



Transition Plan: 5 Year Plan

Our route towards carbon negative

Update: April 2025

What's inside

This Transition Plan is our response to the company strategy and sets out our work over the next five years to drive sustainability performance right across the company. Our first five year plan was published in 2023; this is the 2024/5 review and update. Once again, we are setting out our case for change and showing our direction of travel, reviewing our risks to the impacts of climate change and how we are addressing them. This update also reviews our progress towards the targets we set ourselves in 2023.

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Introduction



Our path towards 2040 is set out in our company strategy. Built on what we had before, our strategy connects our business needs to the things we care about - a safe service, an inclusive and diverse culture where all colleagues can thrive, a carbon-negative future and a sustainable and profitable business. Through our purpose, objectives, and values, our strategy explains what we need to do to have a positive impact on our future and the future of those who follow us. Our strategy recognises the role we have in helping to create a sustainable future for aviation. It sets out our ambition to minimise our direct environmental impact and to become carbon negative across our estate. We commit to supporting the reduction of aviation's impact on the environment thereby ensuring aviation's crucial role in the UK's economy and to prioritising work with our customers and partners to find more sustainable solutions, including providing efficient routings to minimise the emissions of air traffic in our airspace.

We aim to be **net zero by 2035** and **carbon negative by 2040**. We will be proactive in supporting the **aviation industry achieve net zero by 2050**.

Achieving carbon negative also supports our other strategy objectives. Innovation in the delivery of carbon reduction can help us realise opportunities that support our objective to generate increased revenue and positively impact our objective to be relied on by all airspace users as we create integrated safe, efficient airspace for all.

For current and future employees, being able to deliver solutions to our carbon challenges is something we can be truly proud of. Alongside inclusion, career development and wellbeing, our environmental ambitions are, therefore, a core part of us being a Top 25 UK company to work for.

Our talented employees continue to rise to the challenge to achieve our carbon targets. We have Science Based Targets initiative (SBTi) awarded 'Business Ambition' status – the highest ambition possible. We achieved an A rating from the Carbon Disclosure Project (CDP) for our 2023/4 disclosure, the highest possible and one of only two aviation companies globally to achieve that grade. We have also been recognised for four years running in the Financial Times/Statista list of Europe's Climate Leaders, achieving the highest scoring company in 2024.

We are proud of these acknowledgements which reflect much hard work. We know that even harder work lies ahead both across our estate and with Sustainable Aviation to help the aviation industry achieve net zero. Our airspace modernisation programme is making a significant contribution in both the short and medium term until truly ground-breaking technologies in engines and fuels are developed commercially.



Our impacts – the case for change

Net Zero is our promise...

On the ground to be a net zero emissions company by 2035 and carbon negative by 2040

In the air to work with our customers, partners and suppliers to achieve a net zero aviation industry by 2050

We are in a climate emergency and catastrophic climate change will happen if decisive action is not delivered in this decade; this means action is required across everything we do. Flying has been an overwhelming force for good over the past 120 years. It has helped create a truly global community, opening up international trade and fostering an appreciation for other places and cultures. As an island nation, aviation is critical to the UK's global connectivity. However aviation is now facing a potentially existential crisis; its climate impact is in the spotlight and we must act to reduce it, and quickly.

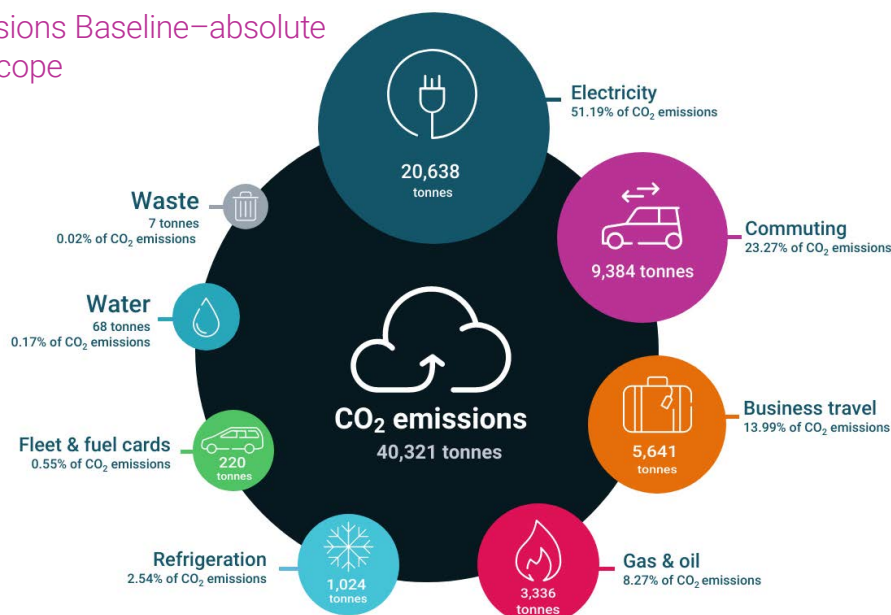
We have a role to play in this, across our air traffic operations, our communications sites, air traffic control centres and offices. We clearly contribute to the climate crisis and it is embedded in our company strategy as our plan to deliver one of four long-term objectives to 2040. Our Net Zero: 5 Year Plan and Net Zero Programme demonstrate how we will address this in the short term, pivoting our business to a low carbon world while building our resilience to the impacts of climate change on the ground and in the air.

On the ground

Our role is to keep the UK airspace operating safely 24/7/365. To do this, we operate a large infrastructure of communications, navigation and surveillance sites across the UK, providing our air traffic control centres and airport towers with the ability to communicate with and see where aircraft are positioned. Like most organisations our emissions footprint on the ground is made up of the emissions relating to our offices, travel and suppliers. Unlike most organisations, as a safety critical provider of core national infrastructure, our use of data, communications and remote sites poses a decarbonisation challenge. But it is a challenge we're up to, and we continue to make progress on, driven by a near term science-based target to reduce emissions by 41% by 2026, against our 2019 baseline.

How will we take emissions out of our remote navigation communication and surveillance sites? How do we adapt our sites to be resilient to the impacts of climate change itself and continue to provide the safe and efficient air traffic service our customers and the travelling public have come to expect every day? And all this as a net zero emissions company by 2035, transitioning to carbon negative by 2040? Our work is developing answers to these questions.

Our 2018–19 Emissions Baseline—absolute emissions target scope





In the air

Our role in the air is to deliver safe and efficient air traffic management services that minimise the emissions of the aircraft we control. The annual study for NATS by Ipsos - the [Aviation Index](#) - shows consistently that action on climate change is by far the public's top priority for the aviation industry. Not only that, but people are considering changes to their behaviour in light of climate anxiety.

