

Slavery and Human Trafficking Statement (May 2017)

NATS is absolutely committed to preventing slavery and human trafficking in our corporate activities and to complying with the requirements of the Modern Slavery Act 2015 ('the Act').

NATS is the UK's leading provider of air traffic control services. Each year we handle around 2.4 million flights and 250 million passengers in airspace over the UK and eastern North Atlantic in addition to providing services at 14 UK airports, at Gibraltar Airport and, in a joint venture with Ferrovial, at a number of airport towers in Spain. We also offer aerodrome, data, engineering, capacity, efficiency and environmental performance solutions to customers worldwide, including airports, airlines air traffic service providers and Governments. Further information on our business is available on our website www.nats.aero.

We regularly review our internal policies to ensure that they reflect best practice and comply with legislation in the countries in which we operate. The policies we have in place include:

- a company-wide Code of Ethics;
- comprehensive HR and recruitment policies;
- a Code of Conduct covering all employees and contract staff;
- a Whistleblowing policy open to all employees, customers and suppliers; and
- extensive supply chain governance, policies and procedures.

Compliance with the above is monitored by our senior management team.

Appropriate training is provided to relevant employees, for example to those involved in procurement, and employees have access to external guidance on best practice. We also adopt an open and collaborative approach with the recognised trades unions representing our employees, and aim to adopt the highest standards in recruitment, both of permanent employees and temporary workers.

In the financial year ending March 2017 we undertook a risk assessment of directly contracted (first tier) suppliers, increased our supplier due diligence, reviewed and enhanced the criteria by which we assess suppliers in relation to the Act, and undertaken further training on the Act for key personnel.

Risk Assessment

The risk assessment of our first tier suppliers was undertaken in accordance with guidance from the Home Office. Under this guidance we have considered transaction risks, partnership risks and assessed our suppliers against the risks associated with:

1. the countries in which they operate (referring to the Global Slavery Index to determine the list of the countries where slavery is most widespread); and
2. the market sectors in which they operate (in the absence of a definite list of sectors published by Government or NGO, we have assumed that high risk sectors include construction, mining, manual labour, agriculture, cleaning, recycling, waste management, manufacturing, textiles, apparel and hospitality).

The results of our risk assessment found that the vast majority of our first tier suppliers are low risk. From a country perspective, over 90% of our current suppliers are based within the 10 countries identified by the Global Slavery Index as having Governments taking the most action to combat modern slavery. We are actively seeking information from suppliers who have not provided sufficient detail.

Increased Supplier Due Diligence

Since 2015 we have been undertaking due diligence on our suppliers utilising the third party Joint Supply Chain Accreditation Register (JOSCAR) which requires suppliers to provide information on their compliance with a range of legislation, including the Act.

All new suppliers are subject to due diligence prior to trading with us, and in the financial year ending March 2017 we extended the JOSCAR due diligence process to all suppliers with whom we trade more than £250k annually.

During the year, and in consultation with the other buying organisations that use JOSCAR, we revised the due diligence questions around the Act. In particular, we made them more detailed in respect of specific actions being taken by the supplier organisation to mitigate the risk of human trafficking and modern slavery within their supply chains.

Future Developments

We are committed to enhancing our response to the risk of slavery and human trafficking over the short and longer term. Over the next year we plan to:

- roll out the enhanced due diligence questions to suppliers. As suppliers renew on an annual basis they will be subject these enhanced questions;
- work with suppliers who appear not to have specific policies on Human Trafficking and Modern Slavery to improve their level of understanding and compliance with the Act; and
- review the NATS Code of Ethics and Professional Behaviours.

This statement covers the period from 1 April 2016 to 31 March 2017 and has been approved by the Board of NATS Holdings Limited. Future statements will be updated annually and published in line with our annual report and accounts.



Martin Rolfe
Chief Executive, NATS
May 2017