

NAVIAIR



Naviair
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CSR Report 2017

Corporate social responsibility

Naviair's core activity is air navigation services. Naviair has activities both in Danish airspace and North Atlantic airspace. Through our international alliances, we are developing our business and securing a strong position with customers and partners. We are working to make it easier, better and cheaper for our customers to use the airspace – and at the same time reduce the impact on the environment – partly by cutting CO₂ emissions.

A well-informed and positive approach to corporate responsibility is thus a fully integral part of Naviair's activities and culture. This is underpinned by, among other things, our safety and quality policy, which ensures that flight safety is our number one priority. The work on corporate social responsibility has an equally important place in Naviair's strategic targets as other initiatives in our overall strategy.

Although we have not developed an actual set of ethical rules, we adhere to a number of internal guidelines that ensure job satisfaction and employee development and that we take no part in any breaches of human rights, corruption or violation of any type of legislation relevant to our activities.

Environmental and climate initiatives

Climate

Naviair's direct impact on the climate is limited to emissions from our buildings and is mainly associated with our electricity consumption, which we are constantly seeking to reduce as much as possible. Through our climate strategy, we are working to indirectly minimise the part of the impact of aviation on the climate and environment that our activities and services offer our customers an opportunity to choose to reduce. At the same time, we are constantly working towards taking every opportunity to contribute to a positive effect on the climate. This work is being carried out in continuous consultation and cooperation with our customers, and we participate in environmental and climate work in a number of initiatives, including NUAC, COOPANS, SES and SESAR.

Based on Eurocontrol's and IATA's joint Flight Efficiency Plan, we continue to develop and ensure flexible utilisation of airspace globally by means of:

- Short routes, direct routes to destinations and fuel-efficient altitudes.
- The option of fuel-efficient approaches to airports where Naviair is providing aerodrome and approach control services.
- Minimal ground delays with engines idling through efficient ATM at airports.
- Continuous Climb Operations wherever possible – with direct routes and climbs to cruising level.
- Participation in the cooperation on the development of satellite-based global surveillance of air traffic, with the opportunities this kind of system will offer for optimising the use of airspace and reducing fuel burn.

Specifically, we are implementing our climate strategy in two areas: Air Traffic Control and Energy.

Environment – Air Traffic Control

In all the focus areas involving the highest fuel consumption, we have made good headway on the development and use of climate-friendly traffic concepts. This applies to Free Route Airspace, Continuous Climb Operations, Continuous Descent Operations, Extended Arrival Management and Required Navigation Performance. We continued our efforts in all these areas in 2017. There are no specific targets for the above areas, which instead function permanently as an integral part of the way we operate ATM. We are constantly seeking to optimise our processes to enable our customers to fly safely and in a way that is also environmentally correct.

By providing Free Route Airspace in Danish-Swedish airspace, we are indirectly helping to reduce the CO₂ emissions resulting from aviation. Free Route Airspace was introduced in the Danish-Swedish FAB in 2011. Since then we have been playing an active part in the efforts to expand the Free Route Airspace area, and in November 2015 Free Route Airspace was extended to cover the entire Nordic area. Through Borealis – an alliance between the ANSPs in Denmark, Sweden, Norway, Finland, Estonia, Latvia, the UK, Ireland and Iceland – we are cooperating on a further expansion so, according to the plan, the whole of Northern Europe will be included in 2021.

Eurocontrol calculations show that Free Route Airspace in the Northern European area can reduce airlines' total CO₂ emissions by 47,000 tonnes per year and NO_x emissions by 210,000 tonnes per year. At the same time, the airlines will be able to save a total of 15,000 tonnes of fuel per year, which, according to calculations, will result in an annual saving of EUR 21 million. If the airlines choose to make use of Free Route Airspace, Naviair will thus contribute indirectly to a considerable reduction of CO₂ emissions.

At all airports where Naviair manages traffic, clear noise restrictions are in place that safeguard the surrounding areas against unnecessary noise inconvenience from aviation. We of course adhere scrupulously to these restrictions and in addition we contribute actively to reducing noise at and around the airports by applying the most efficient traffic procedures.

At the global level, Naviair is helping to create the basis for very significant future reductions in greenhouse gas emissions through our partnership with Aireon. Aireon's satellite-based surveillance gives the ANSPs access to full surveillance of air traffic throughout the world, so that safety distances can be reduced and air traffic can proceed much more efficiently than previously, partly because aircraft can carry out a number of altitude and course corrections en route and thus exploit optimum wind conditions during flights. In addition, full aircraft surveillance will make it possible to establish a route structure that is much more flexible than before.

