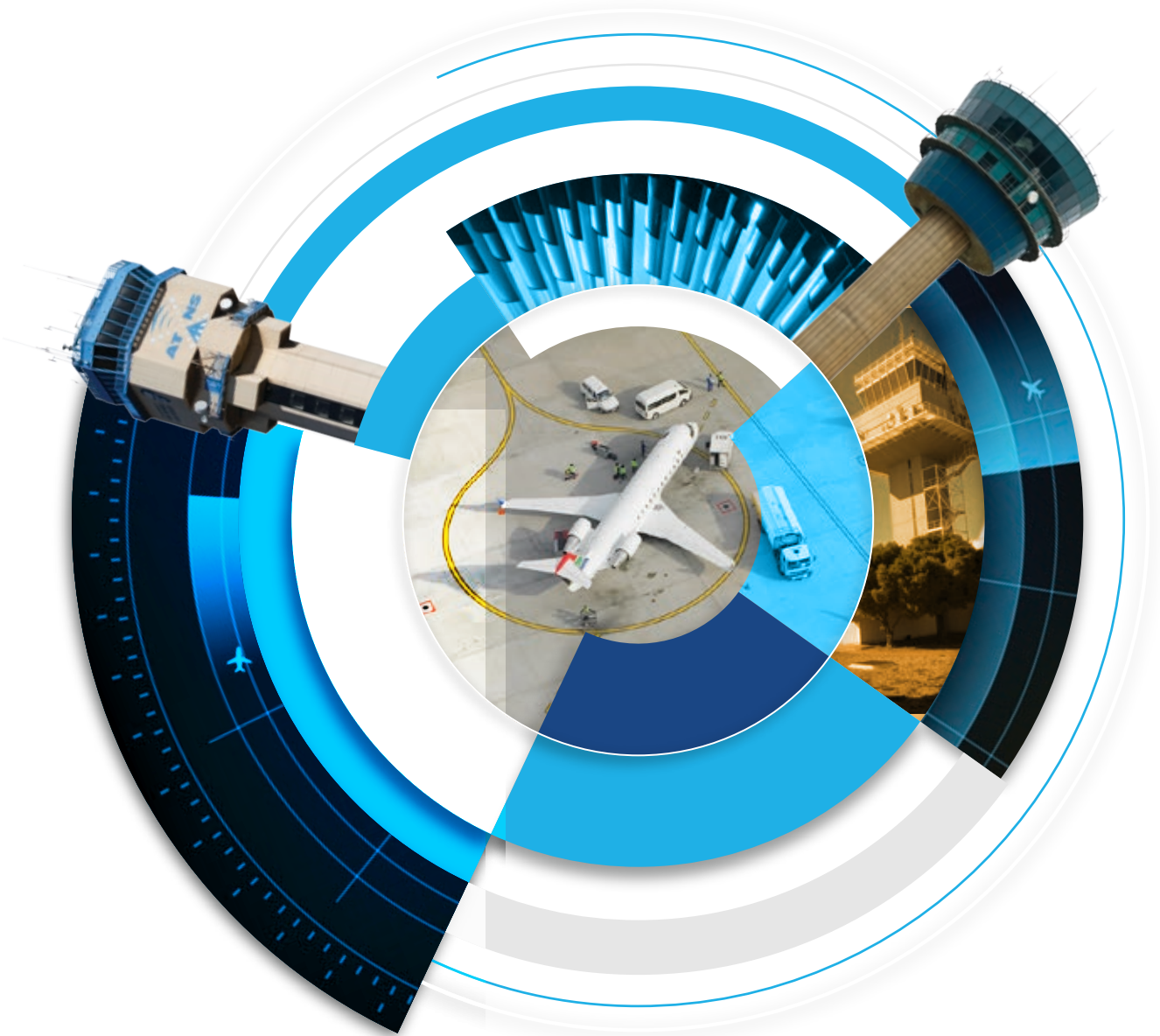


# 20 Integrated Report

24 Air Traffic and Navigation Services (SOC) Ltd



## Navigating our report

Throughout the report, we use icons to denote a correlation with our capitals and pillars.

## Our capitals

-  **Financial capital**
-  **Intellectual capital**
-  **Human capital**
-  **Social and relationship capital**
-  **Manufactured capital**
-  **Natural capital**

## Our strategic objectives

- S01** Maintain financial sustainability
- S02** Ensure safety and efficiency of operations
- S03** Be the leading training academy on the continent
- S04** Create an adaptive and innovative enterprise
- S05** Develop a future fit workforce
- S06** Improved stakeholder-centric management
- S07** Increased business transformation
- S08** Improved environmental stewardship

## Our materiality themes

- 1: Air traffic safety
- 2: Effective governance
- 3: Skilled workforce
- 4: Competent and capable management
- 5: environmental, economic and geopolitical instability[RS2]
- 6: Sustainable modern business
- 7: Attractive and sustainable growth strategy
- 8: Partnerships
- 9: Economic and geopolitical instability
- 10: Environmental and community impact

## Our pillars

-  **Service excellence**  
Providing services that meet or exceed customer needs and expectations
-  **Sustainability**  
Developing a resilient and responsive organisation that is able to create long-term value
-  **Innovation**  
Creating an adaptive organisation at the next frontier of development

## Our key stakeholder groups

-  Employees
-  Customers
-  Business partners
-  Regulators, governments and associations
-  Shareholder
-  Communities and society

## UN Sustainable Development Goals



## Access our online reports



# Introduction to our report

The aim of this integrated annual report is to offer a fair and well-rounded analysis of the capacity of Air Traffic and Navigation Services SOC Limited (ATNS) to generate and maintain value in the current operational environment. This report informs you about our operational and financial performance in the light of our plans, stakeholders, governance, material issues, risks and opportunities and how this influences our strategic objectives and future plans. We show how we create value and impact as an integral part of the Southern African Development Community and beyond and how we will ensure that our value creation is sustainable. This report covers our activities from 1 April 2023 to 31 March 2024.

## Basis for preparation

Our report has been prepared in adherence with the Public Finance Management Act 1 of 1999 [PFMA], Companies Act 71 of 2008, Generally Recognised Accounting Practice and King Code on Corporate Governance for South Africa 2016™. The report was compiled using the principles and content elements contained in the International Integrated Reporting Council's International Framework (2021).

## Materiality

The report covers the social, economic and governance aspects that are material to our ability to create and preserve value over time. A matter is considered material if it can substantively affect our ability to create value.

Our materiality matters were reviewed by executive management and approved by the board in line with best governance practices. The material matters are: (i) sustainable modern business; (ii) good governance; (iii) skilled workforce; (iv) air traffic safety; and (v) environmental, economic and geopolitical instability.

## Forward-looking statements

Certain statements in this report are forecasts of future results and, consequently, could not be

determined at the time the report was signed off. Forward-looking statements involve inherent risks and uncertainties and actual results may vary considerably from predictions.

## Approval and assurance

Our board believes that this report addresses all material issues and fairly presents the company's integrated performance, outlook, strategy and perspective on future value creation. This is in accordance with the international framework.

The board acknowledges that it holds ultimate responsibility for the integrity and completeness of this report. With the assistance of executive management, Audit and Risk Committee and other board committees, the board considered the preparation and presentation of the 2023 integrated report and the audited annual financial statements, which appear in an accompanying document, a true reflection of the state of the company.

## Our reporting suite

Our integrated report is the primary report for our stakeholders. It is structured to show the relationship between the interdependent elements involved in our value story.

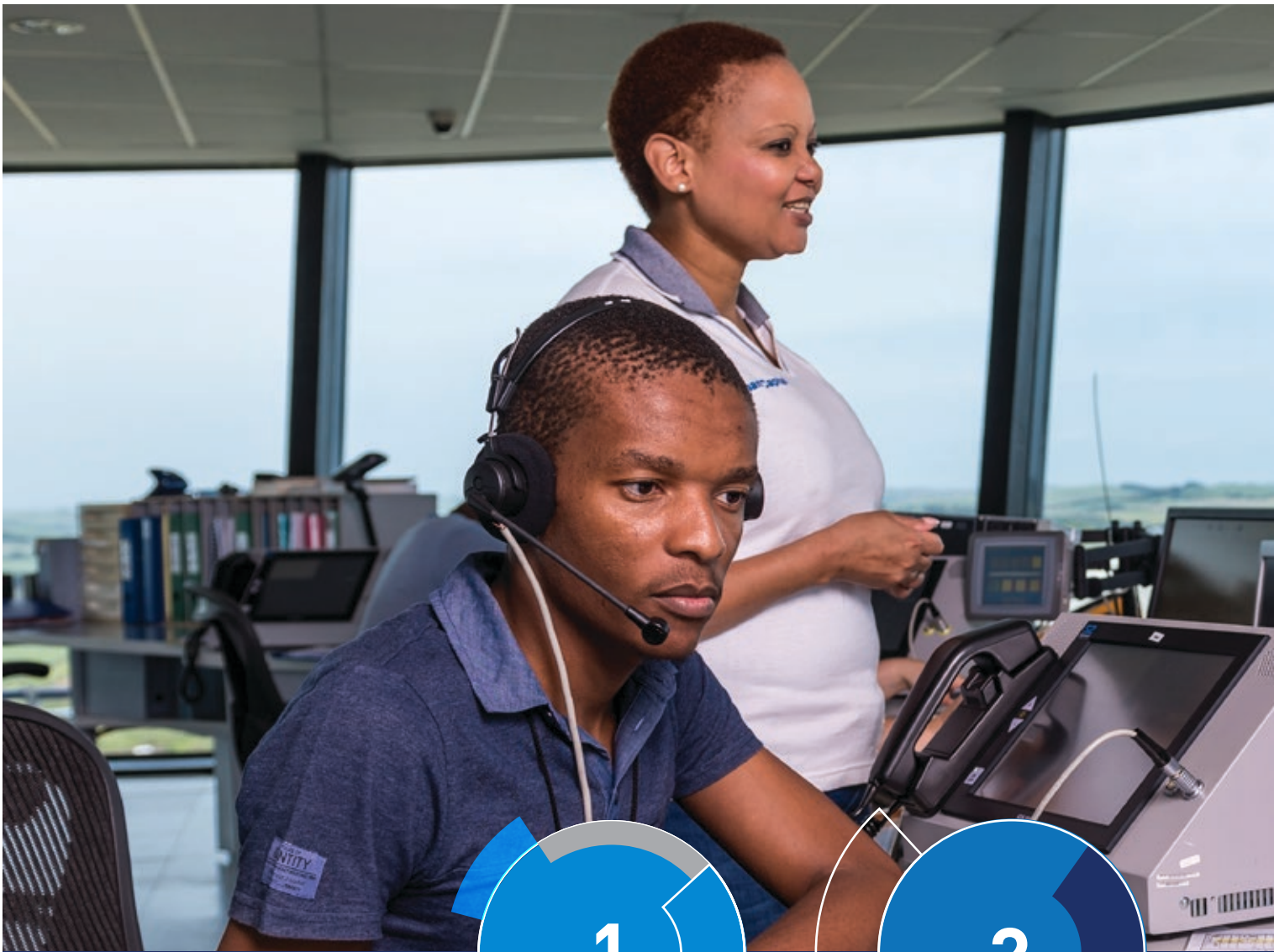
## Our annual financial statements

Our annual financial statements provide a comprehensive report of our financial performance for the 2024 financial year (1 April 2023 to 31 March 2024).

## Our GRI index

Our Global Reporting Initiative index summarises our sustainability disclosures, many of which are cross-referenced to this integrated report as they relate to our economic, social and environmental impacts. A copy of the GRI index is available at [www.atns.com](http://www.atns.com).





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# Overview of ATNS

ATNS is South Africa's premier provider of air traffic control, navigation and related services.



ATNS manages airspace in South Africa and a significant portion of the world's airspace. With a strong team of more than 1 000 employees, ATNS prioritises safety and efficiency in air traffic management. The company operates in 22 aerodromes and is recognised globally for its expertise. Beyond air traffic control, ATNS offers aeronautical information and search-and-rescue services and maintains navigation infrastructure.

# ATNS at a glance

ATNS is pivotal to the aviation industry in southern Africa. The entity is mandated to offer air traffic services across South Africa's airspace and the surrounding oceanic regions. This includes the International Civil Aviation Organisation (ICAO) airspace over the Indian and Atlantic oceans. ATNS contributes significantly to the South African economy and the broader regional aviation network.

## Who we are

ATNS is the sole provider of air traffic management, communication, surveillance, navigation, training and associated services in South Africa.

We provide services to nine South African statutory airports operated by Airports Company South Africa (ACSA) and 12 regional airports, as well as St Helena Airport (a remote island airport in the South Atlantic Ocean).

