting discrimination through character scenarios and reinforces these using a quiz at the end.

All brilliantly different campaign: In our b-Heard employee engagement survey we received feedback on colleagues' experience of belonging and feeling included and how that can change the longer they have worked here. We carried out focus groups and developed a campaign called 'All brilliantly different', which we launched in the build-up to National Inclusion Week in September 2024. We created a number of assets to share colleagues' experiences and advice including an inclusive leadership guide, an inclusive communication guide, a Communities of Practice guide, posters and audio spotlight videos using colleagues' voice recordings.

EDI podcast: We launched an internal EDI podcast in September 2023, which has been well received. We have created eight, one-hour long episodes so far, where we talk to both internal and external guests on a variety of topics, including: MoT (the airport guy) talking about getting young people from ethnic minority backgrounds into aviation, colleagues sharing their workplace experiences during Black History Month and men's mental health for International Men's Day.

Disability Pride month: Our Disability network put on some significant events for Disability Pride month, which is the first time we have celebrated the month as an organisation. Hundreds of colleagues from across the business took part in the conversation #Letstalkaboutdisability.

Equal Skies Charter: We are supporting Aerobility on an Equal Skies charter, where industry partners in aviation and aerospace sign-up to a set of principles, values and behaviours toward people living with disability. This is an industry led response to ensure disabled people experience equal employment opportunities, access to or support from the aviation and aerospace sectors. We also supported Aerobility to host the first 'Equal Skies' conference this year.



Providing the right tools and working environment to help colleagues to perform to the best of their ability

Improved Workplace Adjustments process: We have made significant progress to develop a consistent approach to workplace adjustments, so colleagues can access the tools and support they need to help with any barriers they are facing. The first phase of this project is to focus on adjustments for non-operational, non-safety critical colleagues. The second phase of the project will research and consider what adjustments we can make for operational colleagues, as we are firmly committed to supporting all our colleagues to access support.

Our website includes information on workplace adjustments, and we ask candidates at each stage of the interview process whether they require any adjustments. We have included a section in our onboarding material for new starters, so they can request a conversation about adjustments before their first day.

Stakeholder engagement with Facilities Management: To ensure any changes or updates we make to our facilities or buildings are as inclusive as possible, we consult with our employee networks on future plans/designs and ask them to feedback on potential impacts. This has helped us to highlight potential accessibility and sensory issues with planned spaces before the changes have been implemented, as well as reduce extra cost for amendments.

We also gathered feedback from our employee networks and EDI working groups to understand what we could change to make our built environment and facilities even better.

Menopause support: In June 2023 we launched our Menopause Plan, offering specialist GP support and a personalised plan for colleagues experiencing perimenopause or menopause symptoms. Since it launched, our Menopause Plan has been used by 122 colleagues, giving them quick access to appointments and practical help for menopause symptoms. The plan is an important part of the menopause support we offer, alongside our Menopause Policy, training and manager guidance, and we have received positive feedback about the difference they have made to our colleagues over the last year. Although our menopause support is an integral part of our overall work to be an inclusive employer, we hope that by providing this benefit it will also help us to achieve our goal to increase the number of women in leadership and attract more women to our organisation.



Action plan 2025

This section details our planned actions for 2025.

Encourage more people from diverse backgrounds to join our organisation

- Pilot the Inclusive Interview Chair scheme and if successful, roll out to the wider organisation.
- Add additional information and guidance about workplace adjustments to our external website.
- Continue to work with Elevate(her) and Fantasy Wings to share insights on NATS and promote our roles to women and people from ethnic minority backgrounds.
- Develop a communications calendar to maximise our EDI partnerships and share more information about our EDI work externally to attract more diverse candidates.

Support colleagues from underrepresented groups to develop and progress in our organisation

- Explore and pilot the Level 5 apprenticeship for our female talent population and some members of our Women's Network.
- Provide additional diversity data categories through our employee self-service platform. This will help us to get a better understanding of our workforce demographic and where to focus our effort to support people from underrepresented groups.