This improved surveillance will constitute a major advance for ATM.

In addition to the safety benefits, the system will also provide an opportunity for the ANSPs to use airspace much more efficiently than today. This in turn will enable the airlines to save fuel and flying time and save the environment from considerable quantities of greenhouse gases.

Specifically, a calculation carried out by Nav Canada shows that there are considerable financial and environmental gains to be made from this. Globally speaking, more than 900,000 intercontinental flights per year will benefit from better surveillance. This will result in an annual reduction of greenhouse gases equivalent to more than 10 million tonnes of CO₂ and fuel savings worth more than DKK 1 billion.

Our aim with all our services is to give customers the best environmental choice but without compromising on safety. It is our opinion that, because of the way we deal with environmental and climate-related issues, Naviair does not expose society to serious environmental or climate-related risks.

Environment – Energy

We constantly strive to minimise our energy consumption.

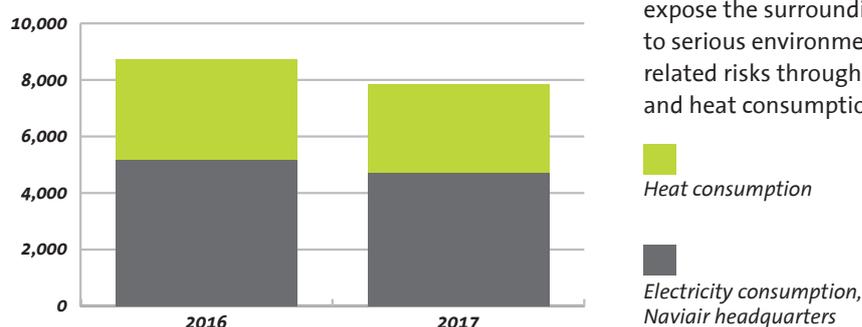
Naviair has many large, energy-consuming installations. With activities 24/7, 365 days/year, our energy needs are considerable. For example, we use energy for our technical installations, which need a great deal of energy for both operation and cooling.

In 2017, our electricity consumption in Copenhagen was 4,718 MWh compared with 5,181 MWh in 2016. This reduced consumption is mainly due to our cooling strategy and the resulting conversions. In 2016, we replaced our cooling machinery with new, more energy-efficient equipment and shut down the local cooling systems. Indeed, in 2017, after putting phase one of a new groundwater cooling system into service, we have seen a reduction in our electricity consumption. We expect further savings in 2018 onwards, but not on the same scale because of the energy consumption required to maintain groundwater energy balance. We expect to be able to cut our annual energy consumption by approximately 500 MWh and reduce our CO₂ footprint by approximately 275 tonnes per year.

Our heat consumption in Copenhagen was 3,125 MWh in 2017 compared with 3,557 MWh in 2016. The variation in heat consumption is due to a natural variation as a result of a warm winter in 2017.

It is our opinion that Naviair does not expose the surrounding community to serious environmental or climate-related risks through our electricity and heat consumption.

Electricity and heat consumption
(MWh)



Social and employee relationships

Social relationships

We have a general staff policy, which sets the framework and ensures that we are an attractive and challenging place to work, which offers individual employees the chance to develop their professional and personal skills and also matches Naviair's targets and tasks.

We make determined efforts to maintain our position as an attractive company and a good workplace. This is essential in order to ensure that our employees are able to meet the high demands we make on their day-to-day efforts and results.

Naviair's policies and practice for recruitment, pay, promotion, working conditions and skills development ensure that discrimination is avoided and decisions are made on the basis of objective criteria. Policies and actions are an integral part of Naviair's day-to-day management and culture and are developed in parallel with our strategies.

As a minimum, our job vacancies are posted on a public site and our external website so that everyone has the opportunity to apply for both employee and management posts. In the case of management posts, an appointment committee is set up that includes a trade union representative. In 2017, we ran 52 internal and external recruitment drives as well as the annual pay negotiations between trade unions and management.

In our job advertisements, we encourage anyone with the right qualifications to apply for jobs at Naviair, regardless of age, gender, ethnic back-

ground etc. We do that because we think that diversity strengthens our company.