Our services comply with ICAO standards and recommended practices, South African Civil Aviation Authority (SACAA) regulations and technical standards and South African legislation.

As a globally competitive employer of choice, ATNS is committed to diversity and is ranked among the top 10 companies in South Africa for female executive level representation. ATNS participates in the Top Employers Certification Programme annually.

## Our mandate

ATNS was established in 1993 in terms of the ATNS Company Act (Act 45 of 1993). Our mandate is the acquisition, establishment, provision, control and maintenance of air traffic services and air navigation infrastructure.

## Our vision

Our vision is to be the leading provider of air traffic management solutions in Africa.

## Our mission

Our mission is to provide safe and efficient air traffic management solutions.

*We seek to achieve our mission through our talented people, our technology advancements, sound governance and operational and financial sustainability.*

## Our values

Our values will enable the achievement of strategy 2025 and prepare us for the future. They are:

**Safety and customer-centricity:** Prioritising customer needs and ensuring that safety is non-negotiable

**Accountability:** Holding ourselves and others accountable for our actions

**Agility:** Ensuring that we are flexible and adaptable to change

**Diversity:** Embracing inclusion, equality and social differences

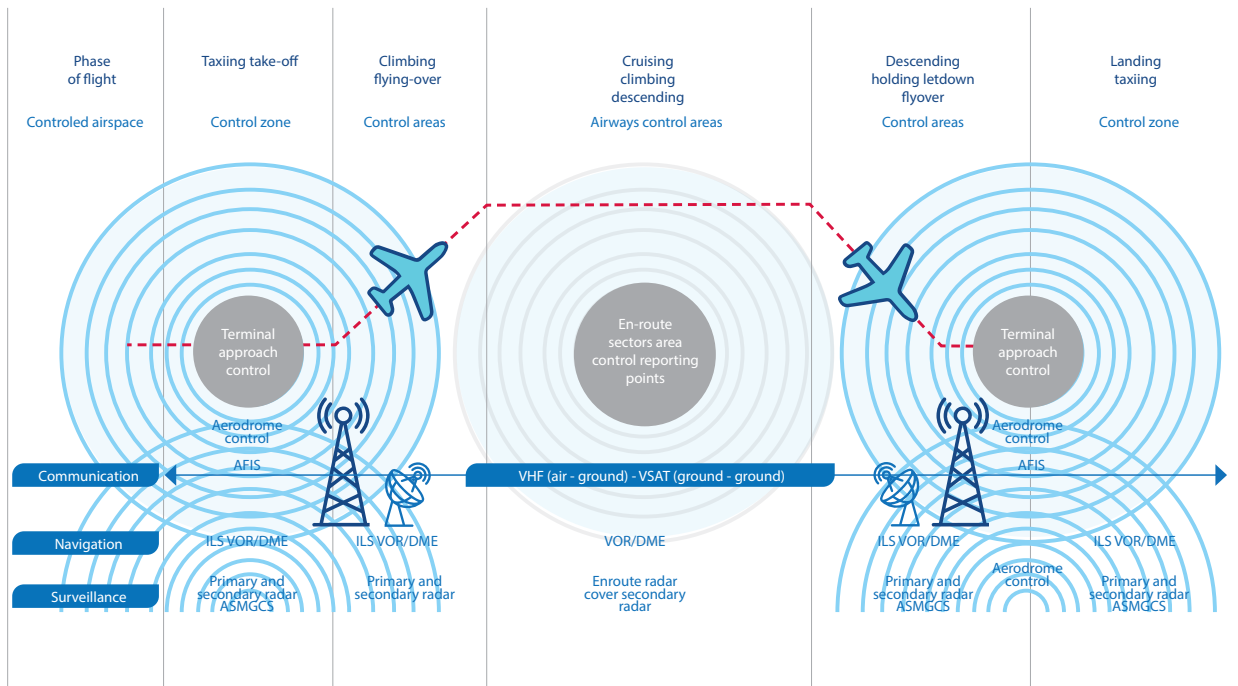
**Integrity:** Following a moral and incorruptible corporate code

## What we do

We pride ourselves on delivering exceptional-quality services and resources to our clients and the aviation community.



## ATNS core services – our regulated business



ATNS provides comprehensive air traffic management (ATM) services supporting every phase of flight, from taxiing to landing. This end-to-end service is facilitated by advanced ATM systems deployed at major airports and area control centres across South Africa, including Johannesburg, Cape Town, Durban, Bloemfontein, Kimberley, Gqeberha, George, Lanseria and East London. These systems leverage cutting-edge communication, navigation and surveillance (CNS) technologies.

Smaller airports without surveillance capabilities, such as Wonderboom, Upington, Polokwane, Kruger, Pilanesberg, Umtata, Pietermaritzburg, Virginia and Grand Central, also contribute to the overall ATM system.

This robust ATM infrastructure enables ATNS to deliver scalable services that meet the varying demands of South African airspace.

## How we generate revenue

Our economic regulation, stipulated in Section 11 of the ATNS Company Act 45 of 1993, as amended, requires us to apply to the Regulating Committee for the Airports Company South Africa (ACSA) and ATNS for permission to levy air traffic charges. We must apply for permission to charge airlines for our ATM services. This process involves extensive industry consultation in a five-year cycle.

To ensure the long-term sustainability of our business and investment in critical infrastructure, we recently applied for a tariff increase. This increase is necessary to maintain safe and efficient air traffic management services.

## Non-regulated business

ATNS offers a range of non-regulated services beyond air traffic management. Our non-regulated business includes providing satellite communication networks across Africa, technical services and consultancy. We also deliver aviation training through our academy, serving more than 27 countries on the African continent. Additionally, we offer services such as geodetic surveys, airspace design and aeronautical information management.

## Aviation Training Academy

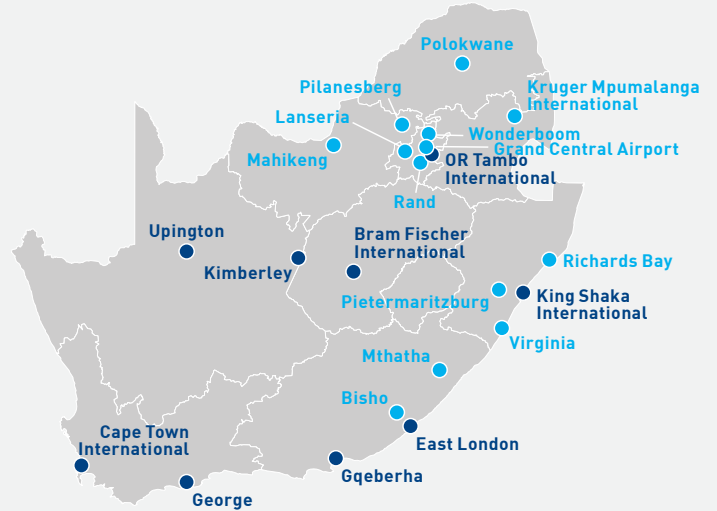
ATNS operates the Aviation Training Academy (ATA), a world-class training institution accredited to ISO 9001:2015 standards. ATA offers a comprehensive range of air traffic services (ATS), air traffic safety electronics personnel (ATSEP) and safety-related courses primarily across Africa. Dedicated to global best practices, the ATA equips professionals with the skills and knowledge to excel in ATM and CNS systems.

As an ICAO TRAINAIR Plus platinum member and a regional centre of excellence, ATA is committed to delivering world-class training. The academy's team of expert instructors, coupled with advanced facilities, ensures exceptional training outcomes. Recognised for its excellence, ATA has been awarded the International Air Transport Association (IATA) worldwide top regional training partner multiple times.



## Our geographical footprint

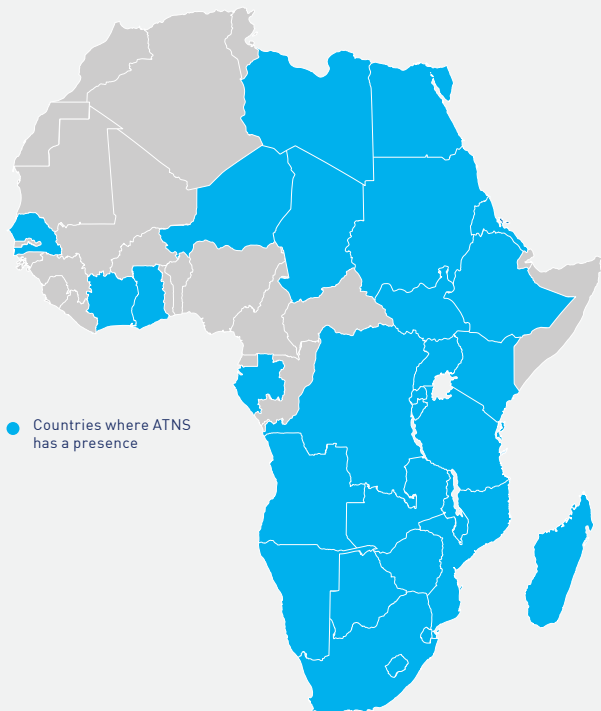
### ATNS in South Africa



- Statutory service provision
- Contractual service provision

### ATNS VSAT network:

ATNS very-small aperture terminal (VSAT) North-Eastern African and Indian Ocean VSAT Network (NAFISAT) and Southern African Development Community (SADC)/2 - ATS/downstream connectivity



- Countries where ATNS has a presence

# How we create value

We offer a diverse range of services, including regulated and non-regulated offerings. Our customer-centric approach places the needs of both internal and external stakeholders at the heart of our business. We are committed to exceeding expectations through continuous improvement, as evidenced by our robust quality management system.

By optimising resources, fostering collaboration and leveraging strategic partnerships, we create value for our customers, shareholders and the broader community. Our focus on innovation and efficiency drives sustainable growth.

## Our capitals

### Financial capital

ATNS's financial capital encompasses the funds generated through its core operations, strategic investments and financing activities. This includes revenue from ATM services, investment funds raised for growth and funds saved through effective cost management practices.

### Intellectual capital

ATNS's intellectual capital consists of its brand reputation, proprietary technologies and organisational knowledge. The organisation's strong industry reputation is supported by its innovative solutions and well-established systems. Patents and copyrights protect its technological advancements, while its organisational knowledge and procedures drive efficiency and leadership in air traffic management.

### Human capital

Human capital at ATNS refers to the skills, knowledge and expertise of its workforce. This includes employees' education, experience and ongoing professional development. ATNS invests in training and career advancement opportunities, fosters a diverse and inclusive work environment and supports employees' wellbeing.

### Social and relationship capital

ATNS builds and maintains robust relationships with stakeholders, including communities, governments, suppliers and customers. These relationships are fostered through active engagement, collaborative projects and community support initiatives.

Manufactured capital includes the physical assets and infrastructure that ATNS relies on to deliver its services. This encompasses air traffic control systems, technological equipment and the facilities required for operations. ATNS focuses on maintaining and upgrading its infrastructure to ensure reliability and efficiency.

### Natural capital

ATNS relies on natural capital, which includes environmental resources such as land, air and water, crucial for its operations. The organisation is committed to sustainability practices that reduce its environmental impact and preserve biodiversity.



# Our value creation model

## Inputs

**Financial capital**

- Revenue: **R1 700 million (2023: R1 300 million)**
- Capital expenditure: **R223 million (2023: R128 million)**
- Cash and cash equivalents: **R887 million (2023: R618million)**

**Manufactured capital**

- Installations of very high frequency omnidirectional range (VOR) with distance-measuring equipment (DME): **11 (2023: 38)**
- Very-high-frequency (VHF) installations **51 (2023: 71)**
- Integrated automated air traffic management systems: 2 main facilities, 6 remote facilities (2023: 2 main, 6 remote)
- Enhanced training and air traffic control facilities
- Robust safety strategy and effective safety management system (SMS)

**Intellectual capital**

- ATNS-developed BONISA prototype at FAOR
- Enterprise resource planning implementation
- Bonaero Integrated Situational Awareness (BONISA)
- Cloud migration
- Cybersecurity training
- ATNS-developed e-learning modules and virtual training facilities
- Space weather training

**Human capital**

- Employees: **1 081 (2023: 1 089)**
- Air traffic services staff: **666 (2023: 646)**
- Operational technology (OT) staff: **184 (2023: 158)**
- Experienced and diverse executive team and a strong board
- Direct jobs created: **73 (2023: 1 126)**
- Internal staff trained: **(2023: 155)**
- Females: **48.31% (2023: 49.78%)**
- People with disabilities: **2.04% (2023: 2.23%)**

**Social and relationship capital**

- Billable air traffic movements: **293 043 (2023: 261 000)**
- Regulatory engagements to support customers
- Collaborations with industry associations and thought leaders
- Investment in supplier and enterprise development to support the industry

**Natural capital**

- Natural resources usage: water, air and land (2023: water, air and land)
- Airspace use oversight through air traffic management

## Operating environment influencing our materiality themes, risks and opportunities

**IV** Our governance framework

Our purpose, vision, mission

**Our materiality themes**

- Sustainable modern business
- Skilled workforce
- Environmental, economic and geopolitical instability
- Good governance
- Air traffic safety

**Our key partnerships**

- Government
- Regulatory bodies
- Airline industry associations
- Air navigation service provider industry associations
- Longstanding partners

**Our value proposition**  
Cost effective, safe and efficient air traffic services and solutions

**Our stakeholders**

- Employees
- Business partners
- Regulators, governments and associations
- Customers
- Shareholder and board
- Communities and society

As part of the organisation design process, we revised our business model to ensure relevance to the strategy. The business model responds to our driving force of customer-centricity.