Create an inclusive environment where our colleagues feel they belong, so we retain diverse talent

- Deliver guidance for operational line managers to support their team members going on and returning from parental leave.
- Continue to explore workplace adjustments for operational, safety critical colleagues.
- Develop policy and training for line managers around workers protection and sexual harassment.
- Include stakeholders from Information Solutions and Facilities Management in our EDI governance groups to help collaborate and ensure feedback from our employee networks and groups is factored into any change activities.
- Deliver an inclusion focussed project as part of ourcommitment to the Royal Academy of Engineering Inclusive Leadership programme.





Close from Martin Rolfe

The fact that we have improved our position in the UK Top 50 Inclusive Companies Index by 17 places in a year is a result of the hard work and passion of colleagues across the whole organisation. It was great to get the external recognition that we are an organisation that is committed to EDI and we have made significant progress in the past year.

The feedback we received from our submission will be incorporated into our action plans, which, alongside the introduction of our EDI Programme Manager and Educational Outreach Programme Manager, will ensure we continue to make meaningful changes and make NATS an even more attractive and inclusive organisation to join.

Although it is great to see such an increase in our position in the index in the space of a year, it is a contrast to our pay gap, where change has, and will continue to, take a lot longer to achieve. Rest assured we are determined to continue to identify key actions which will help to lessen our pay gaps and strive to continuously improve. Focussing on the three key EDI actions:

- The work we are doing to attract people from diverse backgrounds is working and having an impact. However, we must continue to drive this forward and tackle some of the bigger challenges such as attracting a broader range of candidates to apply for more senior roles.
- Internally, we are supporting colleagues with their career development and providing opportunities to share information and understanding around inclusion. However, the next steps are to better understand some of the barriers our colleagues from underrepresented groups may face to progressing in their careers and where possible, take steps to mitigate those so we can encourage a broader range of people to apply for senior leadership roles.
- We are doing some really good work to make our environment more inclusive and supporting our colleagues to perform to the best of their ability. Improvements, such as our new workplace adjustments process, will make a difference to many colleagues. However, I want us to continue this good work and explore what additional support we can provide to operational colleagues.

Lastly, it is important we do not work in isolation to tackle some of the more systemic issues which underpin our pay gaps. We are not alone in facing challenges such as improving female representation in the Engineering profession. We are continuing to collaborate with other organisations and looking to expand that where it will be beneficial.

In the past year, it has been reassuring to see some initial collaborations, such as our participation in the Inclusive Leadership programme through the Royal Academy of Engineering, partnerships with organisations such as Fantasy Wings and Elevate(her) and collaborations with our suppliers.

In 2025, we will continue to work with other organisations to tackle the challenges together, learn from best practice and share our insights where we have made improvements.

I confirm the information and data reported is accurate as of the snapshot date 5 April 2024.



Martin Rolfe
Chief Executive Officer

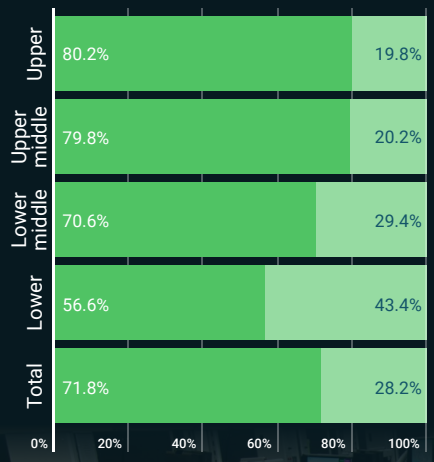


Our statutory declaration

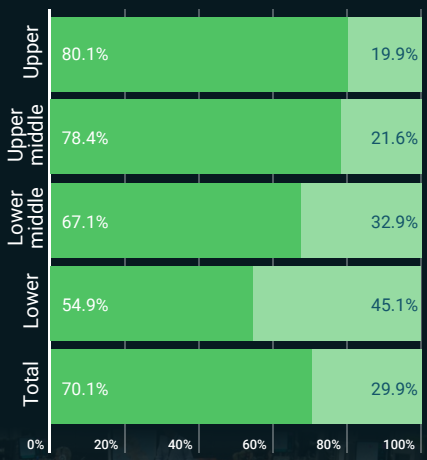
Gender pay figures snapshot 5 April 2024

