

Supplier Code of Conduct

Working with our suppliers in advancing aviation, keeping the skies safe

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Welcome

Our supply chain is key to the services we provide our customers, both within the UK and overseas. We work alongside organisations that share our values and support our business objectives, and we value the benefit we receive from their expertise and capability.

Working constructively and effectively with suppliers and partners means that we can achieve our goals of transforming and enhancing the way that we deliver 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.

This Code of Conduct seeks to establish a clear understanding of what we expect of our suppliers and what our suppliers should be able to rely on when working with us.



Tim Bullock
Director of Supply Chain, Property and FM

Our values

We are safe

Our commitment to the safety of our people, operations and positive safety culture remains consistent, unwavering and permeates everything that we do.

We are one team

We accomplish more together. We share knowledge and collaborate, put team goals ahead of personal ones, trust each other to deliver on commitments and support each other.

We are courageous

We have the courage to think differently, to speak up and create a positive working environment in pursuit of our goals and to strive for better.

We are respectful

We value everyone regardless of background. We treat each other, customers, partners and suppliers with dignity and professionalism and we acknowledge the value each of us brings, our differences, and our contributions.

Our approach



Our approach

Working together

At NATS we have embedded a culture of working together and we extend this ethos to our relationships with suppliers.

We seek to work constructively and harmoniously with our suppliers through co-operation and collaboration and believe a set of principles for a shared approach helps to focus on the needs and expectations of our customers, whilst acting in the best interests of our people and our organisations.

This document summarises what we believe is required to do the right thing and that all suppliers who work with us, should follow.

Whilst we understand that supplier organisations may have developed their policies and codes of conduct, we ask everyone who works with us, or wishes to work with us, to take the time to understand our expectations and the values we uphold. Equally, we expect suppliers to hold their own suppliers to the same standards.

There may be times where we expect supplier organisations to follow our policies and standards exactly and, in these cases, we will specify those in writing.

We commit to providing the support our suppliers need from us to do the right thing. If you identify practices or behaviours that fall short of this Code of Conduct details about raising concerns can be found in this document.



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 us 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



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 strive to be 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

Business ethics



Business ethics

We strive to maintain and exceed the highest possible standards of ethical conduct in every aspect of business, including relationships, practices, sourcing, and operations, and expect the same from our suppliers. It is of upmost importance that business is conducted ethically, sustainably and within the law.

To support this, we ourselves have a business wide Code of Ethics and Professional Behaviours, a Code of Conduct, and also uphold the Chartered Institute of Procurement and Supply (CIPS) Professional Code of Ethics - Corporate Code of Ethics | CIPS

We expect suppliers to conduct business ethically and with integrity, ensuring that this also extends to their own supply chain as follows:

Anti bribery & corruption

Do not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage, even if this means losing business. All transactions must be honest, transparent and compliant with applicable laws.

Confidentiality

Ensure any communication of confidential information is authorised, limited only to those individuals who need to know, subject to a confidentiality agreement or aligns with contract clauses and protect confidential company information even after our business relationship ends with you.

Conflict of interest

Avoid situations where personal, financial, or other interests could conflict with our responsibilities our company. Any actual or potential conflicts of interest must be disclosed promptly in order that the correct business process to disclose can be followed.

Act in our best interests and ensure that decisions are made fairly, transparently, and without improper influence.

Cyber security and AI

Handle data and use artificial intelligence in a responsible, transparent, and lawful manner.

This includes:

- Protecting customer and supplier information from misuse, bias, or unauthorised access.
- Ensure robust cybersecurity measures are in place to safeguard systems and data against threats.
- Assess and mitigate risks associated with AI and automated decision-making.
- Compliance with relevant data protection and cybersecurity regulations is essential.

We expect suppliers to notify us if they use AI in delivery of a service or product to us and if AI is used in any portal that we have access to.

Business ethics

Data privacy

Protect all personal and confidential information relating to our business, customers, employees, and business partners. This includes ensuring secure handling, storage, and transmission of data in compliance with applicable data protection laws, such as the UK GDPR.