## Activities

Our outlook and assessment of the risks and opportunities

(Requiring our strategy and business plans to be adjusted)

## Our strategy and business plans

### Business activities

Regulated business (five-year permission)

Non-regulated business (growth strategy)

Provision of air traffic control and related services

Training services to Africa Indian Ocean region and selected global markets

Supported by corporate functions

### Outputs

Maintaining financial sustainability

Delivering safety and efficiency of operations

Providing training to be a leading training academy on the continent

Creating programmes that enable an adaptive and innovative enterprise

Developing a future-fit workforce

Improving stakeholder-centric management

Increasing business transformation

Improving environmental stewardship

## Outcomes

Positive and negative over the short-, medium- and long term

### Financial capital

- Capex cash flow: **R223 million (2023: R128 million)**
- Operational expenditure: **R1 491 million (2023: R1 248 million)**
- Regulated business: **85% of revenue (2023: 84%)**
- Non-regulated business: **15% of revenue (2023: 16%)**

### Manufactured capital

- Communication availability: **96.62% (2023: 94.50%)**
- Navigation system availability: **97.59% (2023: 94.09%)**
- Surveillance system availability: **98.42% (2023: 97.29%)**
- SADC VSAT availability: **99.97% (2023: 99.99%)**
- NAFISAT availability: **99.96% (2023: 99.91%)**

### Intellectual capital

Local and international students trained:

- Local students: **565**
- International students: **477**
- Total: **1 042 (2023: 1 212)**
- Integrated and automated process
- Improved cyber-resilience and intrusion detection
- Efficiency in training delivery

### Human capital

- Direct jobs created: **73 (2023: 1 126)**
- Internal staff trained: **(2023: 155)**
- Females: **48.31% (2023: 49.78%)**
- People with disabilities: **2.04% (2023: 2.23%)**

### Social and relationship capital

- **51% black-owned suppliers: (2023: R156.6 million)**
- **30% black women-owned suppliers: (2023: R133.8 million)**
- Corporate social investment (CSI) spend: **R4.7 million (2023: R4.3 million)**
- Customer satisfaction level rating: **6.6% (2023: 7.0%)**
- Females: **48.31% (2023: 49.78%)**
- People with disabilities: **2.04% (2023: 2.23)**

### Natural capital

- Airspace usage for air traffic management
- Environmental management system certification for head office and Aviation Training Academy
- Piloting renewable energy – fuel cell technology
- Energy usage fuel - **211.57 Kl** and electricity – **7 584.72 MWh**
- CO<sup>2</sup> emissions – **8 442.13**

\*includes permanent employees, fixed-term employees, people with disabilities learnership, learnership, graduate in training, engineering learnership and ATS trainees

# Our operating context

Aviation is a vital economic driver. Efficient air transport fosters economic growth and social development. However, economic volatility and the Covid-19 pandemic have significantly impacted the aviation industry, including ATNS, leading to reduced air traffic and revenue. The industry is actively seeking strategies to mitigate these challenges.

The macroeconomic climate significantly influences our operations. Economic growth directly affects air travel demand and, in turn, our air traffic volumes and revenue generation for ATNS. Fluctuations in exchange rates can influence operational costs, particularly for equipment and services procured in foreign currencies. Additionally, changes in interest rates affect borrowing costs and investment decisions, influencing the company's financial planning and asset management. Furthermore, factors such as inflation and fuel prices weigh in on the overall cost of operations, affecting profitability and pricing strategies.

The current domestic and international operating environment for ATNS is characterised by a rapidly evolving aviation sector marked by post-pandemic recovery, geopolitical threats, technological advancements and increased emphasis on sustainability.

Opportunities and pressures stemming from global aviation trends include the implementation the implementation of new air traffic management technologies, increasing air traffic volumes and stricter environmental regulations.

## Domestic environment

### **Economic factors:**

South Africa's gross domestic product (GDP) growth remains modest, projected to average 1.4% from 2023 to 2025. High inflation rates, although expected to decrease slightly by 2024, continue to pose economic challenges.

The post-pandemic economic recovery has led to an increase in air traffic, but the approval of a new tariff structure from the Regulating Committee is pending, which is crucial for financial planning and sustainability.

### **Infrastructure challenges:**

We are striving to upgrade and expand our CNS infrastructure through various technologies.

There is a significant focus on integrating new technologies such as space-based automatic dependent surveillance broadcast and advanced air traffic management systems to improve operational efficiency and safety.

## International environment

### **Global economic and political climate:**

The global economic environment is hindered by factors such as the Russia-Ukraine war and rising inflation due to supply chain disruptions.

International collaborations are crucial as ATNS partners with global aviation bodies to stay updated on best practices and regulatory requirements. This includes active participation in the Civil Air Navigation Service Organisation (CANSO) and other international forums.

### **Technological advancements and sustainability:**

The global market for air traffic control equipment is projected to grow, driven by the need for modernised air traffic management systems. ATNS is actively investing in digital transformation initiatives to enhance its service delivery and maintain its competitive edge.

Sustainability remains a significant focus, with ATNS aligning its strategies with global environmental goals and commitment to achieving CANSO GreenATM accreditation. This includes efforts to reduce its environmental footprint through innovative solutions and adherence to international sustainability standards.

## Opportunities and threats

Opportunities include expansion into new markets, leveraging technological advancements for improved air traffic management and leading sustainability initiatives in the aviation sector.

Threats comprise economic uncertainties, political instability in key regions and the need for continuous adaptation to rapidly changing technological and regulatory landscapes.

## How ATNS adapts to external drivers

ATNS has strategically adapted to the evolving domestic and international environments through a combination of technological innovation, strategic partnerships and adaptive leadership.

### Technological innovation

- **Digital transformation**

ATNS has prioritised digital transformation to enhance operational efficiency and service delivery. This includes research and development of advanced air traffic management systems that include artificial intelligence and machine learning technologies to improve traffic flow and predictive analytics.

- **Sustainability initiatives**

In response to global environmental trends, ATNS has integrated sustainability into its core CANSO GreenATM mentioned above. This involves investing in green technologies and practices, aligning with international environmental standards and supporting ICAO's environmental goals. These efforts are aimed at reducing environmental footprint and promoting sustainable aviation practices.

### Strategic partnerships

- **Global collaborations**

ATNS has strengthened its international partnerships to stay aligned with global aviation trends and regulatory requirements. It has also partnered with Aireon on space-based automatic dependent surveillance broadcast solutions in South Africa and the continent.

Participation in ICAO and CANSO forums and working groups and other international forums allows ATNS to collaborate on best practices and enhance its operational standards.

- **Local partnerships**

ATNS works closely with various aviation and entities bodies such as AASA, BARSAs, IATA, CAASA, SACAA and ACSA to address regulatory requirements and ensure safe integration of new technologies and practices within air traffic management. This includes dealing with the challenges posed by the increasing presence of drones and ensuring compliance with safety standards.

### Adaptive leadership

- **Agility and resilience**

Adaptive leadership at ATNS fosters a culture of continuous learning and innovation. This leadership style encourages teams to embrace change, experiment with new approaches and learn from setbacks. It helps us remain agile and responsive to the dynamic aviation sector, ensuring long-term viability and success.

- **Strategic flexibility**

ATNS has demonstrated strategic flexibility by adjusting its strategies in response to the changing environment. This includes refining its 2022/2023 strategy to create an agile and resilient organisation capable of becoming the preferred air navigation service provider on the continent. The focus has been on maintaining operational continuity and financial sustainability amid economic and geopolitical uncertainties.

### Operational enhancements

- **Infrastructure investments**

Significant investments have been made in upgrading and expanding infrastructure to meet growing air traffic demands. These included the upgrade to our voice communication system, VHF radio and VOR infrastructures.

- **Cost management**

To ensure financial sustainability, ATNS has implemented cost-containment measures, cash preservation strategies and has reprioritised capital and operational expenditures. These measures have helped the organisation move from the recovery phase of its strategy implementation to a sustain phase, demonstrating resilience in challenging conditions.

## Challenges

- **Retention of critical air traffic control skills**

ATNS faces significant challenges in retaining critical air traffic control skills, with many professionals seeking international opportunities. This issue is exacerbated by South Africa's socio-economic challenges.

To address this, ATNS has implemented robust training and development programmes, including bursary programme aimed at expanding and nurturing homegrown talent. These initiatives aim not only to enhance the skills of current employees but to create a pipeline of skilled professionals.

- **Infrastructure development and maintenance**

Upgrading and maintaining infrastructure to support increasing air traffic and new technologies is a major challenge.

We have invested in advanced air traffic management systems, such as research and development initiatives and various infrastructure upgrades to enhance operational capabilities and safety.

- **Economic and regulatory changes**

Fluctuating economic conditions and changing regulatory requirements both domestic and international pose operational challenges.

We have adopted cost-containment measures and cash preservation strategies and have reprioritised capital and operational expenditures to ensure financial sustainability amid economic uncertainties.

## Opportunities

- **Sustainability initiatives**

The global push for sustainable practices in aviation offers ATNS a chance to lead in environmental stewardship.

We have started the CANSO GreenATM accreditation process and integrated green technologies and practices, aligning our strategies with international environmental standards. This includes efforts to reduce our environmental footprint and support sustainable aviation initiatives.

- **Expansion into new markets**

There is potential for ATNS to expand its services into underserved regions and emerging markets.

It is exploring opportunities to offer ATM-related services in new markets, leveraging its expertise and advanced technologies to meet growing industry demands.

- **Technological advancements**

The continuous advancements in air traffic control technologies provide opportunities for operational improvements and efficiency gains.

- **Enhanced collaboration and partnerships**

Strengthening partnerships with international aviation bodies and local regulatory agencies can enhance operational standards and compliance. Strategic partnerships with technology stakeholders may hold potential for exploring new revenue streams and entering new markets.





# Aviation outlook for ATNS

The global aviation industry is witnessing a dynamic phase of recovery and transformation in 2024. Following the disruptions caused by the Covid-19 pandemic, passenger traffic and air cargo volumes have rebounded to pre-pandemic levels. This resurgence is driven by robust growth in both domestic and international travel, as noted by the International Air Transport Association (IATA). The industry's recovery is supported by a renewed focus on sustainability, technological advancements and evolving regulatory frameworks.

Sustainability is at the forefront of the aviation sector's agenda. The industry is committed to reducing its carbon footprint and achieving net-zero emissions by 2050. Key initiatives include the development of fuel-efficient aircraft, increased use of sustainable aviation fuels (SAFs) and exploration of electric and hybrid propulsion systems. These efforts reflect a broader industry trend towards environmental responsibility and compliance with emerging regulations.

Technological advancements are reshaping the aviation landscape. The integration of artificial intelligence, machine learning and big data analytics is enhancing operational efficiency and safety. Modern ATM systems are improving airspace use, which reduces delays and optimises flight routes.

These innovations are essential for meeting the growing demands of air travel and ensuring a safe and efficient aviation network.

Regulatory changes are also influencing the aviation industry. Governments and international organisations are implementing new environmental regulations, including emissions trading schemes and stricter noise controls. These regulations are expected to affect operational costs and require airlines and airports to adapt their practices to remain compliant and competitive.

Passenger experience remains a crucial focus for airlines and airports. Investments in contactless technologies, streamlined check-in processes and enhanced in-flight services are being prioritised to meet evolving customer expectations. Improving the passenger experience is essential for maintaining customer satisfaction and loyalty in a competitive market.

Economic factors continue to affect the aviation sector, with fluctuating fuel prices, geopolitical tensions and economic uncertainties playing significant roles. These factors can influence airline profitability and operational costs, necessitating strategic adjustments to navigate the challenges and capitalise on opportunities.