	Overall	NATS En route	NATS Services
Mean hourly pay gap	**19.3%** (2023 20.5%)	20.3% (2023 21.4%)	14.3% (2023 16.1%)
Median hourly pay gap	**20%** (2023 23.5%)	21.7% (2023 23%)	13.6% (2023 17.6%)
Mean bonus pay gap	**53.9%** (2023 27.5%)	54.5% (2023 29.5%)	48.2% (2023 19.6%)
Median bonus pay gap	**0%** (2023 45.5%)	0% (2023 45.5%)	74.4% (2023 10.9%)
Proportion of men and women who received bonus pay	**31.1% Male** (2023 96.3%) **53.2% Female** (2023 92.1%)	32.9% Male (2023 95.9%) 54.9% Female (2023 91.7%)	24.8% Male (2023 97.7%) 43.9% Female (2023 93.8%)

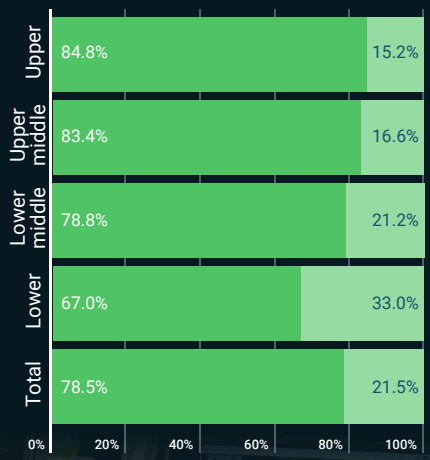
Overall pay quartiles



NATS En route pay quartiles



NATS Services pay quartiles





Useful definitions

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.

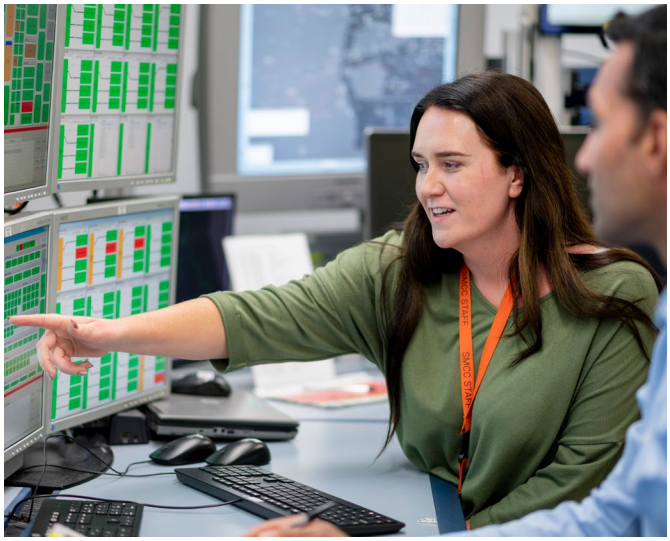
The gender pay gap however is a measure of the difference between men's and women's average earnings across an organisation. It is expressed as a percentage of men's earnings. There are a number of potential reasons for gender pay gaps, in our case it is the historic imbalance between the number of higher paid men and women employed in the company.



Pay quartiles*

Pay quartiles reflect the balance of employees in four equal sized groups based on their hourly pay. The groups are calculated by listing all employees from the lowest hourly pay rate to the highest and then dividing the entire group into four equal parts. Each quartile reflects the percentage of male and female or white and ethnic minority employees.

Pay quartiles are useful way to give an indication of women's or ethnic minority representation at different levels of the organisation.



Mean average*

The mean pay gap figure uses hourly pay of all employees to calculate the difference between the mean hourly pay of men or white employees, and the mean hourly pay of women or ethnic minority employees.

A mean involves adding up all the numbers and dividing the result by how many numbers were in the list.

Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the pay gap. But very high or low hourly pay can 'dominate' and distort the figure.

Median average*

This is the difference between the hourly pay of the median man or white employee and the hourly pay of the median woman or ethnic minority employees. The median for each category who is in the middle of a list of hourly pay ordered from highest to lowest paid.

A median involves listing all the numbers in numerical order. If there is an odd number of results, the median is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

Medians are useful to indicate what the 'typical' situation is. They are not distorted by very high or low hourly pay (or bonuses). However, this means that not all pay gap issues will be picked up. They could also fail to pick up as effectively where the pay gap issues are most pronounced in the lowest paid or highest paid employees.

*Definitions based on https://gender-pay-gap.service.gov.uk/

NATS



nats.aero