We also help to share society's responsibility for providing training and jobs for young people. In 2017, we had 16 students, apprentices and trainees in training at Naviair and Entry Point North.

One of our priority targets is a high level of employee satisfaction. We therefore regularly conduct surveys of employees' satisfaction with their workplace and managers. In 2017, we carried out a 3-in-1 survey, comprising an assessment of manager, job satisfaction and working environment to help us to maintain focus on employee satisfaction and management development. The response rates were 72 per cent for the job satisfaction survey and 92 per cent for the management performance survey. This survey, like previous surveys, once again confirmed a high level of satisfaction among Naviair's employees, and that Naviair has both competent and confidence-inspiring managers.

Naviair complies with all legislation and regulations on consultation relating to expansion, signage etc. and has a good, ongoing dialogue with Tårnby Municipality.

Naviair has a policy for external sponsorships and to a limited extent sponsors activities whose purpose could be advantageous for Naviair's business and/or reputation. Naviair also sponsors activities arranged by aviation industry associations, such as CANSO, IATA, IFATCA and IFALPA.

Naviair does not sponsor or support charitable or similar organisations.

Employee information

It is important that our employees' skills are always at a level that meets any requirements arising both during the exercise and development of air navigation services and supporting activities.

Based on our personnel policy, we therefore ensure that all employees' levels of training and education and skills satisfy the highest standards. This applies to both air navigation services, technology and administration.

We have structured our supplementary training and skills development into a skills plan for organisation and employees. We use the plan as our guiding document in this area. Together with our Technical-Operational Development Plan, the plan underpins our overall Business Plan as a management tool for the company's continued development.

Course days 2017

	2017
Initial Training	1,104
Unit Training, excluding On Job Training	367
Maintenance Training	1,220
Human Factor	281
Management Courses, Internal and External	127
Administrative and Health and Safety Training	4

Skills development is thus a part of Naviair's overall business strategy. Employee skills are developed and maintained through determined efforts while coaching and further training motivate employees to do their best to execute tasks in a safe, capable and efficient manner.

Through Entry Point North and in-house training, we ensure that new ATCOs start out at the highest level. Through regular supplementary training, the skills of our ATCO group are continuously updated, so that everyone is conversant with the latest procedures at all times.

We also maintain a high level of knowledge and skills in the technical and administrative areas through continuous supplementary training and skills development.

Employees are kept constantly informed via an employee portal, accessible to all, where everyone can access our Business Plan, Technical-Operational Development Plan and Skills Plan. The same applies to all staff policies and the staff handbook, as well as an overview of employee representatives (union representatives and health and safety representatives).

We focus strongly on the employees' right to be heard so that they can influence the company and company conditions as well as ensuring employees are informed of this. We therefore also hold four annual dialogue meetings, where members of the

Executive Board and senior executives take the podium and talk on selected topics that affect the way Naviair operates. Topics reflect management's ambitions, goals and outlook, and the employees are invited to a dialogue on these topics.

Joint consultation committees have been set up at both general and local level and the deputy chairmen of both our main and local joint consultation committees are employee representatives. The main joint consultation committee meets at least four times a year and as required, if requested by the company.

We respect and comply with labour market legislation, including collective agreements, agreements, health and safety legislation and specific safety requirements as well as other circulars, guidelines and provisions that apply to Naviair.

Naviair itself does not negotiate collective agreements centrally. The Agency for Modernisation under the Ministry of Finance negotiates on our behalf. However, we have a large number of local agreements on working hours, including arrangements for flexible working hours and taking account of work-life balance, various bonuses, allowances etc. All agreements are negotiated between management and the relevant trade unions.

Naviair employees are largely able to plan their own working hours. Operational employees know the duty roster

about 40 days before implementation and have the opportunity to swap and change shifts if they wish. Administrative and technical employees have a flexi-time agreement, under which they can come and go within the framework of the agreement. Also, any employees have the option of taking home a laptop and working from home. Compared with an average working week of 37 hours, this creates good opportunities for individuals to organise their own working day and creates extra time both at work and at home.

We respect the individual's right to organise him/herself and negotiate pay within the framework determined in the legislation and agreements. We emphasise the importance of complete freedom of association in trade unions.

The elected union representatives and health and safety representatives are given special protection from dismissal.

Employees have the option of taking a union representative with them to various types of interview to ensure that they are given the best possible support and their rights are not infringed.