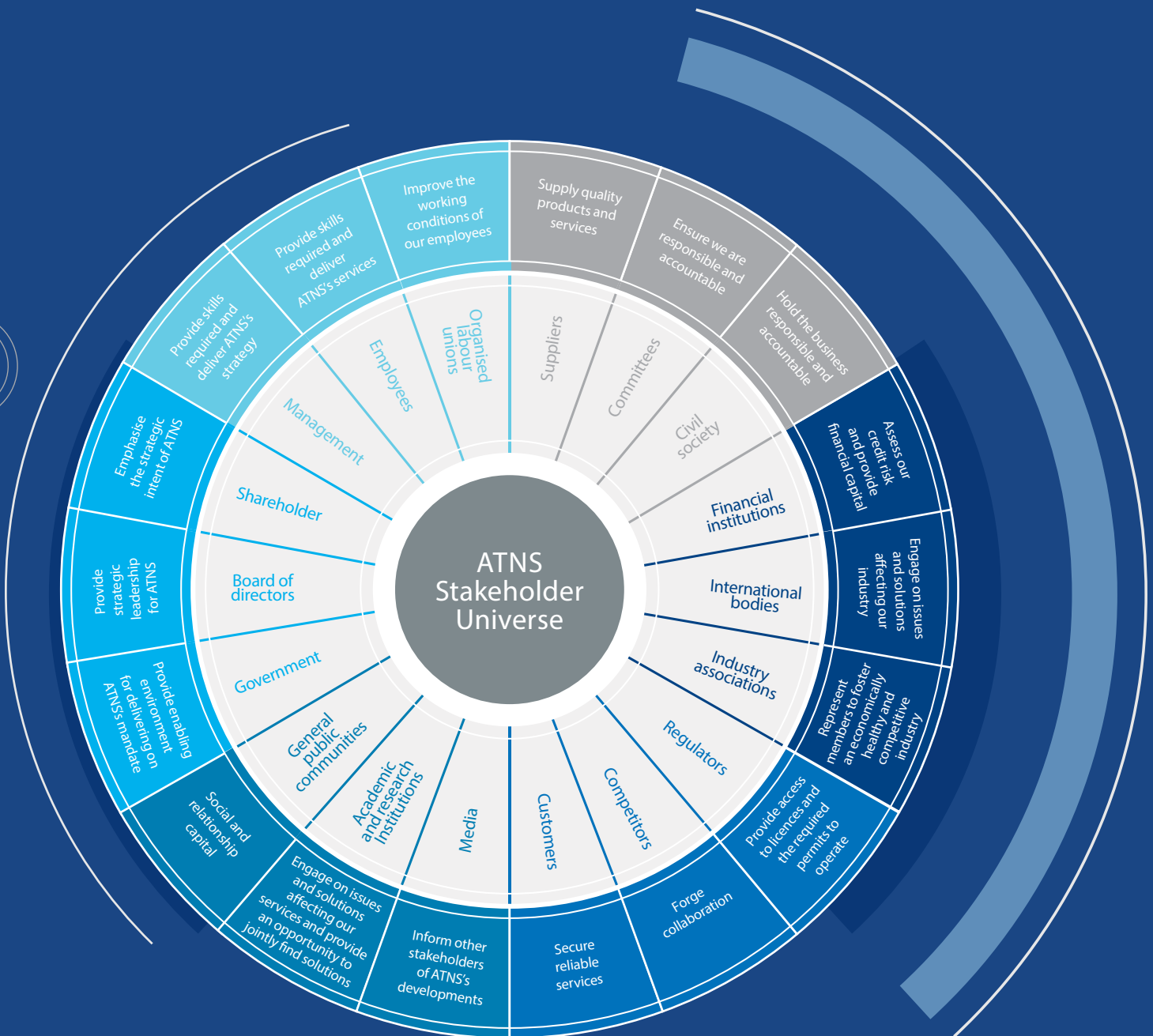
For ATNS, the current aviation outlook presents both opportunities and challenges. Embracing technological innovation, adapting to regulatory changes and focusing on sustainability will be key to navigating the evolving landscape and ensuring continued growth and success in the aviation sector.



# Our stakeholders

At ATNS, we recognise that stakeholders are integral to our purpose and strategy. Strong relationships are essential for achieving our objectives and ensuring the sustainability of our operations. We categorise our stakeholder universe into internal and external groups, each with specific roles and responsibilities that contribute to our success. Understanding and

addressing the diverse needs and expectations of our stakeholders allows us to create value, enhance collaboration and drive long-term growth. We strive to build trust, maintain transparency and cultivate mutually beneficial partnerships through open dialogue and active engagement.



## Stakeholder relations management

ATNS engages with internal and external stakeholders across many different areas and its intention is to build relational capital. We ensure that our stakeholder engagement practices actively support the company's business objectives and, thereby, create sustained business value. ATNS stakeholder engagement happens across various levels of the organisation as each business function interfaces with multiple stakeholders internally and externally continually. We recognise that good stakeholder relations are key for ATNS to operate optimally and as such we continually strive to improve relations. This ensures that ATNS meets the needs and expectations of its stakeholders in a satisfactory manner.

It is crucial that ATNS strategically and proactively manages stakeholders to foster trust and loyalty to the ATNS brand from both internal and external stakeholders.

The company's reputation is managed through the use of various tools to position and protect the ATNS brand and an integrated approach is employed through leveraging media relations, crisis communication, events participation and ongoing staff engagement sessions.

The organisation has delete five key principles that ensure effectiveness in deriving value by all stakeholders in the matrix:

- **Inclusivity** – stakeholders participate in developing and achieving an accountable and strategic response to sustainability. We accept our accountability to those who affect us and those who have an impact on us
- **Materiality** – topics and indicators that reflect key economic and sustainability impacts or that may substantively influence stakeholder assessments and decisions
- **Consistency** – maintain regular and consistent communication to ensure continuity
- **Responsiveness** – our response to stakeholder issues that affect our sustainability performance and that are realised through decisions, actions, performance and communication
- **Accountability** – being accountable for and transparent about the impact of our policies, decisions, actions, products and performance.

An interdependent relationship exists between ATNS and its stakeholders and the organisation's ability to create value for itself depends on its ability to create value for its stakeholders. ATNS has defined its stakeholder universe as comprising 18 stakeholder categories that have the potential to affect or be affected by ATNS's activities as well as have the power of influence, either positively or negatively, ATNS operations.



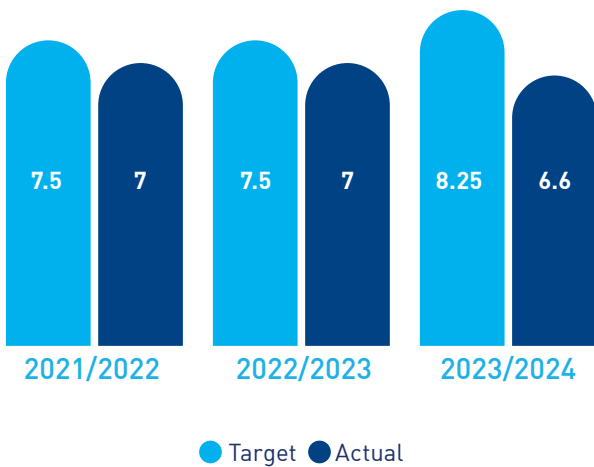
Stakeholder	Material needs	How we engaged in 2023/2024	How we created value for this stakeholder in 2023/2024
Employees and organised labour	Employees seek job security, a safe work environment, fair remuneration and opportunities for career development. They also value transparent communication on key issues and a diverse, inclusive workplace.	Engaged through virtual and face-to-face meetings, training sessions, internal emails and helplines.	We provided wellness services, maintained fair pay and offered increased training and development opportunities. We also promoted and implemented diversity initiatives and ensured financial stability while meeting performance targets.
Shareholder (South African government, Department of Transport - DoT) and ATNS board	Shareholders require strong financial performance, sustainable growth strategies, prudent cost management and transparent reporting. They look for experienced management and sound environmental, social and governance practices.	Held quarterly meetings, provided detailed quarterly reports and conducted workshops on planning and risk management.	We secured funding, made long-term investments, managed costs effectively and achieved financial and non-financial performance targets. We provided transparent reporting and held regular meetings.
Regulators (local, international and economic), local and national governments, professional organisations and regional bodies	Regulators need safe, efficient and reliable services, access to airspace, innovative solutions and environmentally sustainable operations. They also require compliance with legal and regulatory standards and responsible corporate citizenship.	Engaged through surveys, collaborative meetings, workshops and regular sector reports.	We ensured safety and reliability, invested in innovation, met regulatory requirements and demonstrated corporate responsibility. We also supported industry transformation and provided input on best practices.
Customers, including airlines and airline associations, airport operations and owners, transport entities and military	Customers need competitive, value-for-money services, excellent support and compliance with regulations. They value convenient access to support services and reliability.	Interacted through meetings, workshops, training sessions and regular sector updates.	We delivered value-for-money services, ensured compliance, improved customer service and negotiated tariff extensions. We also enhanced our reputation and service reliability.
Business partners, including suppliers, non-permanent employees and incubator businesses	Business partners value fair and ethical sourcing, timely payments and strong reputations. They also seek safety in air travel and reliable partnerships.	Engaged via virtual meetings, update sessions, marketing campaigns and community outreach programmes.	We supported suppliers, ensured timely payments and fostered strong partnerships. We also enhanced our corporate image and contributed to enterprise development initiatives.
Community and society	Communities look for job creation, mutual benefits and responsible corporate citizenship. They value initiatives that uplift and support local businesses.	Conducted outreach programmes, interacted through media platforms and ran marketing campaigns.	We supported local businesses, implemented social and environmental initiatives and contributed to community upliftment projects. (see pages 100 and 101 for details)

## Customer satisfaction index

We continually engage customers to understand how they experience the products and services that we offer and how we can improve in delivering value consistently. In the year under review, we undertook a customer satisfaction survey targeting all customers who use our services, including pilots and airports. This survey included the entire African continent. A total customer satisfaction rating of 6,6 was achieved a decrease from 7 in the previous year.

The main areas of dissatisfaction are slot coordination and delays. We will attend to these issues so that we can ensure efficiency and deliver value for our customers. Customers, especially air navigation service providers, are very satisfied with our training service.

### Customer satisfaction index



## Media/reputation management

During the year under review, the company revised its content development strategy, particularly focusing on customer-centricity, by effectively disseminating well-researched messages to stakeholders to positively influence public perceptions. As a result, ATNS did not have major negative sentiments in the media during this period. However, to further strengthen ATNS reputation management, the company is engaging a media monitoring services provider, which would help with strategic resource allocation, including time, planning and being proactive.

Key drivers of positive media coverage came from the execution of the ATNS 30th anniversary celebrations. The company was proactive in disseminating positive stories and messages.

However, on the downside, the suspension of air navigation services procedures at various national airports by SACAA led to widespread negative coverage in online, electronic and print media impacting on ATNS's brand reputation and corporate image. To that, the company increased engagement with key stakeholders both nationally and internationally. These extensive engagements have been prominently featured on ATNS social media platforms, leading to increased online traffic and maintaining a strong online presence with positive sentiments.

Major activities that enhanced ATNS's brand visibility and presence included:

1. 30th anniversary celebrations activities
2. Minister of Transport's Government Communication and Information Systems press conference on developments in aviation sector
3. ATNS Ground-to-Air eMag
4. CSI and career marketing projects
5. ATNS training academy activities
6. Stakeholder partnerships.

# How we manage risk

Effective risk management is fundamental to ATNS business activities. The company remains committed to increasing value by developing and growing the business within the board-determined risk appetite. We are mindful of achieving this objective in the interests of all stakeholders.

We have adopted a risk-intelligent approach, which entails viewing risk management as an opportunity that enables the organisation to predict future events and take advantage of future trends.

The board reviewed and approved the risk appetite for each principal risk to enable informed risk-based decision-making. We aim to minimise risks and their impacts on our reputation and strategic intentions.