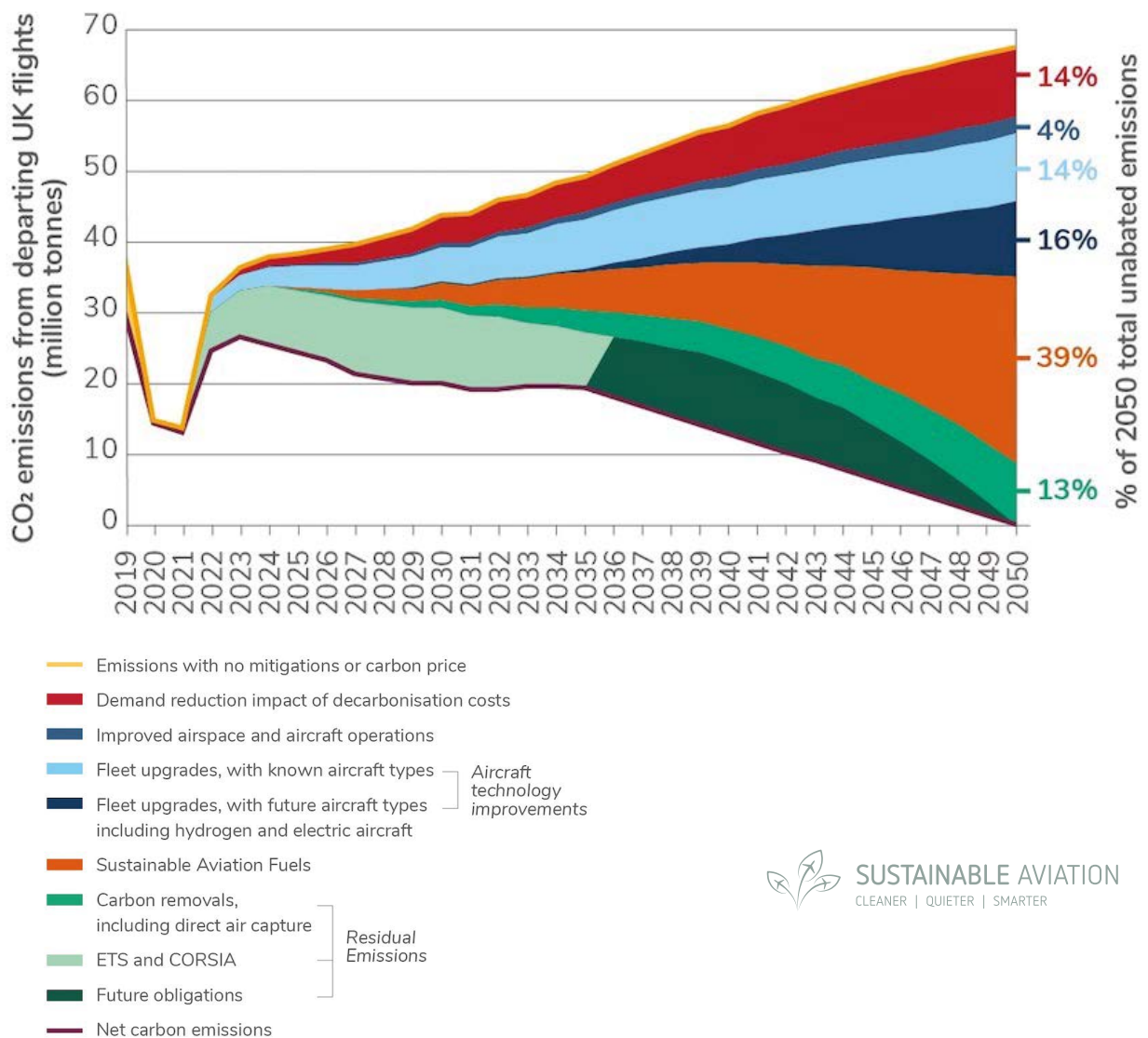
53% of respondents cite reducing emissions as the top focus for the industry in 2024. While this is consistent with 2023 (54%) it is still a significant decrease compared with 2022 (62%) and 2020 (70%).

As an industry we've further developed and fine-tuned our decarbonisation pathways over this period. As a founder member the Sustainable Aviation coalition, we're committed to play our role in the decarbonisation roadmap.

Our contribution to reducing airspace carbon emissions is as a result of planned airspace modernisation, new controller tools and delivering more efficient profiles for aircraft under our control, day by day, flight by flight.

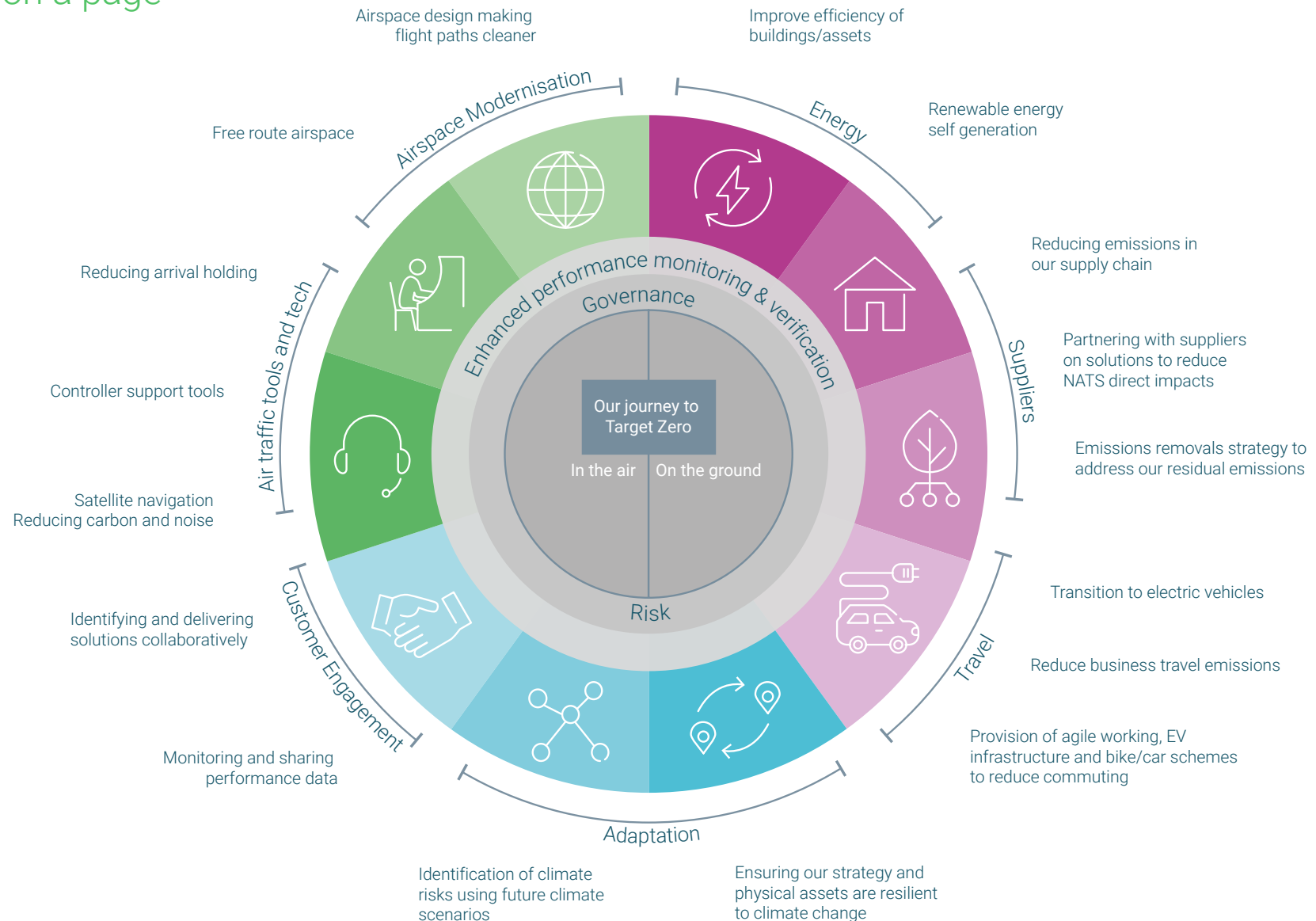
Our plan embedded in the Sustainable Aviation decarbonisation road map aims for a reduction in carbon emissions in UK airspace of 4.7% from 2019, in line with independent assessments of the contribution air traffic control can make to overall aviation emissions reduction. Our long-term airspace modernisation plans are aligned to this road-map contribution, this equates to 1 million tonnes of carbon removed from UK domestic and oceanic airspace.