Suppliers must not misuse or disclose information and are expected to report any data breaches promptly and cooperate fully with investigations.

Fraud and failure to prevent

Maintain zero tolerance for fraud and act with integrity at all times.

Under the Economic Crime and Corporate Transparency Act 2023, organisations can be held liable for failing to prevent fraud by individuals acting on their behalf, including fraudulent misrepresentation, false accounting, and dishonest practices.

To meet these obligations, suppliers should:

- Commit to an anti-fraud culture
- Conduct regular risk assessments
- Implement proportionate, risk-based controls
- Carry out due diligence on third parties
- Provide clear communication and training
- Monitor and review fraud controls
- Report any suspected fraud immediately and cooperate fully with investigation into suspected misconduct.

Failure to meet these obligations may result in termination of the relationship and referral to law enforcement.

All allegations will be investigated, and legal action taken where necessary.

Sustainability and traceability

Operate in an environmentally and socially responsible manner.

- Minimise negative impacts across operations and supply chains.
- Support sustainable practices such as responsible sourcing, waste reduction, and energy efficiency.
- Ensure products do not contain conflict minerals or contribute to deforestation or forest degradation.
- Maintain appropriate records to provide traceability of materials and services, enabling verification of ethical and sustainable origins.

Whistleblowing

A whistleblowing process is available to report any suspicion of unethical practices, criminal acts, or fraud. If there are concerns about the conduct of our employees or a failure to meet expected standards, raise these directly with the Supply Chain Director.