Our risk management process is designed to continuously monitor the internal and external environment to identify any conditions or changes that may require us to mitigate the related risks and

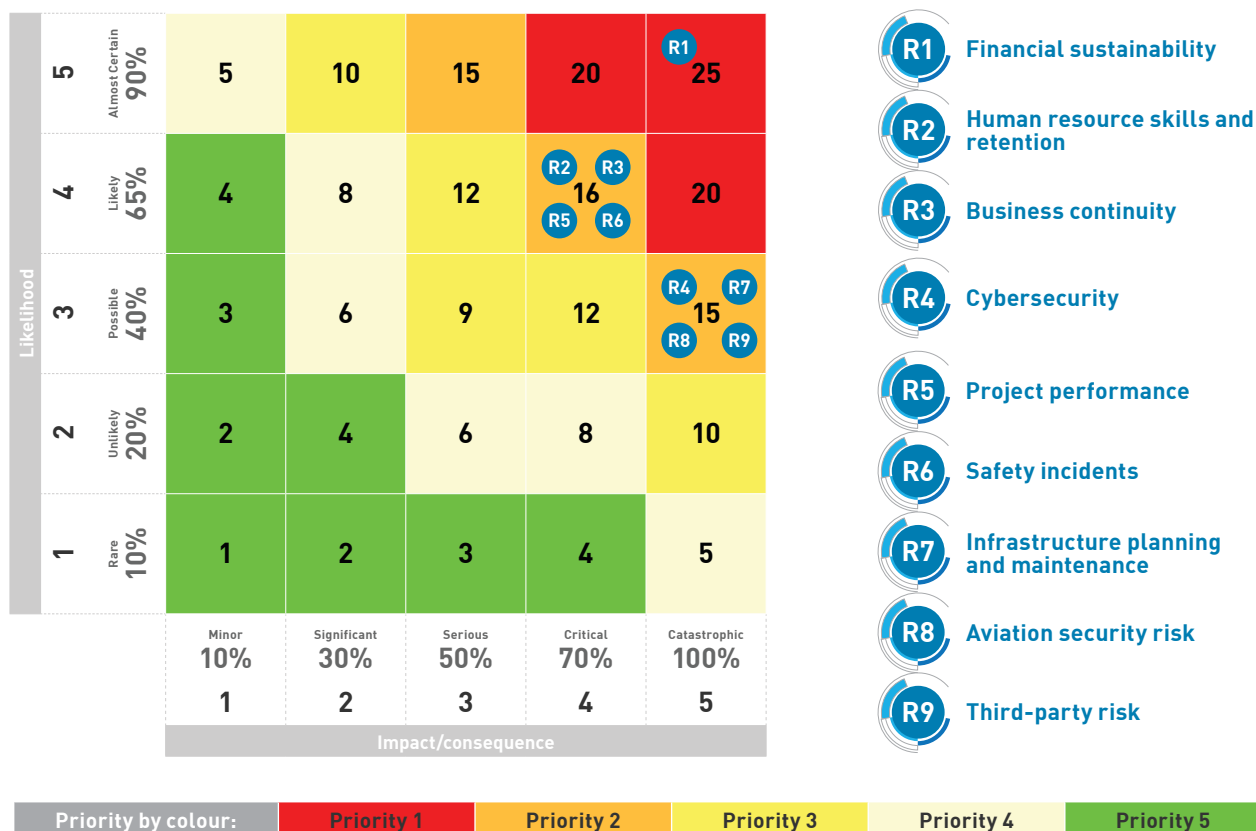
capitalise on opportunities. This ensures we remain within our risk appetite, achieve our business plans and realise our strategic objectives.

Our risk appetite stance governs our strategic decisions and actions and we continuously monitor the implementation of control measures to mitigate risks.

ATNS has a risk management framework in place which is aligned with the ISO 31000 International Risk Management Standard and its requirements. Our enterprise risk management process analyses the internal and external environment and the expectations of our stakeholders, flagging risks and opportunities that can substantially affect our ability to create value.

The Board has approved nine (9) Strategic risks that will negatively impact the achievement of the organisation's mandate. The board is committed to ensuring the ATNS's long-term sustainability and success by proactively identifying and addressing potential challenges. A matured risk management supports the identification of risks.

The risk heatmap (Figure 1 below) identifies the top 9 principal risks identified through our risk management process. The heatmap depicts residual risk after considering mitigating risk factors.



## R1 Financial sustainability

2022/2023- P1 | 2023/2024 P1

Ensuring the long-term financial sustainability of ATNS is crucial for its continued success and growth. The organisation must be prepared to navigate potential challenges that may arise in the short- to long term. To mitigate this risk, ATNS should explore new revenue streams in third-party business. Opportunities such as unmanned air systems traffic management, air traffic management alliances, data provision and aviation training services can provide additional sources of income. By diversifying its business portfolio, ATNS can strengthen its financial position and reduce dependency on a single revenue stream.

## R2 Human resource skills and retention

2022/2023- P1 | 2023/2024 P2

The ability to attract and retain critical skills is vital for ATNS to deliver its strategy and ensure safe operations. However, the aviation industry faces fierce competition for skilled professionals. To mitigate this risk, ATNS should proactively invest in upskilling future aviation professionals. The Aviation Training Academy can play a crucial role in providing pipeline training and career development opportunities. By nurturing talent and offering attractive career paths, ATNS can attract and retain the skilled workforce necessary for its success.

## R3 Business continuity

2022/2023- P1 | 2023/2024 P2

The potential for significant and prolonged disruption to ATNS critical business and operations is a pressing concern. Such disruptions can arise from natural disasters, technological failures or unforeseen events. To mitigate this risk, ATNS should prioritise the development of a robust business continuity programme. This programme will ensure that the organisation is well prepared to handle catastrophic events and can swiftly recover and resume operations with minimal disruption.

## R4 Cybersecurity

2022/2023- P2 | 2023/2024 P2

In today's digital landscape, the risk of cyber-threats and information security breaches is ever-present. Disruption of information technology (IT) and business services, as well as the loss of confidential information, can have severe consequences for ATNS. To address this risk, the organisation should develop and implement improved data protection protocols. This includes robust cybersecurity measures, regular vulnerability assessments and employee training programmes. By following a comprehensive cybersecurity roadmap, ATNS can enhance its resilience against cyber-threats and safeguard its critical systems and data.

## R5 Project performance

2022/2023- P2 | 2023/2024 P2

The successful execution of projects is essential for ATNS to meet its obligations and maintain favourable permission tariffs. However, the risk of project performance failure due to capital expenditure limitations is a concern. To address this risk, ATNS should develop in-house project management capabilities. By building a team of skilled project managers and promoting advisory support services, ATNS can enhance its project execution capabilities. This will ensure that projects are delivered consistently and in line with regulatory requirements, minimising the risk of clawbacks and unfavourable tariffs.

Priority by colour: Priority 1 | Priority 2 | Priority 3 | Priority 4 | Priority 5

## R6 Safety incidents

2022/2023- P2

2023/2024 P2

Safety incidents, including high-risk safety incidents attributable to ATNS (categories A and B) through human error, non-compliance with safety standards, or communication, navigation or surveillance equipment failure. These risks pose a significant threat to the safety of operations in the aviation sector. To address this, ATNS can provide advisory support to enhance safety protocols, standards and training. By actively participating in forums and industry discussions, ATNS can influence the review of regulations to ensure a safer and more secure aviation environment.

## R7 Infrastructure planning and maintenance

2022/2023- P3

2023/2024 P2

The failure to provide reliable communication, navigation and surveillance services due to planning and maintenance inadequacies poses a significant risk to ATNS operations. To address this risk, ATNS should prioritise the replacement or repair of defective equipment and systems. By identifying and addressing potential failures or non-availability of service in the immediate future, ATNS can minimise disruptions and ensure the seamless provision of essential services. Adequate planning, support and maintenance will contribute to the overall reliability and effectiveness of ATNS infrastructure.

## R8 Aviation security risk

2022/2023- P2

2023/2024 P2

The security of ATNS physical infrastructure is of utmost importance to maintain the integrity and safety of aviation operations. Threats such as vandalism or unauthorised access pose a significant risk to the smooth functioning of the aviation sector. To address this risk, ATNS will focus on developing a collaborative aviation sector security programme. This programme should not only safeguard ATNS infrastructure but integrate with the security programmes of other stakeholders. By fostering collaboration and information sharing, ATNS will enhance the overall security posture of the aviation industry.

## R9 Third-party risk

2022/2023- P3

2023/2024 P2

Overreliance on a single third-party service provider for crucial equipment and services exposes ATNS to potential vulnerabilities. Any disruption or failure from these providers can have a significant impact on ATNS operations. To mitigate this risk, ATNS will adopt a multi-vendor strategy and diversify its supplier base. By identifying and nurturing new niche suppliers, ATNS will reduce dependency on a single provider and ensure continuity of operations. Implementing a transformation and incubation strategy will facilitate the integration of new suppliers into ATNS's supply chain.

Priority by colour:

Priority 1

Priority 2





Priority 3

Priority 4

Priority 5



### Response strategies for opportunities

Opportunity handling strategy	Description
 <b>Exploit</b>	Take aggressive measures to ensure that the benefits of this opportunity are realised.
 <b>Enhance</b>	Take measures to increase the opportunity’s probability and/or impact.
 <b>Share</b>	Develop collaborative partnerships (service providers/ stakeholders) that will increase the opportunity’s likelihood and/or benefits.
 <b>Ignore</b>	Takes no active measures to capture the opportunity by adopting a reactive approach should it be necessary. The benefit is not greater than the cost to pursue it, but the opportunity will be monitored.

### Financial sustainability risk

#### Linked opportunities

Exploit new revenue streams in third-party business (e.g. unmanned air systems traffic management/drones, air traffic management alliances, data provision, aviation training services).

#### Response to opportunities

Implementation of growth strategy and revenue streams.

#### Risk description

Inability to remain financially sustainable in the short-to long term.

#### Proposed mitigating actions

- Develop a structured payment process to ensure adherence to the supply chain management/creditors policy and monitor adherence to the payment process
- Source additional external funding for the organisation, including shareholder capital injection
- Fully capacitate commercial services (and implement business units) in areas such as financial modelling, costing and account management to accelerate execution of growth strategy initiatives
- Implement the approved land-lease policy to extract untapped commercial value from unused properties
- Use data effectively for market intelligence (conduct market intelligence study).

Response strategy  **Share**

2022/2023  
Residual risk rating  
**Priority 1**

2023/2024  
Residual risk rating  
**Priority 1**



## Human resource skills and retention risk

### Linked opportunities

Proactively upskill future aviation professionals through the Aviation Training Academy.

### Response to opportunities

Upskill aviation professionals through pipeline training and career development.

### Risk description

Inability to attract and retain critical skills, which may result in the organisation's failure to deliver its strategy and safe operations.

### Proposed mitigating actions

Review the total reward framework

- Increase the bursars pipeline intake
- Implement a future-fit-workforce programme, including finalising the organisation design project and embedding the organisational culture and values
- Develop and implement talent management and succession planning prioritising strategic and safety-critical positions.

Response strategy



Enhance

2022/2023  
Residual risk rating  
Priority 2

2023/2024  
Residual risk rating  
Priority 1



## Business continuity risk

### Linked opportunities

Enhanced offsite support and virtually activated business continuity plan.

Organisational readiness during a catastrophic event.

### Response to opportunities

Develop a business continuity programme for the organisation.

### Risk description

Significant and prolonged disruption to ATNS critical business/operations.

### Proposed mitigating actions

- Improve system redundancy and fault tolerance
- Ensure execution of the air traffic services OR Tambo International airport disaster recovery project
- Develop a short-term to long-term business continuity management programme
- Implement and test the IT disaster recovery plan
- Analyse the remote air traffic service digital towers
- Include business continuity capabilities into service-level agreements of crucial service providers to ensure they have adequate business continuity plans
- Engage with the South African Air Force on integrated business continuity management
- Conduct a thorough check of the status of generators and battery backups to reduce the impact of power outages.

Response strategy



Share

2022/2023  
Residual risk rating  
Priority 2

2023/2024  
Residual risk rating  
Priority 1



## Cybersecurity risk

### Linked opportunities

Develop improved data protection protocols and related training.

### Response to opportunities

Implementation of cybersecurity roadmap.

### Risk description

Disruption of IT and business services and/or loss of confidential information through a breach in information security.

### Proposed mitigating actions

- Expedite procurement and implementation of critical cybersecurity solutions in line with the cybersecurity roadmap
- Define and implement vulnerability management and secure configuration processes
- Implement the infrastructure modernisation roadmap
- Embed technology and information governance through the technology and information steering committee
- Conduct continuous cyber-risk assessments
- Develop and implement strategies to attract and retain rare and specialised IT skills
- Design segregation on OT/IT networks guided by high-risk systems.

Response strategy



Exploit

2021/2022  
Residual risk rating  
Priority 1

2022/2023  
Residual risk rating  
Priority 2



## Project performance risk

### Linked opportunities

Develop in-house project management capability and promote advisory support services in this area.

### Response to opportunities

Memoranda of understanding with other state-owned entities to capacitate ATNS project management value chain.

### Risk description

Inability due to capex to perform consistently in line with permission obligations (potential clawbacks and unfavourable terms).