Our work to deliver our part of the decarbonisation roadmap continues, set out in the 'UK Airspace' section below. As a coalition we will review our collective progress later in 2025 and will report that in our next update to this five year plan.





Our plan on a page



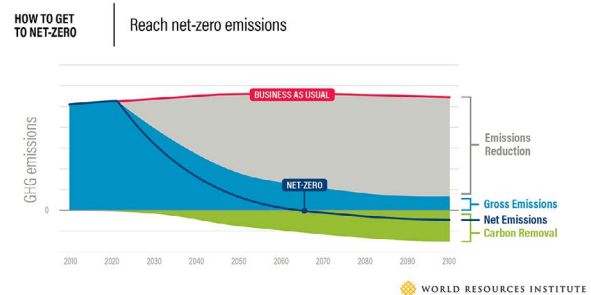
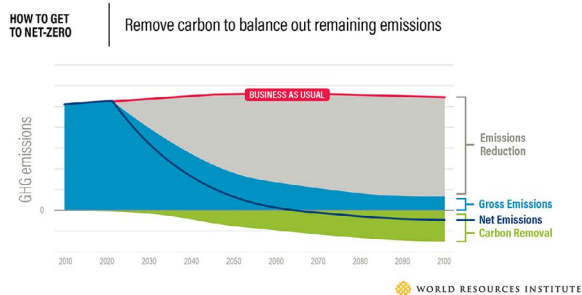
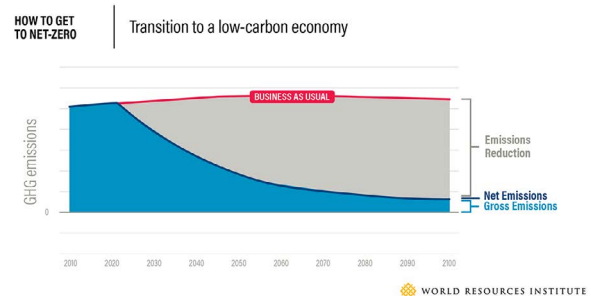
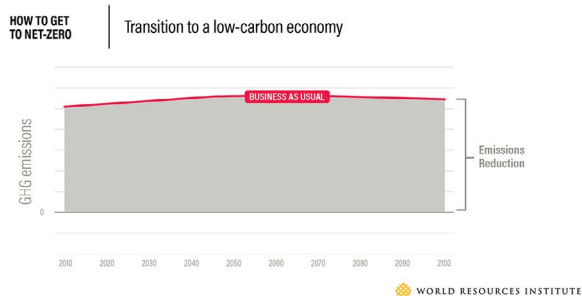


Our pathway to carbon negative on the ground focuses on achieving deep reductions in our emissions between now and 2035. By 2026 we are targeting a 41% reduction in emissions¹; a level of improvement that has been independently verified by the Science Based Targets initiative to be in line with what the latest climate science says is necessary to limit temperature rise to 1.5°C above pre-industrial levels. Simply put, by achieving this rate of reduction, which equates to just over 6% per year, we will have helped avoid the worst consequences of climate change. Our 2024 emissions target was to achieve a 29% reduction for scopes 1, 2 and selected scope 3¹. We achieved this target hitting a 34% reduction in scopes 1 and 2 and 35% in scope 3.

By 2035, we are targeting at least a 90% reduction in emissions. To achieve net zero, any leftover or residual greenhouse gas (GHG) emissions will be fully compensated

by GHG removals. This either relies on developing technologies which capture and store carbon emissions deep underground or a range of nature-based solutions that remove and store carbon from the atmosphere. Examples include, afforestation, peat bog restoration, seagrass and improved soil sequestration.

Achieving our company strategy goal to become carbon negative will mean that our GHG removals from atmosphere exceed our residual emissions. In 2024 we developed our GHG removals strategy in consultation with sustainability experts across our Facilities Management, Finance and Supply Chain teams. We are now considering the best time to activate this strategy to be ready with a portfolio of carbon removals to achieve net zero by 2035 and carbon negative by 2040.



¹ Scope 1, 2 emissions and scope 3 categories 1, 3, 4, 6 and 7. Scope 1 emissions include the direct emissions we combust or release to atmosphere from gas use, burning fuel in generators, combustion within NATS owned fleet and refrigerant losses from our air conditioning systems. Scope 2 emissions are from our use of electricity. Scope 3 emissions include business travel and employee commute, upstream energy related emissions, data centre and water. NATS targets are based on the 'location-based approach' which uses national average emissions intensity for gas use and electricity use.



On the ground — our approach



Avoid: make the right decisions to stop high emissions activities from happening

Reduce: consumption and improve energy efficiency, reduce unnecessary business and commuting travel emissions, adopt agile working

Self-generate: install on-site renewable energy

Removals: if there are no zero emission alternatives, compensate with direct carbon removals

Verification: have the full picture of our emissions and having our data externally audited

Engagement: of suppliers, employees and regulator to implement sustainable solutions, committed to ensuring our direct and indirect engagement is in line with the goals of the Paris Agreement

In the air — our approach



Service delivery: controllers aware of how they can reduce aircraft emissions

Local procedure changes: implement small scale changes to airspace and procedures

Airspace management: set our airspace up to make most efficient use, working with other airspace users like the military

Controller tools: developing solutions to support controllers in making the best decisions

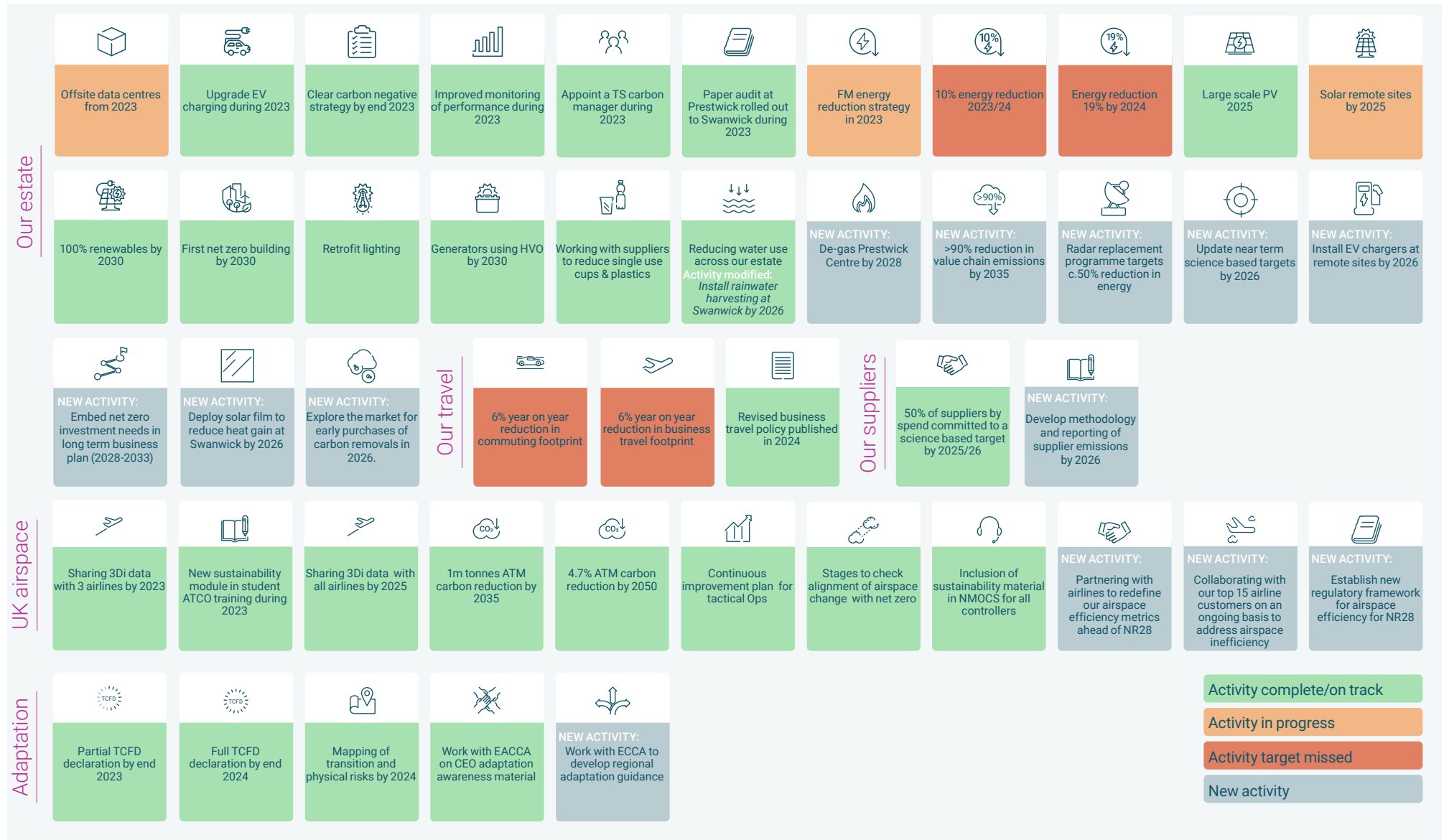
Infrastructure change: modernising and improving the design of airspace

