

Flying high: Air navigation leader achieves first-ever PEP ESG award

NATS, the UK's leading provider of air navigation services, has always aimed high in terms of both its procurement performance and net zero journey. Not surprisingly, when it came to revalidation of its CIPS Performance Excellence Programme Platinum award, NATS enthusiastically embraced the new ESG version. By weaving sustainability standards throughout the programme's evaluation process, the award has enabled NATS to measure its progress and showcase its high performance and best practices.



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The new PEP ESG got us reflecting on how we already incorporate sustainability within our procurement practices and what else we can consider so that our supply chain continues to reduce emissions, meet our ethical and quality standards, and maintains resilience long into the future. ”

Stephen Rose

Head of Supply Chain Services, NATS

CASE STUDY

PROCUREMENT

EXCELLENCE

PROGRAMME (ESG)



Close relationships

NATS is the UK's leading provider of air traffic control services, and each year handles around 2.5 million flights and 250 million passengers travelling in UK airspace. In addition to providing services to 14 UK airports, and managing all upper airspace across the UK, NATS provides services around the world spanning Europe, the Middle East, Asia and North America. It has long used CIPS PEP accreditation to demonstrate that its procurement function provides good value for money and operates at an advanced level. NATS has held the highest PEP award, Platinum, for a decade.

The nature of the air traffic management industry is that for core systems the marketplace is small and supplier relationships tend to be long term. The significance of these relationships has been reinforced in recent years, with NATS working closely with suppliers to both control costs and mitigate supply chain disruption. There was, however, one relationship-related challenge remaining: engaging the supply chain in its ESG ambitions.

On learning about CIPS new PEP ESG version, NATS realised the additional value this would offer by getting suppliers actively involved in the measurement and control of their emissions. NATS' eagerness to be an PEP ESG pioneer also reflects its commitment to becoming a carbon neutral company by 2035 and recognition that, like many businesses, significant emissions lie within its supply chain.



Everyday excellence

CIPS designed the PEP ESG to embed sustainability throughout all aspects of the procurement function, from leadership to strategy, policy to processes and systems to people. By integrating new questions and standards into the original PEP model, the new version aims to help organisations assess where they are now, drive change and build more resilient and innovative businesses.

For NATS procurement team members, the process had some unexpected high points. Demonstrating that the team meets the standard requires identifying and documenting recent examples of good practice in specific areas. Whilst some examples sprang readily to mind, others took time, sometimes days, to recall. When these breakthrough moments occurred, not only was it a relief to realise that the standard had been met, but that a specific procurement was a model of good practice provided a real boost to the team. Completing the process also forced the team to step back and consider the routine day to day against an international professional benchmark, which too, gave the team a sense of pride and accomplishment.

One of these 'right things' is a Supplier Sustainability Forum whose 40 members share emission reduction ideas and advice for measuring their supply chains - and give NATS food for thought. Another is a departmental competency matrix developed at the suggestion of a previous CIPS PEP assessor to more intelligently inform individual training plans and sustainability knowledge.



4,200 employees



handles 2.5 million flights a year



43 procurement team members



1,000 suppliers



80% of spend with 40 suppliers



£300 million annual spend



Valued outcomes

For NATS, earning the world's first ever PEP ESG Platinum award served as valuable confirmation that it has maintained performance standards and is on the right track with its work to implement sustainable practices and solutions. Including more team members in the evidence gathering process this time around has been fruitful too, resulting in greater awareness and knowledge.

The team has noted that achieving the highest possible CIPS performance award is increasing procurement's influence across the business. Not only does it enable them to talk with credibility about sustainability with internal stakeholders. It also makes people sit up and take note that procurement's strategy and practices comply with global standards when alternatives are mooted.

Propelled by its industry-critical forward focus and ambition energised by its PEP ESG experience, NATS is already developing a forecasting model to guarantee that it will reach net zero within 10 years. For use with every procurement, the model takes into account things like the supplier's net zero target date and the product's carbon efficiency and in-service life to assess whether the purchase will impede or advance NATS goal.

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As procurement professionals we have an opportunity to influence the companies in our supply chain and make a real difference to them. The new PEP ESG provides a framework to do this and helps us and our supply chain improve their performance in the sustainability space”