### Proposed mitigating actions

- Review the effectiveness of the capex review committee and programme investment executive committee
- Upskill project managers in line with latest project management requirements
- Conduct a high-level portfolio programme management office maturity assessment and prepare a maturity and readiness report
- Project management benchmarking
- Develop in-house competencies or centre of excellence in OT
- Conduct training on the integrated business process.

Response strategy



Share

2022/2023  
Residual risk rating  
Priority 2

2023/2024  
Residual risk rating  
Priority 2



## Safety incidents

### Linked opportunities

Provide advisory support to enhance safety protocols, standards and training in the sector as part of our non-regulated business.

### Response to opportunities

Participate in forums to influence the review of regulations.

### Risk description

Safety incidents, including high-risk safety incidents, attributable to ATNS (categories A and B) through human error, non-compliance with safety standards or communication, navigation or surveillance equipment failure.

### Proposed mitigating actions

- Intensify training interventions, i.e. continuation and re-currency training (system support suite and 3D mini simulators)
- Ensure 3D mini simulators are commissioned
- Develop validation training and enhancement strategies
- Conduct trend analyses for a and b incidents and identify areas for improvement
- Improve safety report protocols
- Track safety audits through the safety steering committee
- Management visibility at an exco level to the stations
- Finalise air traffic services organisation design structure.

Response strategy



Exploit

2022/2023  
Residual risk rating  
Priority 2

2023/2024  
Residual risk rating  
Priority 2



## Infrastructure planning and maintenance risk

### Linked opportunities

Replacement or repair of equipment/systems found to be defective or need replacement in the immediate future to minimise or avoid failures or non-availability of service.

### Response to opportunities

Implement innovation, research and development programmes.

### Risk description

Failure to provide communication, navigation and surveillance services as mandated due to planning, support and maintenance inadequacies.

### Proposed mitigating actions

- Develop a clear plan on which equipment's useful life can be extended and review the current maintenance programme
- Obtain support contracts for extended useful life equipment for critical equipment and software
- Identify equipment that will require key spares to be kept as a contingency
- Reconsider the lifespan of the equipment deployed by the organisation
- Analyse the total cost of ownership of equipment and how to manage equipment post-commissioning
- Effective management of service-level agreements with original equipment manufacturers
- Review ATNS's maintenance philosophy
- Source additional funding and revenue streams
- Engage SACAA on a comprehensive/holistic checklist when it certifies airports (operational health and safety, business continuity management, security).

Response strategy



Enhance

2022/2023  
Residual risk rating  
Priority 3

2023/2024  
Residual risk rating  
Priority 2



## Aviation security risk

### Linked opportunities

Develop a collaborative aviation sector security programme and ensure that it is integrated with the programmes of stakeholders.

### Response to opportunities

Implement an integrated aviation security programme.

### Risk description

Threats to and/or vandalism on ATNS physical infrastructure.

### Proposed mitigating actions

- Improve physical access control and security systems (deployment of armed guarding and response services at sites, where possible)
- Collaborate with stakeholders experiencing similar challenges (e.g., Telkom, MTN, Vodacom, Transnet and the Passenger Rail Agency of South Africa)
- Develop an Aviation Security Programme for ATNS in line with site threat assessments
- Finalise the national security tender
- Develop and implement innovative technology that can detect and prevent security threats and vandalism
- Collaborate with other security structures.

Response strategy



Exploit

2022/2023  
Residual risk rating  
Priority 2

2023/2024  
Residual risk rating  
Priority 2



## Third-party risk

### Linked opportunities

Diversify supplier base and develop new niche suppliers through a multi-vendor strategy.

### Response to opportunities

Implementation of the transformation and incubation strategy.

### Risk description

Overreliance on a single third-party service provider for most of ATNS's critical equipment and services

### Proposed Mitigating Actions

- Understand the business continuity capabilities of suppliers to establish our dependency and to what extent we are exposed
- Create a centre of excellence to conduct co-developments with the top five critical original equipment manufacturers.

Response strategy



Share

2022/2023  
Residual risk rating  
Priority 3

2023/2024  
Residual risk rating  
Priority 3



Sustainable modern business



Aviation safety and efficiency



Effective governance



Environmental and geopolitical instability



Skilled workforce

# Regulatory compliance management

ATNS places strong emphasis on regulatory compliance, following the principles outlined in the King IV report on corporate governance. Principle 13 of King IV states that the governing body should ensure compliance with relevant laws, rules, codes and standards in a way that promotes ethical behaviour and good corporate citizenship.

To effectively operationalise regulatory compliance, ATNS has established a compliance function to oversee all initiatives related to regulatory compliance and ensure that the organisation adheres to its responsibilities derived from the regulatory universe.

Given the importance of maintaining an effective compliance framework, ATNS has developed processes and systems that provide assurance of compliance with regulatory requirements. The organisation recognises its obligation under section 51(1)(h) of the PFMA to comply with the provisions of the Act. Additionally, Regulation 14 of the revised Treasury Regulations entrusts the accounting authority with the responsibility of ensuring that the organisation has the necessary capacity to prevent, detect and mitigate any non-compliance with the financial management regulatory framework.

The compliance function employs a risk-based methodology to identify, assess and mitigate compliance risks. This involves a systematic process of evaluating the potential risks associated with non-compliance and prioritising them based on their likelihood and impact. By focusing on high-risk areas, the compliance function can efficiently and effectively assist business in addressing the most critical compliance issues. This methodology allows ATNS to proactively manage compliance risks, ensure legal and regulatory adherence and safeguard the organisation's reputation. Maintaining open and proactive communication with regulatory authorities to stay informed about evolving requirements is essential for ATNS. This involves complying with all reporting obligations and timeously providing regulators with accurate information.

ATNS's compliance function adopts a continuous improvement concept to enhance its effectiveness and efficiency of the controls it has put in place over time. This involves an ongoing process of reviewing and refining compliance practices, policies and procedures to align with evolving regulatory requirements and industry best practices. By regularly assessing and updating the compliance framework, the function can adapt to the changing compliance landscape and address emerging risks effectively. This concept also promotes a culture of learning and development within the compliance function, facilitating the identification of opportunities for improvement and the implementation of innovative solutions. Our approach to continuous improvement in our compliance programme includes fostering a strong compliance culture through leadership commitment, employee engagement, open communication and regular updates.

By combining a risk-based methodology and a continuous improvement concept, the compliance function ensures that compliance efforts are targeted, proactive and adaptive. This approach enables the function to effectively fulfil its role of mitigating compliance risks and driving a culture of compliance throughout the organisation. ATNS maintains a robust compliance monitoring framework to ensure adherence to laws, regulations and internal policies. Our system includes monitoring and assessments of compliance controls and processes by the compliance function.

ATNS has adopted a compliance framework that aligns with Generally Accepted Compliance Principles issued by the Compliance Institute of South Africa. This framework includes a compliance policy, compliance charter and compliance manual, all of which have been approved by the board of directors. These documents demonstrate ATNS's commitment to complying with regulatory requirements.





**Zola Majavu CD (SA)**  
Chairman of the board

# Message from **the Chairman**

“I am delighted to announce that ATNS has once again been recognised as a top employer in South Africa for 2024. This esteemed accolade underscores our unwavering commitment to fostering an exceptional workplace culture.”



## Overview of the year

By investing in technology, human capital and robust procedures, we have delivered reliable air navigation services in the year under review. Despite operational challenges such as loadshedding, vandalism and inflationary pressures, ATNS achieved an impressive 80% performance rate, up from 72% in the previous year. Revenue increased by 8.78% to 102 515 movements, reflecting growing industry demand. To mitigate financial constraints, we expanded our non-regulated business, securing new clients such as Grand Central and ACSA. While these achievements are notable, we acknowledge the ongoing challenges within the South African operating environment (See our operating context on page 14 to page 16).

Continuous investment in infrastructure redundancy and cybersecurity remains essential to ensure uninterrupted service delivery. Our collaborative approach with industry stakeholders has been instrumental in achieving operational efficiencies and enhancing overall system performance. We are proud of our track record in safety and are committed to continuous improvement in line with international standards and environmental sustainability goals.

ATNS operates in a complex and dynamic environment characterised by both significant risks and opportunities. Safety is paramount, with risks such as air collisions, airspace infringements and system failures posing constant challenges. Financial, regulatory and technological uncertainties also affect operations. However, opportunities for growth and improvement exist through technological advancements, strategic partnerships and service diversification.

To navigate this complex landscape, ATNS has adopted a strategic approach. Prioritising investments in advanced technologies, implementing robust safety management systems and fostering strong industry collaborations are key focus areas. Developing a highly skilled workforce and building operational resilience are essential to ensure the continued delivery of safe and efficient air traffic management services.

ATNS faces significant financial challenges due to ageing infrastructure and the need for technological upgrades to remain competitive. The high cost of replacing outdated infrastructure, coupled with economic constraints and the cyclical nature of the aviation industry, influences the organisation's ability to become self-sustaining. To address these challenges, ATNS must invest in advanced technologies such as artificial intelligence while balancing financial considerations.

Given the protracted permission application process, ATNS needed to cut costs and also source additional funding from the Development Bank of Southern Africa to be able to drive the much-needed investment in infrastructure. In the year under review, we surpassed our planned capex target of R156 million, with an expenditure of R177 million, reflecting our resolve to provide quality services.

A significant challenge is skills shortages. Over the past few years, we have had a considerable number of our critical skills poached by global air navigation service providers. While this attests to the quality of our training and our people, it is vital that we increase capacity so that we can address skills shortages. We have engaged with our international counterparts in the regions where ATNS alumni are located to explore mutually beneficial opportunities. At home we are investing heavily in employee development and cultivating a thriving work environment.

I am delighted to announce that ATNS has once again been recognised as a top employer in South Africa for 2024. This esteemed accolade underscores our unwavering commitment to fostering an exceptional workplace culture. The rigorous certification process validates our adherence to world-class people management practices and our dedication to creating a better world of work for our employees.

## Focusing on risk and compliance

I am pleased to report that our audit was qualified with no material findings. This represents great progress from the previous year and fulfils our commitment made at our last annual general meeting. While we are encouraged by this improvement, we recognise that there is always scope for further enhancement.

Compliance has been a strategic focus for ATNS this year. A robust combined assurance approach was implemented to ensure comprehensive oversight across the organisation. The commitment to risk management was evident in our achievement of ISO 31000 certification in 2018. Additionally, we have strengthened our environmental and quality management systems.

To achieve our goal of a clean audit, we have undertaken several initiatives. These include reducing fruitless and wasteful expenditure, conducting regular policy reviews and benchmarking our salary structures to retain top talent. These efforts have been instrumental in enhancing our overall operational efficiency and effectiveness.

## Contributing to transformation

ATNS is committed to driving sustainable socio-economic progress in South Africa. Our transformation efforts aim to foster skill development, support small businesses and advocate environmental conservation, creating a foundation for inclusive growth with minimal ecological footprint and impactful social contributions. Beyond legal obligations, we are enhancing the nation's capacity to serve the aviation sector and facilitating skill transfer across Africa in a manner that is both sustainable and environment-conscious.

## Strengthening our governance structures

Our board functions as a cohesive and engaged unit, characterised by vigorous debate and a constructive, collaborative relationship with the executive team. We have implemented robust governance structures that provide clear roles, responsibilities and accountability. I have advocated a system where the board and executives meet together in extended board meetings. This approach allows for direct interaction between board members and executives, improving communication and decision-making. We are seeing the benefits of this practice as it fosters a better understanding of the company's operations and enables quicker turnaround times on issues. This framework, combined with open communication and mutual respect, has fostered a high-performing board environment. The board's commitment to effective oversight and strategic guidance has been instrumental in driving the company's success.

## Looking ahead

Currently, ATNS's income is derived primarily from regulated and non-regulated sources. Revenue from regulated services is capped by government approval, limiting growth potential. To overcome this constraint, we are exploring opportunities to expand our non-regulated business operations outside of South Africa.

## Appreciation

I express my sincere gratitude to my fellow Board members for their unwavering commitment, insightful contributions and collaborative spirit. The ATNS executive team and staff deserve commendation for their dedication, hard work and resilience in driving the company forward. Finally, I extend our appreciation to our shareholder ministry for its continued support and guidance as we strive to deliver on our mandate.



**Zola Majavu CD (SA)**  
Chairman



100 YEARS  
OR TAMBO

ATNS



**Nozipho Mdawe**  
Chief Executive Officer

## CEO Review

“One of the greatest strengths of ATNS is its exceptional talent. Our team is composed of highly dedicated individuals who are deeply committed to the company’s success.”