Policy: ensuring environmental priorities are embedded through everything we do

Engagement: engaging with our people, airports and airlines on joint actions to improve environmental performance



Near term activities





Our estate

What we know

We operate a large infrastructure of communications, navigation and surveillance sites and deliver our services from air traffic control centres, airports and military towers across the UK. We also have a small footprint of operations overseas to deliver our commercial services. Understandably, energy consumption is the largest source of our own emissions, followed by travel related emissions. Both are priority focus areas for our teams in support of our net zero and carbon negative trajectory.

What we've done

We have a good track record, having reduced our electricity and water consumption across the UK by over 40% and 60% respectively since 2006, when our environmental programme began. We put in place an Environmental Management System certified to ISO14001 and in 2024 we achieved an A score for environmental performance from renowned non-profit organisation, CDP (formerly known as the Carbon Disclosure Project).

Our capital investment programme targets energy reduction and includes an internal cost of carbon. Our smart energy metering has identified a range of opportunities to reduce energy use and improvements to lighting, cooling and equipment settings have already delivered reductions. We have also progressively increased our annual procurement of renewable electricity since 2018/9 and in doing so, have been recognised as one of Europe's Climate Leaders for four years running by the Financial Times & Statista. This special report

names just 600 European companies that have achieved the greatest reduction in their Scope 1 and 2 GHG emissions.

Our near-term net zero estate targets have also been validated by the Science Based Targets initiative (SBTi) and awarded 'Business Ambition' status – the highest achievement possible. This demonstrates our targets exceed requirements to help prevent the most damaging effects of climate change and are consistent with the goals of the Paris Agreement.

We have set ourselves stretching targets to reduce our broader environmental impacts too, delivering a rolling programme of employee engagement and supporting sustainable travel with a range of bike, public transport and ultra-low emissions car schemes. Climate targets also feature in management remuneration and personal objectives align with our corporate strategy, which includes carbon negative.

Further activity has included driving down our use of paper and reducing the impact of our backup generators. Our round the clock delivery of safe and efficient air traffic services often relies on backup generators and so we are adopting a change in fuel type from diesel to Hydrogenated Vegetable Oil (HVO) so that when used, our generators have a much smaller impact on the planet.

Last but certainly not least, we own and fund a nature reserve operated by the Wildlife Trust and have identified all sensitive locations on and around our sites to ensure we protect and enhance biodiversity.





Our estate

Our 2024/5 update

Our climate targets for 2023/24 were to achieve a 29% reduction in scope 1 and 2 emissions and limited scope 3 emissions (categories 1, 3, 4, 6 and 7), compared to 2018/19. We achieved both targets and overall, saw a 35% reduction.

Solar introduced at our centres

We planned to install large renewable electricity solar schemes at our Prestwick and Swanwick centres and the first array of solar photovoltaic cells (2,600 panels) went live on the roof of our Swanwick air traffic centre in July 2024. The Prestwick Centre roof-based PV array is due to go live March 2025. By the end of 2025, installations across roof, ground and adjoining land will take the count to 12,000 panels, generating 13-21% of the centres' energy.

Target to reduce electricity consumption not yet achieved

In 2024, we procured 99.5% of our electricity from green electricity and 96% of our gas procurement was from low carbon biogas, both backed by renewable guarantees. We also delivered numerous asset upgrades to sustain and upgrade our mechanical and electrical equipment and reduce emissions. Despite this, our target to reduce electricity consumption (kWh) by 19% by 2024/25 vs 2018/19 was not met. We've achieved 16% to date and our projections are to achieve the original goal by 2026. Our plans for 2025/6 involve a renewed focus on our scope 1 and 2 emissions.

Work towards the first net zero air traffic control centre progressed

We are challenging the business and our suppliers to make any new buildings zero emissions, or as close as possible, and our plans to replace Atlantic House in Prestwick have developed this year as part of a bigger project to make Prestwick Centre the first net zero air traffic control centre in the world. In 2025, we are focusing on plans to de-gas operations at Prestwick, a vital part of making the centre net zero by the end of the decade.

Move to offsite low carbon data centres slowed

Last year we set out our aspiration to move more of our applications to modern offsite data centres with the highest possible green credentials. In 2024 our focus was to deliver a resilient service to our airport and airline customers; consequently, this has reduced our ability to move equipment to offsite low carbon data centres for the moment.

GHG removals strategy developed

We met our target to develop a greenhouse gas removals strategy to ensure we can meet our 2035 and 2040 commitments. This strategy moved through governance in 2024 and we will explore the market for early purchases of removals in 2025/26.

Other important progress across our estate

- In a significant upgrade to our existing electric vehicle charging facilities, we installed 100 additional charging points across our three largest centres to support lowering employee and business transport emissions.
- We also removed single use cups and plastics at our three largest centres and reduced water use.
- Our colleagues significantly improved our carbon emissions monitoring and forecasting tools during 2024.
- We met our target to have an energy and carbon manager in post.
- A second biodigester, to turn our food waste into soil improver, has been brought into service.

For 2025/26 we will conduct a complete Scope 1, 2 and 3 emissions inventory, develop updates to our near-term science-based targets and set a long-term science-based target, via our governance groups and Board.