Stephen Rose

Head of Supply Chain Services,
NATS

The benefits for NATS

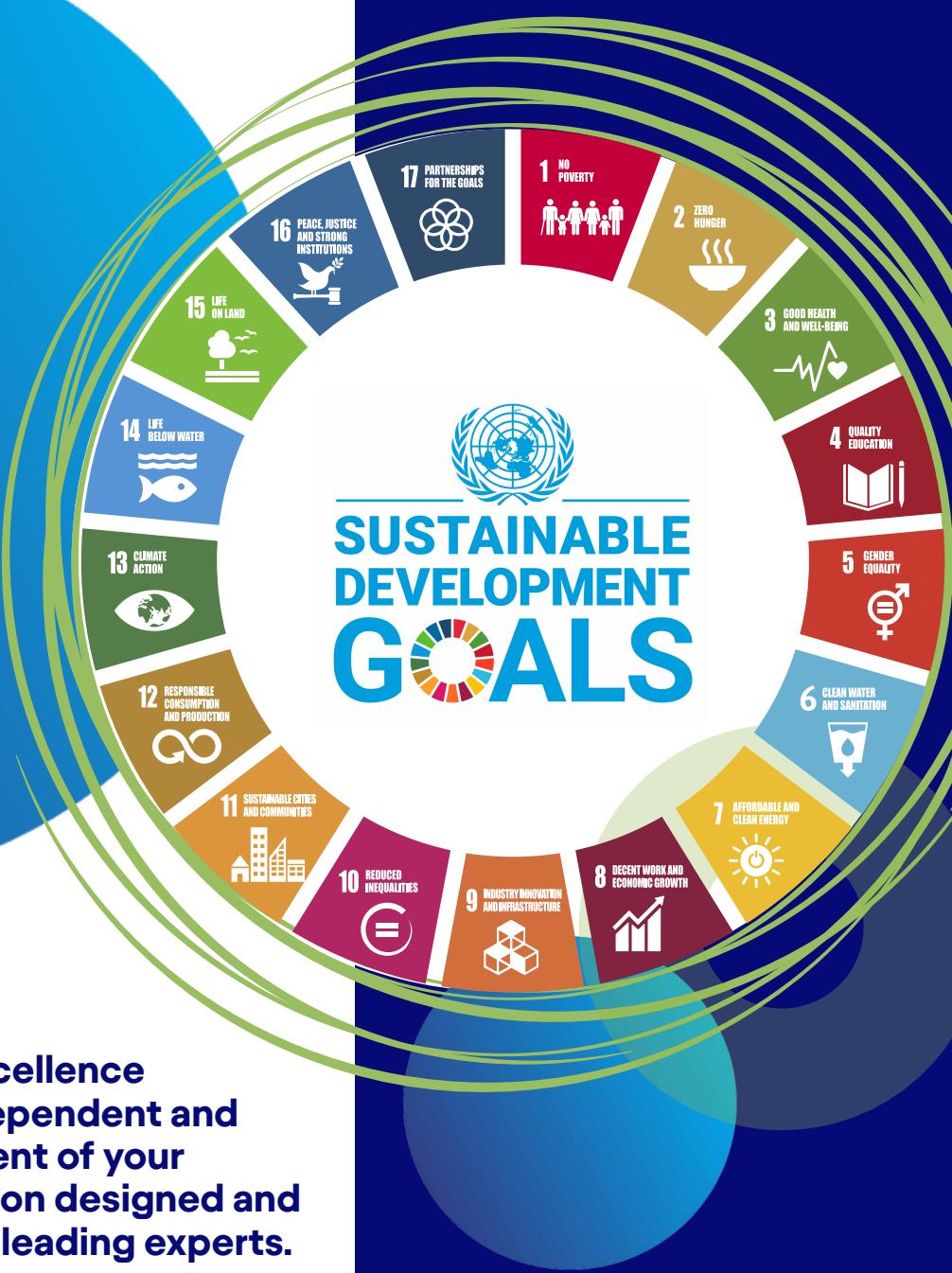
According to NATS, its commitment to sustainable procurement and achievement of CIPS PEP ESG Platinum award have enabled it to:

- Demonstrate that ESG is a strategic priority embedded throughout the procurement process
- Enhance relationships with suppliers and their practices to reduce emissions and waste
- Raise procurement's profile and its pivotal role in the organisation's net zero ambitions
- Consistently align sustainable procurement with commercial goals
- Integrate sustainability into training and development
- Protect the business from risks related to environmental, social and governance practices
- Realise cost savings through a focus on whole-life costing methods for goods and services
- Improve employee morale through pride in the company's sustainability focus and achievements
- Continually improve and innovate and stay firmly on track to be carbon negative by 2040

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With our new PEP ESG we are not changing the programme's fundamental structure or method of delivery, it's about threading sustainability throughout all of the programme to make sure sustainability is a focus for procurement professionals in every aspect of their job”

Alan Martin
Head of Procurement
Excellence, CIPS



The CIPS Procurement Excellence Programme ESG is an independent and comprehensive assessment of your procurement team function designed and delivered by world-class, leading experts.

- Globally recognised award
- Demonstrates how well your procurement function is performing against an internationally recognised standard
- Helps your organisation build a function fit and ready for future challenges

How can PEP ESG help your organisation?

Sustainability and the relationship between organisations and the natural world are of paramount importance to procurement, so we have developed our new PEP ESG Programme to drive positive change within organisations, utilising ESG as a framework to help organisations build a more innovative, sustainable and resilient way of doing business.

CIPS will support your procurement function to achieve sustainable goals and targets and make this a fundamental part of the organisation.



Scan the QR code for more information

Want to see how we can develop your procurement and supply team?

Get in touch with us:
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