Our company's development is founded on a high degree of involvement of employee representatives. Dialogue and cooperation between management and employee representatives in both formal and informal forums is one of the basic principles of our company.

A health and safety organisation made up of both managers and employees has been set up. Eight health and safety groups have been set up, covering the whole of Naviair, as well as special health and safety groups in the Faroe Islands and in Greenland. The main health and safety committee



meets four times a year and discusses the working environment and relevant measures relating to both the psychological and physical working environment. The final meeting of the year plans the focus areas for the following year. In 2017, focus areas included job satisfaction and follow-up on sickness absence.

Of course, we also work on maintaining a good, safe working environment. The Health and Safety Committee continuously monitors health in the company by measuring the psychological working environment and assessing the physical working environment. In recent years, we have consistently been awarded green smileys in connection with the inspections by the Danish Working Environment Authority. In 2017, a single occupational injury

was reported to the Danish Labour Market Insurance. The injury did not result in absence. Naviair has a sickness absence policy for minimising absence as much as possible by monitoring employees' absence with focus on retention. The absence target for 2017 was an average of 7.5 working days per employee, including long-term absence. In 2017, average absence was 7.0 working days per employee, so the target figure was met.

We are affiliated to the Falck Health-care scheme, which employees can contact anonymously for support, and we have trained a team of stress counsellors, who help employees with private and work-related problems.

Naviair continues to focus on a safe and healthy workplace through

policies and workplace assessments. For example, at least 30% of the food served in the canteen is organic and prepared in our own kitchen. There is also a scheme for fresh fruit to be delivered on every working day.

The average number of employees at Naviair in 2017 was 625. This included 260 on secondment to NUAC.

Employee turnover was 6.2% in 2017.

Good, orderly conditions for Naviair employees ensure that there are no major risks for our workforce.

Employees

	2016	2017
Average number of employees	646	625
Average number of employees on secondment to NUAC	269	260
Employee turnover	5.7	6.2

Human rights

Naviair does not have a specific policy on respect for human rights. We do not consider it relevant to have such a policy, partly because all our direct activities are exclusively in Denmark and the North Atlantic area and all our staff are therefore employed under Danish collective agreements with all the rights that this implies. When entering into contracts with external suppliers, if applicable we insist on the inclusion of social clauses obliging our suppliers to create an inclusive labour market in terms of diversity, observance of current working environment regulations, collective agreements and legislation.

In 2017, we signed four contracts for building and civil engineering works all of which contain work clauses against social dumping. These contracts also include a requirement for documentation and sanctions for failure to meet this requirement.

We do not consider that there are major risks of infringements of human rights in the tightly regulated industry in which we operate.

Anti-corruption and bribery

Naviair does not have a specific anti-corruption and bribery policy. A policy of this kind would not be relevant to Naviair, as all the activities and services we supply are regulated by ICAO, the EU and Danish authorities. There is thus no possibility of securing particularly advantageous conditions in our services, as all customers are treated alike. Similarly, when it comes to bidding, we are covered by EU procurement rules.

When we invite EU tenders for goods, services or building or civil engineering works, in addition to the mandatory grounds for exclusion in Sections 135-136 (corruption, fraud, terror,

money laundering etc.) of the Danish Public Procurement Act we also make use of the discretionary grounds for exclusion in Section 137 (bankruptcy; anti-competitive agreements; breach of environmental, social or labour laws) with a view to selecting suppliers with a high degree of professional and social integrity.

We do not accept any breaches of the legislation in the air traffic area or any other legislation relevant to our core business. Consequently, we have a set of internal guidelines that ensure that we comply with relevant legislation. We have appointed an internal Compliance Officer to ensure that we do so. The Compliance Officer carries out regular audits to ensure that the legislation is observed in accordance with our concepts, including anti-corruption.

Naviair continually needs to process personal data and therefore takes responsibility for processing it in accordance with the Danish Act on the Processing of Personal Data. In addition, the extent and nature of Naviair's processing of personal data is regularly monitored.

Finally, it is one of Naviair's principles not to accept gifts from suppliers, partners etc. In this area, we are aware of markedly high moral standards among our employees in complying with this.

In the light of the above, it is not considered that bribery or corruption is a major risk to either Naviair or society.



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CSR Report 2017, published April 2018

*Photo on front cover: air greenland Airbus 330-200
engine photographed above Greenland*

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