Timeline status updates 2024/25



Offsite data centres from 2023

STATUS:
Delayed due to resilience focus



Upgrade EV charging during 2023

STATUS:
100 new points installed at our three largest centres



Clear carbon negative strategy by end 2023

STATUS:
Strategy now in place



Improved monitoring of performance during 2023

STATUS:
New energy tracking and forecasting tools went live in 2024



Appoint a TS carbon manager during 2023

STATUS:
In post March 2024



Paper audit at Prestwick rolled out to Swanwick during 2023

STATUS:
Swanwick audit complete



FM energy reduction strategy in 2023

STATUS:
Joint MITIE strategy in progress



10% energy reduction 2023/24

STATUS:
Missed. Focus for 2025



Energy reduction 19% by 2024

STATUS:
Delayed, expected by 2026



Large scale PV 2025

STATUS:
Swanwick roof PV went live July 2024



Solar remote sites by 2025

STATUS:
Feasibility & Options in progress



100% renewables by 2030

STATUS:
99.5%. Plan to achieve in 2025



First net zero building by 2030

STATUS:
Prestwick Centre targeted



Retrofit lighting

STATUS:
Projects complete



Reducing water use across our estate

STATUS:
UK water consumption down 63% since 2006



Working with suppliers to reduce single use cups and plastics

STATUS:
Removed from our three largest centres in 2024



Generators using HVO by 2030

STATUS:
HVO purchase increased and currently testing feasibility with manufacturers



NEW ACTIVITY:
De-gas Prestwick Centre by 2028



NEW ACTIVITY:
>90% reduction in value chain emissions by 2035



NEW ACTIVITY:
Radar replacement programme targets c.50% reduction in energy



NEW ACTIVITY:
Update near term science based targets by 2026



NEW ACTIVITY:
Install EV chargers at remote sites by 2026



NEW ACTIVITY:
Embed net zero investment needs in long term business plan (2028-2033)



NEW ACTIVITY:
Deploy solar film to reduce heat gain at Swanwick by 2026



NEW ACTIVITY:
Explore the market for early purchases of carbon removals in 2026.

Activity complete/on track

Activity in progress

Activity target missed

New activity



Our travel

What we know

With more than 170 sites across the British Isles our geographically diverse estate saw NATS employees (pre-pandemic) travelling almost 15 million miles a year on business; commuting in excess of 35 million miles. Our 2019 travel as a company resulted in carbon emissions more than 15,000 tonnes. Due to the pandemic this footprint reduced dramatically to between 2,000 and 5,000 tonnes a year, even including the carbon impact of homeworking. As we then emerged from COVID-19, our travel rose once again, and it remains the second biggest contributor after energy to our on the ground footprint. We need to entrench the lower emissions from the pandemic years as a core part of our decarbonisation pathway.

What we've done

Although travelling on business and commuting to our centres and offices has increased post-pandemic, we've continued to take advantage of agile working practices as a way of delivering a more flexible low carbon working pattern to our non-operational employees. This has limited the carbon emissions that could result from a full return to on site working. Our new, agile-ready office work environments are encouraging employees to collaborate on site when they need to, working at home when that makes more sense, limiting our emissions. Our emissions are currently running at 57% and 70% of 2019 levels for commuting and business travel respectively, which is meeting our net zero emissions reduction trajectory.

Our 2024/5 update

Our aim is to reduce commuting and business travel emissions by 6% year on year, however with employees returning to our sites and business travel increasing, it has proved a challenge to hit our reduction targets.

Additional support and guidance introduced

To provide guidance and support with making greener choices, carbon information is now included in our business travel booking tools. Champions within the business have also developed a number of local good practice guides to support low carbon business travel. In 2025/26, we plan to incorporate this guidance into our company wide business travel policies.

Carbon budgeting trial provides useful insight

During 2024 we commenced a targeted trial of business travel carbon budgeting to explore the effectiveness of different options and understand what behaviours different caps drove. This trial was in response to our pledge to consider business travel budgets by 2025. The trial has identified improvements needed with our datasets and work is in train to address these. The trial also provided us with insights into the business travel booking process and we are now tightening those processes to keep ever more oversight and control over our emissions. In 2025/26 we aim to establish an automated mechanism to deliver carbon travel data to the organisation to support the reduction of business travel emissions.

Boost for EV charging at our centres

For many years, we have run a highly popular salary sacrifice low emission car scheme. A dip-test mid 2024 found the scheme was being used by 26% of employees and so in response to ever increasing demand, we installed an additional 100 electric vehicle chargers across our Prestwick, Swanwick and Whiteley centres to encourage low carbon commuting.

Timeline status updates



6% year on year reduction in commuting footprint

STATUS:
Challenged by return to offices but meeting net zero trajectory



6% year on year reduction in business travel footprint

STATUS:
Challenged by return to business norms but meeting net zero trajectory



Revised business travel policy published in 2024

STATUS:
Local good practice guides produced. Policy changes to be rolled out across the business in 2025

Activity complete/on track

Activity in progress

Activity target missed

New activity



UK airspace

What we know

Aviation is a difficult to decarbonise sector. While a relatively small contributor to global carbon emissions, as other sectors decarbonise quickly, aviation is set to be a key element of the global carbon picture in a few years. People love to fly, aviation connects countries and people, enabling valuable economic activity and social benefits. But as aviation's share in the global climate crisis increases, the challenge is to continue to access the positive socio-economic benefits while eradicating the negative environmental outcomes. Flying is not the enemy, carbon is; we just need to take the carbon out of flying.

What we've done

We launched an industry leading sustainability programme in 2008 and became the first air traffic control organisation to become financially incentivised on its performance. As a founding member of UK cross-industry Sustainable Aviation Coalition we have worked with partners to develop an industry decarbonisation plan, a world first.

Our Three Dimensional Insights (3Di) metric has been in operation for more than 10 years, providing a basis for financial incentivisation on airspace efficiency. Using this metric, we have an ongoing commitment to continued improvement in the efficiency of our airspace. Building on our knowledge from the use of 3Di we have offered our intellectual property to any aviation stakeholder globally that would like to use it to improve their airspace efficiency.

What we will continue to do

Work with our industry partners through the Sustainable Aviation Coalition to deliver our decarbonisation plan within the UK airspace we control. Day to day we'll continue to make controllers aware of how they can reduce aircraft emissions, implement small scale changes to airspace and procedures as well as developing tools to support controllers in making the best decisions. We will work with other airspace users (e.g. military, airline and airport operators) to optimise efficiency of airspace utilisation.

2024/5 Update

Modernising our airspace

Modernising and improving the design of our airspace continues to be the single most effective way we can reduce aircraft CO₂e emissions.

A number of smaller scale airspace changes were deployed in 2024/25, and more are planned in 2025/26, including the introduction of further night-time fuel savings routes, changes to lift vertical airspace restrictions and deliver direct routings, with the aim of saving 4.58kt CO₂e.

Work has continued on the redesign of London, Scottish and Manchester airspace. Scottish and Manchester airspace has now been tested through flight simulations and both are

working towards final designs. The Scottish TMA redesign is key to increasing capacity, reducing CO₂e and reducing complexity thus enabling a reduction in coordination and interventions per flight within this airspace. By implementation, the cluster wide changes are predicted to enable savings of up to 18kt CO₂e per year through more efficient flight profiles, less airborne holding and less fuel burn.

London Airspace South is planned for four deployments, A-D, from 2029 to 2037 the first of which estimates a potential saving of 19.5kt CO₂e per year in 2029, with an overall estimation of 69.5kt for the completion of the whole portfolio of deliverables.

Introduction of new airspace management tools

We have continued to develop, implement and evolve airspace management techniques and tools across airfields. Pairwise was deployed at Heathrow in December 2024 and Time Based Separation (TBS) was implemented at Gatwick in March 2025. These projects aim to deliver 70kt CO₂e savings per year once fully embedded.

We continue to actively develop enhanced queue management tools, providing enhanced runway utilisation, enabling reductions in taxi in, taxi out as well as sequencing and metering fuel burn. This technology is planned to be delivered within the next five years to airport operations across the UK.

Continuous improvement in oceanic airspace

In oceanic airspace, the introduction of 'Sustainability Tracks' has been tested in collaboration with partners NAV CANADA, FAA, IATA, airline customers and industry experts. This follows more than a decade of continuous improvement, including the introduction of reduced separation standards, improved air traffic surveillance, communications and tools, and route-free airspace, which have each supported aircraft in flying closer to their preferred fuel-efficient horizontal and vertical trajectories. The latest sustainability tracks are designed to take account of the most fuel-efficient profiles for key city pairings transiting Europe and North America.