Relationships



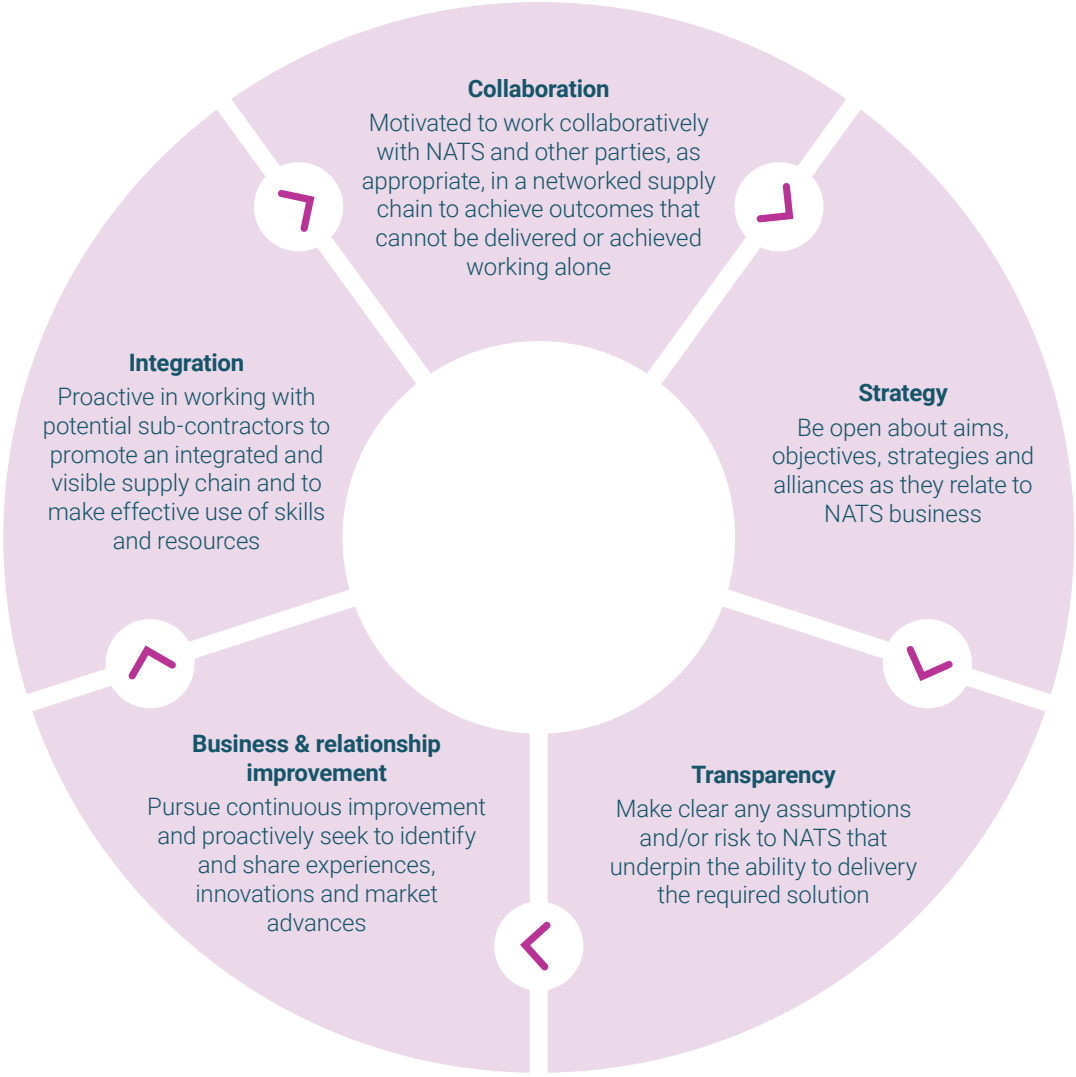
Relationships

Supplier relationship management

Our Supplier Relationship Management approach is designed to ensure that both parties' benefit from our working together.

We seek to encourage, develop and sustain fruitful and enduring relationships with our suppliers, and as the wheel demonstrates, we are more likely to achieve our goals when we operate openly and collaboratively.

We are certified to **IS04401**, the international standard for collaborative business relationship management, and we elect to operate our largest, most strategic relationships under the standard. In these instances, we ask that the supplier organisation too become certified to the standard.



People



People

We recognise the value and contribution that people bring and are committed to respecting and supporting everyone we work with, both internally and externally and want to work with suppliers who echo our values in this area. We believe that diversity is a strength and inclusion is a responsibility. We are committed to building a workplace where everyone feels respected, valued, and empowered to contribute

We expect suppliers to treat all individuals with dignity and respect, supporting fair, ethical and inclusive practices across their workforce and supply chains.

Modern slavery and human trafficking

Everyone is entitled to basic rights and freedoms, and we are committed to upholding human rights and ensuring that modern slavery, human trafficking, forced labour, and child labour have no place in our business or supply chains.

As a minimum, we expect suppliers to:

- Comply with all applicable laws and regulations relating to modern slavery and human trafficking.
- Take proactive steps to prevent and address any form of forced, bonded, or involuntary labour.
- Ensure that all workers are employed voluntarily and are free to leave their employment after reasonable notice.
- Maintain transparent recruitment practices and avoid the use of deceptive or coercive methods.
- Provide fair wages, safe working conditions, and respect for workers' rights.

Suppliers must immediately report any concerns or violations related to modern slavery to us and cooperate fully in any investigations or audits.

Inclusion and diversity

Promote diversity and inclusion within the supplier organisation and supply chain. Share policies and practices where appropriate. Decisions on recruitment, promotion, and reward must be based solely on merit—skills, experience, performance, and potential.

Non-discrimination

Ensure equal opportunity in employment, free from discrimination based on protected characteristics (e.g., age, disability, gender reassignment, marital status, pregnancy, race, religion, sex, sexual orientation).

Where local laws do not provide guidance, align with internationally recognised human rights and ethical standards.

People

Fair treatment

Create maintain workplaces that are safe, respectful and free from hostility, bullying, harassment or violence - including sexual harassment

We recognise that not all suppliers may have formal policies in place, particularly smaller organisations. However, we expect all suppliers and partners to:

- Promote a culture of respect and dignity in the workplace.
- Take reasonable steps to prevent and address bullying, harassment, and violence.
- Consider psychosocial risks as part of occupational health and safety practices.
- Engage with workers to identify and manage potential risks.
- Provide basic awareness or training, where feasible, on respectful behaviour and protection measures.