## Performance for the year

ATNS has successfully fulfilled its mandate of ensuring safe and efficient air traffic management. Our overall performance for the last financial year was pleasing, in our corporate performance and across our balanced scorecard. This success is attributable to achieving key milestones such as leadership stability, securing strategic partnerships and investment in infrastructure. Strong support from shareholders and customers, coupled with industry collaboration, was instrumental in our performance.

ATNS had to do more with less given the inflation-related permission granted. Revenue movements continue to recover as demand and frequency increase. This growth, however, does not necessarily translate to a substantive net financial position for the company. Doing more with less required ATNS to think out of the box in terms of its non-regulated business. We secured Grand Central Airport as a new customer for our air navigation services. In addition, we obtained a contract with ACSA for instrument landing system maintenance

Financial stability remains one of our principal assets, buoyed by the aviation sector's ongoing recovery. To address potential future challenges, we are exploring new revenue avenues in line with our mission, such as unmanned aerial systems traffic management, air traffic management partnerships, data communications and strategic diversification. A significant contribution to our operations comes from the Aviation Training Academy, which is renowned for training air traffic controllers both nationally and continentally.

Safety is paramount, as evidenced by the commendable actions of our air traffic controllers and central airspace management unit personnel during the FlySafair SFR212 flight emergency on 21 April 2024. They swiftly redirected the aircraft back to OR Tambo International Airport, showcasing their commitment to upholding aviation safety standards during crises.

## Strengthening ATNS

Operational Resilience is a critical focus for us. We have invested in solutions to mitigate risks, particularly in the face of increasing cyber-threats. Our technological reliance necessitates robust cybersecurity measures and a shift towards infrastructure independent from external factors such as power supply.

We are exploring satellite and cloud migration as part of our digital transformation strategy. To foster resilience, we're building strategic partnerships, developing anticipatory leadership and continuously scanning our operating environment. A deep understanding of our customers, from airlines and partners to end-users, informs our solutions and ensures we meet their evolving expectations for safety and reliability.

To maintain operational resilience, we have established a dedicated continuous improvement department. By employing scenario planning and other advanced techniques, we're enhancing our ability to anticipate and respond to change. A thorough understanding of our customer base is essential. This knowledge drives our service offering and ensures we meet the evolving needs of the aviation industry.

One of the strategic objectives of ATNS's strategy 2025 is 'developing a future-fit workforce', a programme that entails, among others, a review of the organisation design, culture and values review project and change management. Organisational structure and leadership were key priorities this year. We filled all Exco positions, establishing a strong leadership foundation. To support future growth, we developed organisational structures for lower levels, laying the groundwork for effective talent management. We have initiated consultations with labour unions on the implementation of the remaining organisational tiers, which is currently underway, with progress being made towards achieving our objectives. We are embedding a culture of anticipatory leadership to navigate challenges like those posed by the Covid-19 pandemic.

## Focus on our strategy

The 2023/2024 financial year was pivotal in solidifying our strategic direction. We focused on executing the last mile of our 2025 strategy while simultaneously laying the groundwork for the next five-year plan. Overcoming the enormous challenges the pandemic imposed on the aviation industry has coloured much of the current five-year strategic period. This year marked a period of consolidation and actively building confidence in the minds of employees, our customers, the community in which we operate and leadership at executive and board level.

Our focus is on building a sustainable future for ATNS. This spans financial stability, environmental responsibility and talent development. By investing in our people and expanding our workforce, we are addressing the national skills shortage and contributing to job creation. This aligns with our commitment to sustainable development and creating a positive impact on our community.

## Prioritising strategic partnerships

During the year, we secured key partnerships with various African countries living our position: 'No African country will be left behind'. ATNS also partnered with the South African Air Force to leverage resources, a partnership that has proven to add value to our business. This partnership has facilitated the integration of the air force's datalink solution and will enable future collaboration. It has also fostered knowledge sharing among air traffic controllers, engineers and operational staff, enhancing joint airspace surveillance.

Strategic alliances such as our partnership with the Council for Scientific and Industrial Research, propel us forward. Together, we're piloting passive radar system technology to enhance civil aviation safety. Passive radar leverages third-party signals such as radio broadcasts to detect and track aircraft without needing a dedicated transmitter, offering a cost-effective alternative to traditional radar systems with reduced licensing and operational expenses.

Our market standing grants us access to influential industry forums including the Airports Council International, ICAO and IATA. This engagement ensures that ATNS remains central to pivotal regional and global decision-making processes.

## Our people

One of the greatest strengths of ATNS is its exceptional talent. Our team is composed of highly dedicated individuals who are deeply committed to the company's success. They have consistently demonstrated unwavering support for our leadership throughout challenging times. This, combined with strong collaboration and operational resilience, has been instrumental in our journey.

I am proud to announce that ATNS has once again been recognised as a top employer in South Africa for 2024. This prestigious accolade is a testament to our unwavering commitment to fostering a world-class

workplace culture. The rigorous certification process validates our exceptional people practices and reinforces our position as a leader in human capital management.

The implementation of the organisation design fostered a culture of collaboration and innovation, enabling us to navigate challenges and capitalise on opportunities. Our team's dedication and resilience were instrumental in overcoming the lingering effects of the pandemic and driving performance improvements.

A significant challenge is skills shortages. Over the past few years we have had a considerable number of our critical skills poached by global air navigation service providers. While this attests to the quality of our training and our people, it is vital that we increase capacity so that we can address skills shortages. We have engaged with our international counterparts in the regions where our previous employees are working to find mutually beneficial solutions. At home we are increasing our investing in workforce development and creating a positive work environment will be crucial.

## Transformation and diversity

ATNS remains steadfast in its commitment to diversity, equity and inclusion. We have made significant strides in transforming our workforce to reflect the demographics of South Africa. Representation of previously disadvantaged groups has increased across all levels of the organisation, including a notable achievement of 51% female representation in air traffic services. Our board and Exco also demonstrate a strong gender balance. We will continue to champion diversity and embed these principles into every aspect of our business.

## Our commitment to environmental sustainability and reducing our carbon footprint

We aim to achieve green air traffic management by aligning with international and regional targets, such as the ICAO and SDGs. Our environmental, social and governance (ESG) framework underpins our efforts to minimise environmental impact and ensure compliance with regulations.

ATNS has made significant strides in environmental sustainability this year. We have strengthened our environmental management system, achieved ISO 14001 certification and reduced our environmental impact through operational efficiency improvements.

Our focus on compliance, risk mitigation and continuous improvement has positioned us well to address future challenges. We are committed to industry collaboration, technological innovation and achieving green air traffic management accreditation to further enhance our environmental performance and contribute to a sustainable future.

## Looking ahead

We are of the view that as ATNS, we can do so much more through collaboration, markedly on the continent. There is growth and accompanying opportunities across the continent and such opportunities can be exploited optimally if African countries hold hands and move in the same direction. Agenda 2063 is an enabling framework with which to form these partnerships and collaboration efforts. It is incumbent on all states on the continent to do all they can to see it to realisation. Additionally, the rate of exponential change in terms of technologies requires our ability to be agile and seek to pioneer aviation technologies. As ATNS closes this current strategy, the next strategy must be aggressive in terms of shaping the aviation sector through advanced technologies. It must look different five years from now and must interact differently with its customers, employees and other stakeholder alike in a manner that will add value. Big data and appropriate data-mining processes needs to become the norm for better decision-making and building a far better ATNS.

There is a need to upskill and reskill the workforce as part of preparing for future aviation environments. For example, what kind of skills would be needed to safely land aircraft in Cape Town while physically stationed in Nigeria and what kind of resilience would be required for the air traffic controller to do this safely and efficiently. In addition, the use of airspace will become complex yet with opportunities given the introduction of drones and possibly other unmanned aircrafts. There is no time for stagnation. These technologies are here and they disrupt the status quo — our strategic interventions to respond must set us apart.

## Appreciation

I commend the airline industry associations for their support and for bringing us closer to the needs of our customers. I also acknowledge the SACAA for its rigorous oversight. I extend our appreciation to ICOA and IATA and the original equipment manufacturers for the ongoing collaboration we enjoy. Our partnership with the Council for Scientific and Industrial Research and the South African National Space Agency is invaluable.

The support from our Minister and the board has been phenomenal.

Lastly, thanks to my team. ATNS has enormous talent. This financial year, we have witnessed firsthand the innovative capabilities of our employees through their contributions to research, development and innovation. To further harness this potential, we are establishing a think-tank to structure and support these efforts.

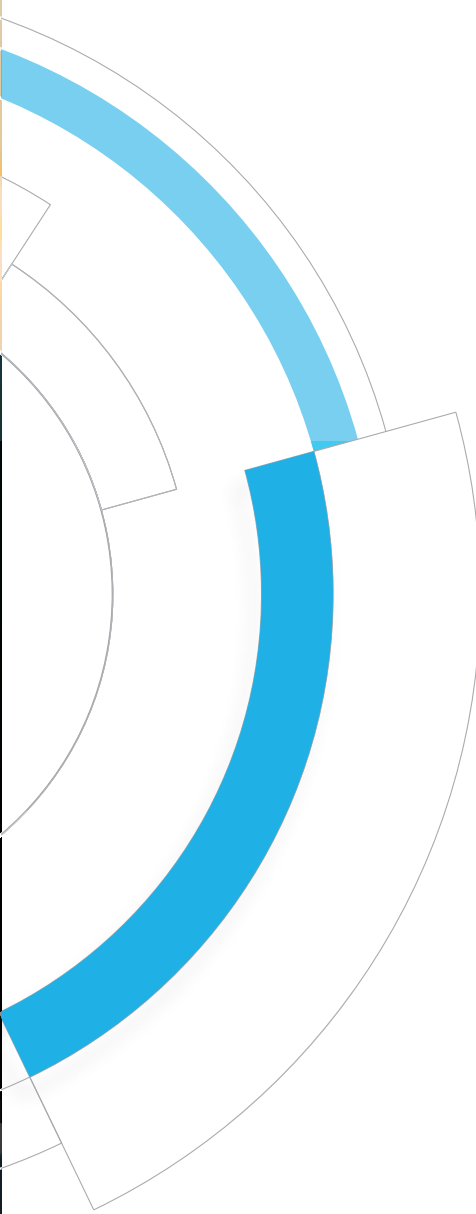


**Nozipho Mdawo**  
CEO



## A large, stylized number '2' is the central focus of the right side of the page. The number is composed of several overlapping, semi-transparent shapes in shades of blue and teal. It is set against a background of concentric white circles and lines that create a sense of depth and movement. The overall design is modern and technical.





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# Governance

Good corporate governance is the bedrock on which ATNS builds its reputation for safety, efficiency and reliability. It ensures transparency, accountability and ethical conduct, which are paramount in an industry where precision and trust are essential.

ATNS is committed to upholding the highest standards of corporate governance, as outlined in King IV. As the custodian of ethical governance with collective responsibility for setting an ethical tone at the top, the board has continued to exhibit ethical and responsible leadership, ensuring the continued application of high ethical standards across all levels of the organisation. The board determines and sets the tone of the ATNS's values, including principles of ethical practices, with the assistance and support of the Social and Ethics Committee.

# Governance

The board's approach to the governance of ethics is supported by the ethics policies, code of conduct and the code of ethics approved by the ATNS board. These documents serve as the foundation for a strong ethical culture within the organisation, guiding employee behaviour, decision-making and overall corporate conduct. Ethics policies such as conflict of interest and the gift policy contribute directly to the King IV principle of ethical and responsible leadership. They provide a framework for ethical decision-making and conduct. The code of conduct embodies the company's values and expectations, also reflecting the King IV principle of ethical and responsible leadership. It outlines specific behaviours and actions that align with the broader principles of fairness, inclusivity and stakeholder engagement. On the other hand, the ATNS code of ethics articulates the company's values and principles set out by the board, serving as a guiding document for ethical decision-making. It supports King IV principles of ethical leadership, fairness and stakeholder focus.

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The company has a dedicated ethics function tasked with implementing the ethics management plan. This function plays a critical role in fostering a culture of integrity, accountability and ethical conduct. Additionally, ATNS has established the Ethics Management Committee and the Social and Ethics Committee to support King IV principles and the Companies Act as amended. The Ethics Management Committee focuses on the day-to-day management of ethics. The role of this committee aligns with King IV's emphasis on ethical leadership and creation of an ethical culture. The Social and Ethics Committee oversees the company's social and ethical performance, including its impact on stakeholders and communities. The role of this committee aligns with King IV's emphasis on fairness, inclusivity and stakeholder engagement. The establishment of both committees demonstrates ATNS's commitment to good governance and responsible corporate citizenship.