Further research and development continues

We continue to be a key contributor to two projects under the European research programme SESAR 3, exploring the impact and mitigation techniques on the non-CO₂ effects of aviation and the potential for emissions reductions from formation flight. We are contributing to further research on environmentally optimising route charging (SESAR-3 Green-Gear project) and internal Research & Development (R&D) activity into more efficient separation schemes, advanced trajectory management and improved delay absorption. This will continue to be an area of significant focus in 2025/26.



UK airspace

By the end of 2025 we aim to have completed a live feasibility trial of contrail avoidance through Air Traffic Management (ATM) in the Prestwick Upper airspace. This trial will demonstrate our capability to provide a service which helps to mitigate non-CO₂e warming effects, requiring cross industry collaboration and government support.

As we progress into a decade of projected growth it is imperative that we continue to focus on future tools and their role in collaborative decision making. In the next five years, we want to understand how the integration of future tools such as FF-ICE and FANS-C to support our customers to optimise their flights for fuel efficiency.

Working with our customers to enhance efficiency

We have continued sharing our airspace efficiency data with our airline customers to deliver further emissions savings and are working with customers to enhance collaboration on airspace design as well as identifying opportunities for tactical optimisations in the current network design.

We have also developed and implemented a profiling tool which will track performance metrics, support continual improvement, and integrate with Network Operations Planning. The ATM-P is a tool which provides a collaborative decision-making portal for airlines and ANSPs to identify and propose flight plan optimisations. It was successfully trialled in Prestwick during Summer 2024 and is being rolled out for

use across the UK to identify and propose lower fuel burn routings and trajectories.

Putting 3Di in focus

During 2024, we explored improvements to our 3Di airspace efficiency metric, focusing on actions we can take to support the industry's decarbonisation. We aim to deliver a 3Di benefit of up to 0.6 by the end of 2025 through enhanced engagement, small scale optimisations and profiling. In Autumn 2025 we will be delivering a workshop to all controllers on sustainability and providing actionable insights into specific controlling techniques to help us deliver a more sustainable operation.

As we move towards NR28 (our next regulatory control period, from 2028 to 2033), we have been reviewing our performance metrics and their effectiveness at incentivising improvement on CO₂e. Having been in use since 2012, our 3Di metric is in many ways industry leading, however, we recognise that it is in need of development and improvement.

A number of factors aggregated by the metric are outside of NATS' influence, which has created challenges in interpretability and practical application. As we work to develop the metric, we will be conducting incremental programs to test and refine concepts through 2025 and beyond, engaging with stakeholders, and the CAA.

Timeline

Sharing 3Di data with 3 airlines by 2023

STATUS: Complete

New sustainability module in student ATCO training during 2023

STATUS: Complete

Sharing 3Di data with all airlines by 2025

STATUS: In progress

1m tonnes ATM carbon reduction by 2050

STATUS: In progress

4.7% ATM carbon reduction by 2050

STATUS: In progress

Continuous improvement plan for tactical Ops

STATUS: Complete

Stages to check alignment of airspace change with net zero

STATUS: Metrics review in progress

Inclusion of sustainability material in NMOCS for all controllers

STATUS: Complete

NEW ACTIVITY: Partnering with airlines to redefine our airspace efficiency metrics ahead of NR28

NEW ACTIVITY: Collaborating with our top 15 airline customers on an ongoing basis to address airspace inefficiency

NEW ACTIVITY: Establish new regulatory framework for airspace efficiency for NR28

Activity complete/on track

Activity in progress

Activity target missed

New activity



Our suppliers

What we know

Emissions from our supply chain account for a significant percentage of our overall greenhouse gas footprint, so proactively engaging with suppliers, and choosing the right supplier solutions is critical to achieving our net zero ambition. Our Supply Chain team always seeks to work with suppliers who can help us deliver these outcomes in ways that reflect our own values and ethics. Our procurement process includes an assessment of the benefits that a procurement, and the supplier providing it, can bring to the Environmental, Social and Governance (ESG) aspects we are looking to advance.

What we've done

In 2022, we launched a supplier engagement programme to understand our key suppliers' emissions reduction and Equality Diversity & Inclusion (ED&I) journeys, to learn from those who were more mature than us and to help those who are less mature. We hold a quarterly sustainability forum where we bring over 30 organisations together. This includes some of our largest suppliers, some of our 'tier 2' suppliers and some of our small to medium sized suppliers, meeting to collaborate and exchange ideas on sustainability topics.

For our longer-term suppliers, we've worked collaboratively to understand how they can help us achieve our carbon negative and other sustainability goals, and also where we can help them in achieving their plans relating to carbon reduction.

Our Supplier Charter sets out our clear expectations on what we require of suppliers, and we have recently updated our standard contractual terms to reinforce this. We also support suppliers where required.

We expect the organisations we work with to increase their maturity as we increase ours. From reporting emissions, to

setting a carbon reduction plan in line with the latest climate science, to having those plans independently assessed, through to achieving the plan and ultimately net zero, we want to work with suppliers who reflect our own ambition.

In addition to reducing their own emissions, we ask suppliers to collaborate with us on innovative products and solutions to reduce emissions through all stages of our value chain, and to offer us options which can help us reduce our own carbon footprint. Our current short term SBTi targets include a target for engaging our suppliers with science-based targets and around 65% of spend is now with organisations that have committed to reduce their emissions in line with the latest climate science.

2024/5 Update

We have updated supplier terms and continue to build on our successful supplier workshops covering sustainability themes such as reducing travel emissions, employee engagement, carbon budgeting and using AI to aid sustainability.

Minimum sustainability requirements for our suppliers

The Supply Chain team have established minimum sustainability requirements by category of spend, reviewed the Sourcing Review Panel ESG scoring questions and work is ongoing to update standard Terms & Conditions (T&Cs).

Sharing knowledge and working collaboratively

The Supply Chain conference this year was titled "Sustainable operations, sustainable business", themed around sustainability. We have been using our supplier workshops to develop networks of support among our suppliers to raise the level of understanding of net zero and carbon negative outcomes. This is in service of our target to have 50% of suppliers by spend committed to a science-based target by 2025/26.

Timeline status updates



50% of suppliers by spend committed to a science based target by 2025/26

STATUS:

Achieved: 75% by capital spend and 65% total addressable spend



NEW ACTIVITY:
Develop methodology and reporting of supplier emissions by 2026

Activity complete/on track

Activity in progress

Activity target missed

New activity



Adaptation

What we know

The climate is changing, leading to different weather patterns and this will have a fundamental impact on delivery of safe and efficient air traffic services to our customers. And we need to be ready for the changes, to ensure our facilities and operational service provision are resilient to the challenges climate change presents us.

What we've done

During 2021, we completed an assessment of how the most recent UK climate projections could impact our infrastructure, this was our third such assessment. We identified nine physical climate risks based on the latest climate scenarios which point to warmer, wetter winters and hotter, drier summers along with an increase in the frequency and intensity of extreme weather events. We've been working with Airports Council International and EUROCONTROL through the European Aviation Climate Change Adaptation (EACCA) group to support the development of a harmonised approach to climate adaptation across Europe, connecting airport and ANSP action plans to identify gaps and strategies to combat the impacts of climate change on the aviation network.

2024/5 Update

Our knowledge of the impacts of climate on our operations is feeding into our long-term investment decisions, alongside requirements to reduce emissions, taking a lifecycle approach. We have been further developing our understanding of transition and physical risks, updating our 2023/24 annual report and accounts with a statement meeting the requirements of the Task Force for Climate Related Disclosures (TCFD).