Where local laws do not provide guidance, suppliers should align with internationally recognised human rights and ethical standards.

Living wage

We are proud to be a member of the Living Wage movement, ensuring that all employees working at our UK sites, whether directly employed or contracted through suppliers, are paid at least the Real Living Wage. This rate is independently calculated based on the actual cost of living in the UK

We expect suppliers to ensure fair pay practices are in place within you organisation and that of your supply chain.

For any staff deployed at our UK sites, pay at least the Real Living Wage, as defined by the Living Wage Foundation. For other UK operations, adopt the same standard.

Outside the UK, apply fair pay practices that reflect local cost of living and align with internationally recognised standards.

More information:
Living Wage Foundation.



Social responsibility

Social responsibility

Our commitment to communities

We are committed to making a positive impact in the areas where we live and work by helping to build strong, sustainable communities. Many of our colleagues actively support charities, good causes, and local community groups, and we reinforce these efforts through our **Community Fund**.

Community Fund

The Community Fund, our internal grant scheme for community causes, continues to welcome applications from NATS employees who are either personally involved with charities and community groups and volunteer their time, or who are raising funds for charity.

Expectations for our suppliers

We seek to work with organisations that share our values and demonstrate commitment to:

Community engagement

Actively fostering social and economic development and contribute to the long-term sustainability of the communities in which you operate.

Open accountability and responsibility

Regularly reporting their **Corporate Social Responsibility (CSR)** approach and performance in a transparent manner beyond their own business operations.

Supply chain leadership

Promoting responsible practices throughout their supply chain by encouraging suppliers to adopt similar commitments and support the communities they serve



Health, safety, and wellbeing

Health, safety, and wellbeing

We are committed to prioritising the health, safety, and wellbeing of all individuals working with or on behalf of our organisation and maintain policies and procedures to ensure a safe and supportive working environment

We expect suppliers, regardless of location or size, to have the same commitment and take reasonable step to prevent harm, including physical and psychological risk and to encourage open communication and continuous improvement in wellbeing practices.

In addition , we expect supplier to align with local health and safety regulations, or where these are absent, follow internationally recognised standards such as those set by the International Labour Organisation (ILO)

Occupational health, safety, and hazard prevention

Have structured processes in place to identify, assess, and manage workplace health and safety Theses should prioritise hazard elimination, followed by engineering and administrative controls to reduce potential harm.

Emergency prevention, preparedness, and response

Identify and assess potential emergency situations and implement plans and procedures to minimise harm to people, the environment, and property.

Incident management

Establish a system in place for workers to report health and safety incidents and near misses.

Investigate, track, and manage the reports effectively, with corrective actions taken to reduce future risks.

Where necessary, provide appropriate medical support and assist workers in returning to work safely.

Environment



Environment

Our commitment to sustainability

We are committed to achieving **net zero by 2035** and becoming **carbon negative by 2040.** To reach these we actively seek partnerships with suppliers who share our vision and can support us in delivering sustainable outcomes. We prioritise responsible sourcing and champion solutions that minimise environmental impact.

We encourage our suppliers to strengthen their sustainability capabilities and participate in our **quarterly supplier forum**, a platform designed to exchange ideas, share best practices, and accelerate collective efforts toward decarbonisation.

Our expectations

We expect all suppliers to adopt and implement environmentally responsible business practices that reduce their impact on the planet.



Climate action

Measure and report greenhouse gas (GHG) emissions and maintain an action plan to reduce emissions both from your own operations (Scope 1 & 2) and through your value chain (Scope 3).

Measure and report carbon that has been emitted in delivery of the contract.

Set science-based targets that are independently verified, for example, via SBTi, and which target net zero by 2035.

Encourage and support your supply chain to take similar actions within the same time frame.



Pollution prevention and resource efficiency

Implement measures to reduce energy, water, and natural resource consumption through conservation and substitution strategies.

Hazardous substances should be minimised by applying reduction and substitution practices wherever possible



Responsible waste management

Adopt a systematic approach to identifying, managing, reducing, and responsibly disposing of or recycling hazardous and non-hazardous waste.