Assessing risks and opportunities related to climate change

Climate change continues to alter the environment in which we live and work, and the exposure to the risks that this poses to our organisation is becoming more prevalent. During 2024 we undertook various actions to identify, manage, and calculate the financial implication of the realisation of both risks and opportunities related to climate change, and summarized this work in our Adaptation Reporting report

(ARP4) in December. This report captures the progress we have made in identifying and assessing the climate risks we face, now and into the future, and how these have evolved since our most recent ARP3 submission in 2021. We have focussed efforts on improving our methodologies using scenario analysis to identify risks, their impacts, and their likelihood of being realised.

We used scenario analysis to assess material climate-related financial risks and opportunities, and we have considered 1.5°C, 2-3°C and 4°C warming scenarios to provide a view of potential transition and physical risks through incremental, orderly and disorderly lenses. Our scenario approach to these risks focused on short (1-2 years), medium (to 2030) and long (to 2050) timeframes. Our detailed analysis assessed the Met Office's UK Climate Projections (UKCP18, RCP8.5 ~ >4oC global warming) plotted onto the locations of 206 assets across the UK and Gibraltar. These assets represent the critical air traffic control and engineering assets providing services for civil and military customers.

The results of our physical climate risk assessments are now being fully embedded into our risk management systems with clear governance from our Business Continuity group, through our Environmental Strategy Steering Group to the NATS Board.

Collaborating to combat the impacts of climate change on the aviation network

We are continuing our work with Airports Council International and EUROCONTROL through the EACCA group supporting the development of a harmonised approach to climate adaptation across Europe, connecting airport and ANSP action plans to identify gaps and strategies to combat the impacts of climate change on the aviation network.

We also continue to work with international colleagues through ICAO on the production of the latest state readiness of the global aviation system to the impacts of climate change and in doing so, ensure our own plans are good practice and fully aligned.

Timeline status updates

Partial TCFD declaration by end 2023

STATUS: Complete

Full TCFD declaration by end 2024

STATUS: Complete

Mapping of transition and physical risks by 2024

STATUS: Complete

Work with EACCA on CEO adaptation awareness material

STATUS: Complete

NEW ACTIVITY: Work with EACCA to develop regional adaptation guidance

- Activity complete/on track
- Activity in progress
- Activity target missed
- New activity



Delivering and monitoring the plan

The NATS Board is responsible for setting and leading the group's climate-related strategy and goals, and has oversight of climate-related risks and opportunities impacting the group. Following its strategy review in the year, the Board set a strategic objective to be carbon negative by 2040. This is in addition to previous direction from the Board for NATS to drive towards achieving net zero carbon across our estate by 2035 and delivering our part of the aviation industry's 2050 plans to decarbonise its operations.

During the year, the Board reviews the governance framework to ensure the remit of its committees are appropriately aligned with climate change risks and opportunities, monitoring progress against decarbonisation targets.

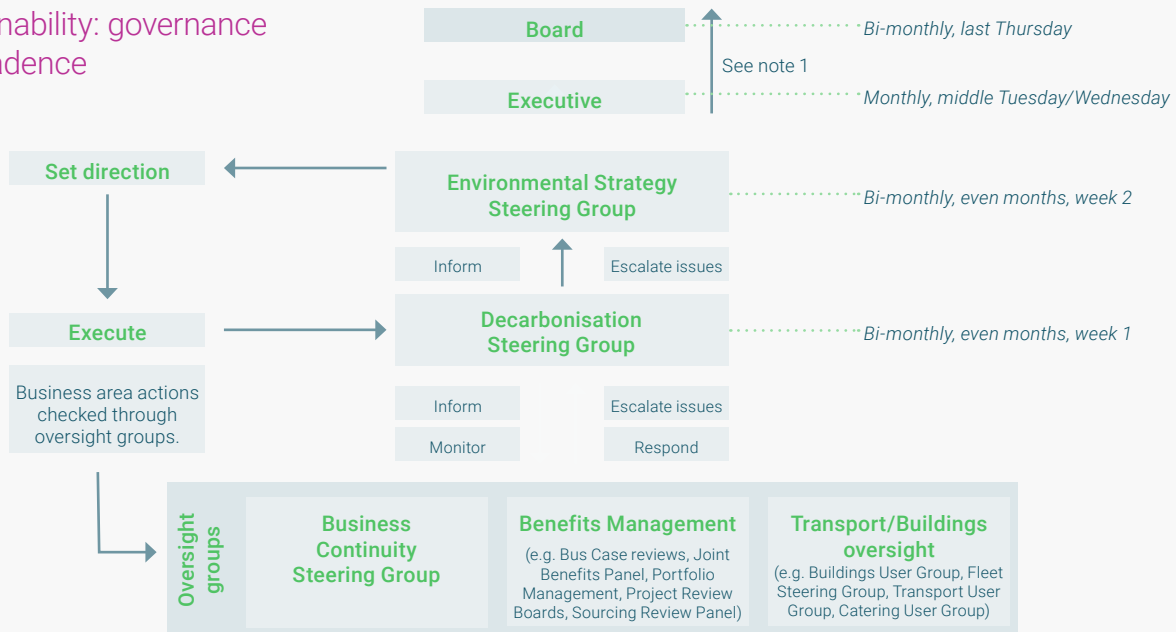
The CEO has overall accountability for the NATS decarbonisation targets and for ensuring business resilience to climate change. The Board receives updates on matters discussed at the executive level Environmental Strategy

Steering Group (ESSG), including progress against the company's science-based target for net zero by 2035 and carbon negative by 2040, as well as consideration of physical and transition climate-related issues.

The ESSG meets bi-monthly and is chaired by the Director of Safety and Sustainability and its members include the Chief Financial Officer, Operations Director, Technical Services Director, Director En Route ATM, Director Supply Chain, Director Sustainability and Communications Director.

The ESSG sets direction for sustainability activities across NATS and receives progress reports from the Decarbonisation Implementation Steering Group, whose primary objective is to manage and monitor performance towards our net zero and carbon negative objectives, supported by numerous day to day oversight groups set out in the figure below.

Sustainability: governance and cadence



Note 1: (From ESSG TORs) The Chief Financial Officer will cascade material outputs from the steering group to the Board. As minimum this shall include; annual environmental management review (March as part of Corporate Governance Code updates), two separate one slide updates c. June/Dec and mid year (Sept/Oct) update via paper.

- The Business Continuity Steering Group is accountable for ensuring the day to day resilience of the group's air traffic infrastructure to baseline climate and previously experienced weather events, as well as service continuity and recovery from such events.
- The Joint Benefits Delivery Panel oversees (among other benefits categories) ATM activities that contribute to reducing aviation emissions such as more fuel-efficient flight profiles and airspace change as well as activities which reduce scope 1 and 2 emissions from NATS estate and selected scope 3 emissions.
- The Portfolio Management team oversee Project Review Boards as a second level of benefits assurance below the Joint Benefits Delivery Panel.
- The Sourcing Review Panel is run by Supply Chain and oversees business cases for alignment with (among other benefit areas) sustainability objectives.
- Buildings, Transport and Catering user groups maintain oversight of activities in these respective areas.
- The Fleet Steering Group oversees vehicle fleet related activities to ensure they are aligned with direction and targets set by the ESSG and DISG.



Targets and progress

We have set out an environmental strategy and targets to improve our emissions performance, both in the airspace we manage and from running our business. Our promise is to be a net zero emissions company by 2035/6, carbon negative by 2040, and to work with our customers, partners and suppliers to achieve a net zero aviation industry by 2050.

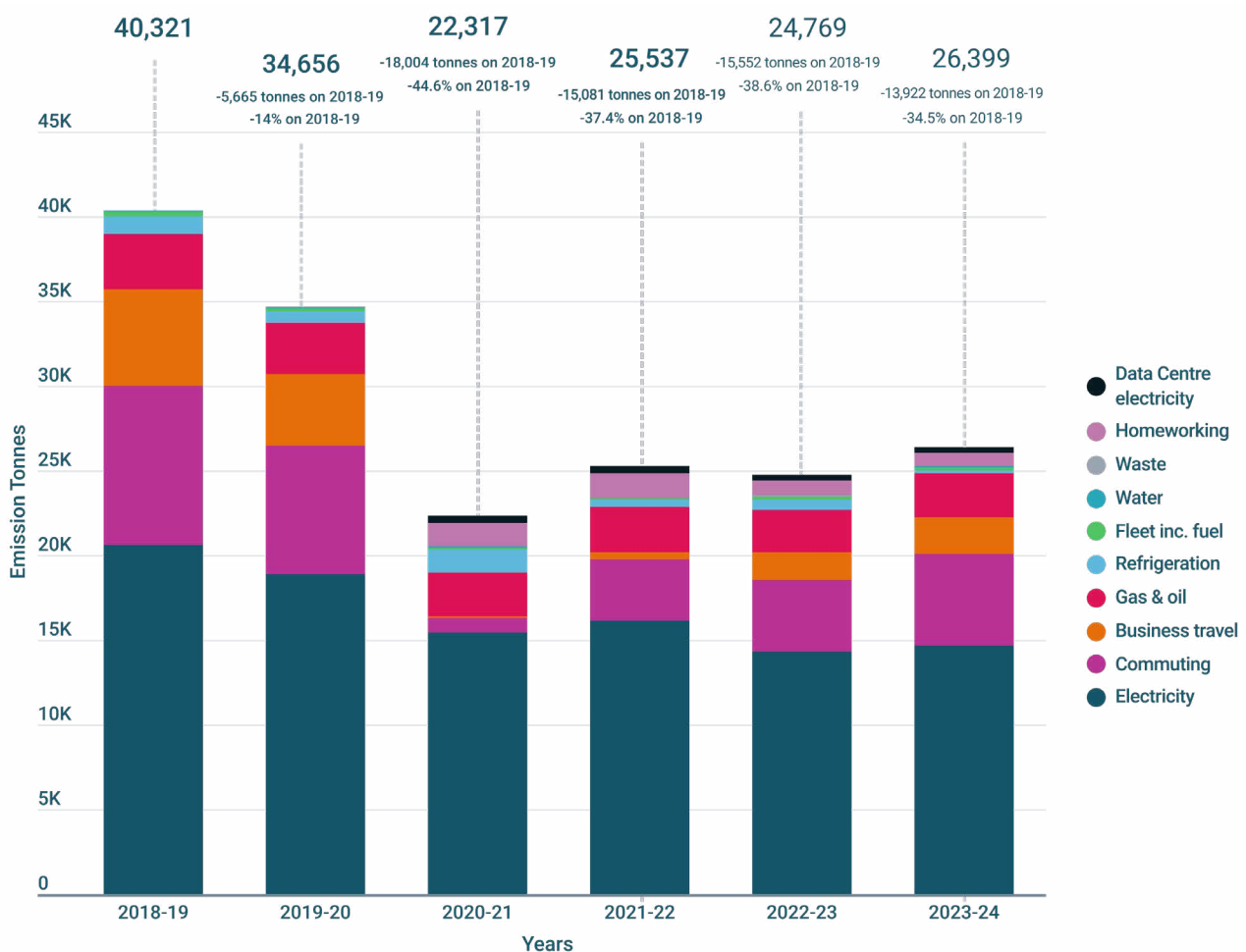
We have clearly defined, absolute, 1.5 degree aligned near-term science-based targets which were validated by SBTi in August 2022 and further awarded with 'Business Ambition' status – the highest achievement possible. These are:

- NATS Holdings Limited commits to reduce absolute scope 1 and 2 GHG emissions 41% FY2026 from a FY2019 base year (including all electricity use and direct emissions from combustion or release to atmosphere from gas use, burning fuel in generators, NATS owned fleet and refrigerant losses from our air conditioning systems).
- NATS Holdings Limited also commits to reduce absolute scope 3 GHG emissions covering purchased goods and

services², fuel and energy related activities, upstream transportation and distribution, business travel and employee commuting GHG emissions 41% within the same timeframe (Scope 3 categories 1, 3, 4, 6, 7 relating to business travel, homeworking, commuting, energy related emissions, upstream transportation and upstream purchased goods and services).

- NATS Holdings Limited further commits that 50% of its suppliers, by spend covering capital goods, will have science-based targets by FY2026³.

NATS long term net zero target by 2035/36 and carbon negative objective are based on the same scope of emissions as above. NATS use the location-based calculation methodology in its target coverage for scope 1 and 2 emissions. NATS report updates on performance annually through its mainstream [annual report and accounts](#).



²Limited to data centre emissions and emissions from supply and treatment of water.

³In practice, NATS' supply chain engagement programme covers emissions across all suppliers providing goods and services (scope 3 category 1) and capital goods (scope 3 category 2).



Assumptions

Key assumptions and dependencies used in developing this plan:

- This plan aligns with NATS' Corporate vision and strategy and is based on the organisational boundary given by NATS Holdings Ltd and subsidiaries.
- This plan will be reassessed with major changes.
- We assume that the need for rapid societal action to reduce carbon emissions will remain unchanged given scientific understanding, observed temperature and atmospheric carbon and international agreements.
- We assume the UK electricity mix will continue to decarbonise based on UK Government commitments and projections that our strategy is based. With our near term SBTi validated targets being based on location-based emissions, we are reducing consumption and investing in on-site renewable self-generation. We expect the UK electricity grid to green alongside this. Electrification of scope 1 emission sources of energy is an action step that we and many other companies are taking. We have a dependency on the grid greening, which includes increases to supply side capacity, to facilitate decarbonisation.
- We rely on the marketplace for low and zero carbon technologies continuing to innovate towards net zero, and for us and our suppliers to be able to take advantage and innovate alongside these developments.
- We're reliant on the carbon removal market for credible, verifiable, durable and reasonably priced credits, which will require the market to scale
- Our industry is reliant on policy frameworks, and stakeholder cooperation to support the continued modernisation of airspace, investment in sustainable aviation fuels and alternative lower carbon aircraft propulsion.



Glossary

Three-Dimensional insight – the airspace efficiency metric created by NATS more than 10 years ago. 3Di compares the actual flight trajectory of aircraft in UK airspace with a theoretical 'optimal' trajectory based on direct point-to-point routings, continuous climb, continuous descent and user requested flight levels. Uniquely, it measures both horizontal and vertical performance, unlike other industry metrics which measure only the vertical, and can therefore offer more precise performance measurements.

A term describing global warming and climate change, and their impacts. This term and the term 'climate emergency' have been used to describe the threat of global warming to humanity and the planet, and to urge aggressive climate change mitigation.

Refers to deeply reducing greenhouse gas emissions, before balancing unavoidable or residual emissions with an equivalent amount of emissions removals – so that the overall impact is zero

A carbon emissions target in line with the scale of reductions required to keep global temperature increase below 1.5°C above pre-industrial temperatures.

An industry coalition of airlines, airports, aerospace manufacturers and NATS, targeting cleaner, quieter, smarter flying.

The Taskforce on Climate-Related Financial Disclosures (TCFD) sets out a framework for companies to disclose high quality and consistent climate related information to help investors understand their financial exposure to climate risk and drive company action to transition their businesses to manage their risks and pursue climate related opportunities