Best practice



Our commitment to best practice

We strive to uphold the highest standards of industry best practice in all supply chain activities.

Our commitment to best practice

To achieve this, we commit to:

Clear communication
Providing suppliers with clear, concise, and accurate instructions.

Prompt payment
Ensuring timely payment to suppliers and acting swiftly to resolve any payment issues.

Recognised standards
Applying established and recognised standards wherever possible.

Support for small and medium-sized enterprises (SMEs)
Valuing the innovation and agility of SMEs and adopting practices that are inclusive and supportive of their participation.

Constructive feedback
Offering debriefing and constructive feedback upon request, while maintaining confidentiality and promoting fair competition.

Performance recognition
Rewarding strong supplier performance through repeat business opportunities.

Conflict of interest management
Identifying and managing any potential conflicts of interest promptly and transparently.

Expectations for our suppliers

In return we expect suppliers to:

Comply with purchase order policy
Obtain a valid NATS Purchase Order before commencing any work. Under no circumstances should work begin “at risk.” We operate a strict “no purchase order, no payment” policy.

Proactive communication
Escalate concerns, issues, or barriers to fulfilling contractual obligations at the earliest opportunity.

CIPS
Chartered Institute of Procurement & Supply

NATS Supply Chain has been independently assessed through the **Chartered Institute of Procurement & Supply** globally recognised Procurement Excellence Programme and achieved Platinum standard, the highest level of certification. This includes being the first in the world to achieve the extended ESG Platinum standard.

Invoicing



Invoice payment

Invoice payment commitment

We are committed to paying all supplier invoices within agreed terms and transparently report our payment performance on the UK Government's payment practices website.

Payment terms

Payment terms will be agreed prior to contract award and included in the official purchase order.

Our standard terms are **30 days** from the date our Purchase Ledger team receives a valid invoice through one of the following approved channels:

- Electronic invoice submitted via the **SAP business network** for purchase orders issued through the same network.
- PDF invoice submitted via email to **PLServices@nats.co.uk** for purchase orders issued as a PDF attachment.

Invoice requirements

To ensure timely payment suppliers must:

- Include the correct purchase order number on all invoices.
- Submit invoices only after all work associated with the invoice has been completed and delivered.
- Use one of the two approved submission methods listed above. Invoices sent to project managers or other NATS staff will not be considered received.

Supplier responsibility

We expect you to pay your own suppliers promptly and within agreed terms, supporting fair and responsible payment practices throughout the supply chain. You are also expected to openly report their payment practices.

Management systems



Management systems and reporting

We are committed to promoting an ethical business culture, maintaining business continuity and facilitating continuous improvement.

Expectations for our suppliers

As part of this culture our suppliers should commit to:

Accountability
Allocate appropriate resources and designate personnel responsible for ensuring compliance with the standards outlined in this Code of Conduct.

Communication, training, and competency
Implement effective methods to communicate the contents of this Code of Conduct to all relevant managers, employees, contractors, and suppliers.

Provide training that ensures personnel have the necessary knowledge, skills, and competencies to meet these requirements.

Identification and reporting of concerns
Foster a workplace culture that encourages open communication and reporting of concerns or illegal activities without fear of retaliation, intimidation, or harassment.

If any concerns arise as a result of working with us, escalate them promptly through your designated business contact or via agreed reporting mechanisms.

Legal requirements
Identify and comply with all applicable laws, regulations, codes, and standards in the jurisdictions where they operate and where services or products are provided, ensuring that their own supply chain adheres to these same legal and regulatory requirements.

Risk management and mitigation
Maintain robust mechanisms to assess, mitigate, and manage risks in all areas addressed by this Code of Conduct. Communicate promptly to notify us of any issues that could impact our operations or compliance obligations.

Supplier management
Conduct thorough due diligence and risk assessments across their supply chain to confirm alignment with sustainability principles and ethical business practices as set out in this Code of Conduct.

Transparency in reporting
Maintain accurate and complete records that demonstrate compliance with all requirements outlined in this Code of Conduct. These records should be readily available for review upon request.

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