# Our leadership

## Our board



**Zola Majavu CD(SA)**  
(age 55)

### Chairman

#### Expertise

Aviation law  
Alternative dispute resolution  
Constitutional Court litigation

#### Qualifications

BA (Law)  
LLB  
HDip. Company Law  
Certificate in Sports Management  
Notary  
Senior Legal Practitioner  
Helicopter Pilot  
Chartered Director CD (SA)

#### Committees

The Chairman does not serve on board committees



**Nozipho Mdawe**  
(age 51)

### Chief Executive Officer

#### Expertise

In-depth and comprehensive understanding of the transport value chain, including aviation, maritime, port and rail sectors

Proficiency in regional transport regulations

Expertise in ESG stewardship

Skilled in transformational and ethical leadership

Strong capabilities in strategic leadership and execution

Experienced in developing global partnerships and managing stakeholders

Proficient in integrated value-driven infrastructure development and execution

Expertise in business transformation, value creation leadership and revenue growth

Proficient in operational leadership and execution, focusing on operational efficiency

#### Qualifications

Doctoral degree in progress  
Masters in Business Administration (MBA)  
Global Executive Development Programme  
Advanced Strategic Management Programme  
Advanced Management Programme



**Matome Moholola**  
(age 45)

### Chief Financial Officer

Appointed August 2019

#### Expertise

Financial, risk and supply chain management

Corporate governance

#### Qualifications

CA(SA)  
MBA  
MCom Tax  
BCom  
BAcc



**Ameen Amod CD(SA)**  
(age 60)

### Director

#### Expertise

Governance  
Finance  
Internal audit  
Strategic planning

Performance management  
Enterprise risk management  
Compliance

#### Qualifications

MBA  
BCom  
Chartered Director CD (SA)  
CIA (Certified Internal Auditor)  
CRMA (Certified Risk Management Assessor)  
CGAP (Certified Government Audit Professional)

#### Committees

Audit and Risk  
Social and Ethics

## Board demographics

Race	Black	11	White	1
Gender	Female	6	Male	6



**Khulile Boqwana**  
(age 52)

**Director**

**Expertise**

Investment and regulation  
Broadcasting and telecommunications  
Energy regulation  
Corporate strategy  
Project management

**Qualifications**

BCompt  
MBL  
National Diploma in Education  
Certificate in Project Management

**Committees**

Chairman: Remuneration and Human Capital  
Audit and Risk  
Governance



**Princess Mangoma**  
(age 46)

**Director**

**Expertise**

Auditing (external, internal, IT)  
Risk and compliance management  
Performance management

**Qualifications**

BCompt  
BCom Honours  
MPhil Accounting Sciences (in progress)  
Certified Internal Auditor (in progress)

**Committees**

Chairman: Strategic Programmes, Information and Technology  
Audit and Risk



**Nomathemba Kubheka**  
(age 57)\*

**Director**

**Expertise**

Talent management  
Corporate negotiations  
Project management  
Logistics  
Property development

**Qualifications**

BA Education  
MSc Building

**Committees**

Remuneration and Human Capital  
Social and Ethics



**Siyabonga Gcina Kudemela**  
(age 31)

**Director**

**Expertise**

Construction and project management  
Civil engineering  
ESG  
Building infrastructure analytics  
Facilities management

**Qualifications**

National Diploma Surveying  
National Diploma Civil Engineering  
Advanced Diploma Civil Engineering (In Progress)

Project Management Professional (PMP)

**Committees**

Social and Ethics  
Strategic Programmes, Information and Technology



**Dr Malindi Neluheni**  
(age 61)

**Director**

**Expertise**

Aviation licensing regulatory framework  
Transport and aviation strategy work and publications  
Planning, design and operations of airports

**Qualifications**

PhD Architecture (Engineering Minor)  
MAcrh

**Committees**

Strategic Programmes, Information and Technology  
Social and Ethics



**Precious Sibiyi CA (SA)**  
(age 53)

**Director**

**Expertise**

Risk management  
Auditing (internal and external)  
Financial management  
Financial reporting  
Compliance management  
Supply chain management / procurement management  
Business turnaround  
Investment management

**Qualifications**

Bachelor of Accountancy  
Postgraduate Diploma in Accountancy  
Chartered Accountant

**Committees**

Chairman: Audit and Risk  
Remuneration and Human Capital



**Major-General (retired) Nhlanhla Ngema**  
(age 74)\*

**Expertise**

Strategic planning  
Policy formulation  
Strategy formulation  
Resource management  
Aviation, defence & aerospace management  
Transformation implementation

**Qualifications**

Airline Transport Pilot Licence (Federal Aviation Administration, USA)  
Commercial Pilot Licence (Civil Aviation Authority, UK)  
Private Pilot Licence (Civil Aviation Authority, Nigeria)  
Senior Management, Defence Resource Management  
Defence Management and Joint Operations Programmes  
Advanced Air Operations Law Certificate  
Aviation Leaders Programme in Public Policy

**Committees**

Chairman: Social and Ethics  
Remuneration and Human Capital



**Chris R Burger**  
(age 59)

**Expertise**

Aviation operations  
Communications and navigation systems engineering  
Air traffic control  
Training and education

**Qualifications**

BEng MEng (Electronic Engineering)  
BCom (Aviation Management)  
BTh (SATS)  
AP Trans (SATI)  
ATPL(A) CPL(H) NPL(TMG) GPL FBPL RPL (SACAA)  
ATP (FAA)  
Director's Certificate: Institute of Directors South Africa (IoDSA)

**Committees**

Remuneration and Human Capital  
Audit and Risk

# Our leadership

## Our executives



**Nozipho Mdawe**  
(age 51)

### Chief Executive Officer

#### Expertise

In-depth and comprehensive understanding of the transport value chain, including aviation, maritime, port and rail sectors

Proficient in regional transport regulations

Expertise in ESG stewardship

Skilled in transformational and ethical leadership

Strong capabilities in strategic leadership and execution

Experienced in developing global partnerships and managing stakeholders

Proficient in integrated value-driven infrastructure development and execution

Expertise in business transformation, value creation leadership and revenue growth

Proficient in operational leadership and execution, focusing on operational efficiency

#### Qualifications

Doctoral Degree in progress

MBA

Global Executive Development Programme

Advanced Strategic Management Programme

Management Advanced Programme



**Matome Moholola**  
(age 45)

### Chief Financial Officer

Appointed August 2019

#### Expertise

Financial, risk and supply chain management

Corporate governance

#### Qualifications

CA(SA)

MBA

MCom Tax

BCom

BAcc



**Josia Manyakoana**  
(age 54)

### Chief Operating Officer

Appointed June 2023

#### Expertise

Air traffic management

Aviation management, research and strategy

Airport operations management

Ats operations management

Airspace management

Aviation safety management

Human factors

Corporate governance

#### Qualifications

Master of Aviation

Honours Industrial Psychology

BAdmin Aviation Management



**Mbongeni Maqashelana**  
(age 47)

### Chief Business Services Officer

Appointed November 2014

#### Expertise

Safety management system

Enterprise risk management

Quality management systems

Corporate governance

Management accounting

Business continuity management

Risk insurance and travel management

Business process and continuous improvement

Security management

Facility management

Knowledge and record management

#### Qualifications

MBA

Postgraduate Diploma in Business Management and Administration

BCompt

National Diploma in Cost and Management Accounting

Certificate in Programme in Risk Management



**Sandile Hogana**  
(age 41)

**Chief Customer Solutions Officer**

Appointed July 2023

**Expertise**

Sales

Marketing

Product development

Data analytics

**Qualifications**

MBA

Postgraduate Diploma in Finance, Banking and Investment Management

BSC Computer Science and Applied Mathematics



**Gayle Serema**  
(age 52)

**Chief Human Capital Officer**

Appointed on a fixed-term contract in January 2023

**Expertise**

General human resources management

**Qualifications**

MBA

BCom Honours, Industrial and Organisational Psychology

Bachelor of Arts Industrial Psychology



**Nhlanhla Mabaso**  
(age 54)

**Chief Technology and Information Officer**

Appointed July 2023

**Expertise**

Strategic management of technology

Innovation

Knowledge commons

Cybersecurity

Leadership development

Programme management

**Qualifications**

MBA

BSc (Computer Science; Computational and Applied Mathematics)

Courses including information management and cybersecurity.



**Tendani Ndou**  
(age 54)

**Chief Aviation Training Academy Officer**

Appointed June 2011

**Expertise**

Risk, audit and compliance

Corporate governance

Accounting, finance and management

Supply chain management

Aviation training management

Strategy and planning

**Qualifications**

MBA

BCom (Honours) Cost Management Accounting

Higher Diploma in Education



**Thandeka Mdebuka**  
(age 43)

**Chief Governance, Risk and Compliance Officer**

April 2015

**Expertise**

Legal advisory and advocacy

Legal compliance

Corporate governance

Contract negotiation and contracts management

Litigation

Enterprise risk management

**Qualifications**

Admitted Attorney

Postgraduate - Diploma in Governance, Risk and Compliance Management

LLM Mercantile Law

LLB



**Khanyisile Cele**  
(age 41)

**Chief Strategy, Research Development and Innovation Officer**

Appointed July 2023

**Expertise**

Leadership

Strategy

Research

Policy

Budgeting

Monitoring and evaluation

Innovation inculcation

**Qualifications**

MBA (Leadership and Change Management)

MPhil (Responsible Leadership)

B-Tech degree in Public Finance and Accounting



**Lesego Mahamba**  
(age 39)

**Chief Audit Executive**

Appointed January 2018

**Expertise**

External audit

Internal audit

Internal financial controls

Corporate governance

Enterprise risk management

Combined assurance

Performance information

Compliance

**Qualifications**

CA(SA)

MBA

CIA

BCom Accounting Science

BCom Economics



**Adv Ditebogo Khumalo**  
(age 53)

**Company Secretary**

Appointed September 2023

**Expertise**

Corporate governance

Risk and compliance

Administration of deceased estates

Trusts and companies in liquidation

Information management

**Qualifications**

BProc

LLB

Diploma in Insolvency Law and Practice

BA Hons Information Science

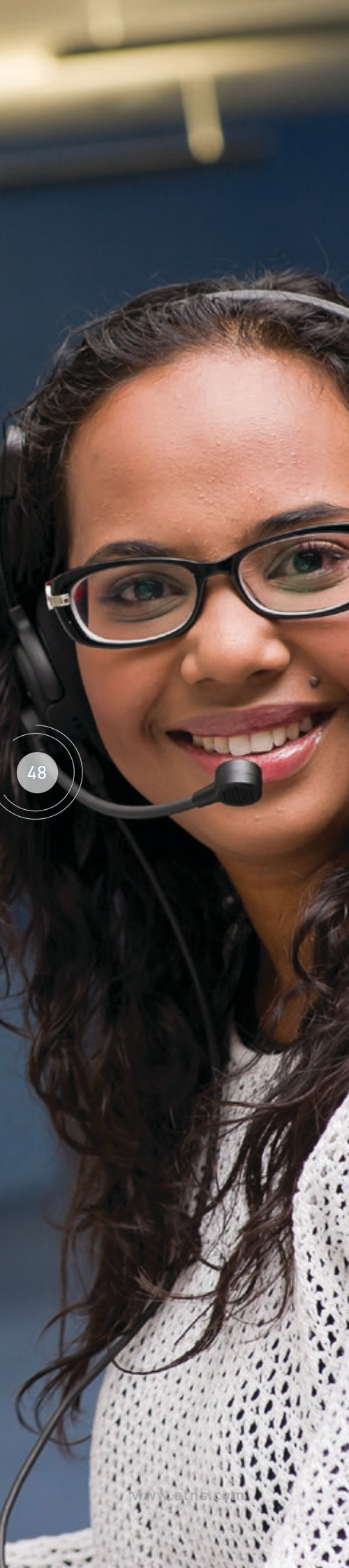
MBA

Postgraduate Diploma: Compliance Management

Certificate: Executive Development Programme

**Exco demographics**

<b>Gender</b>	<b>7</b>	<b>5</b>
	Female	Male



### Our governance philosophy

ATNS's governance approach is anchored in core values and principles, including responsiveness, collaboration, transparency, integrity and accountability. Over the past year, the board has actively implemented corporate governance policies that integrate corporate strategy, risk management and ethical business practices.

As a state-owned company, our governance relationship with our shareholder, DoT, is governed by the shareholder's compact. The compact outlines the commercial and developmental requirements and expectations set by the Minister of Transport.

The board serves as the central body overseeing the governance framework, supported by its committees and interactions with management, the shareholder and other stakeholders. Our board has diverse skills and experience.

### Governance structures





# Our board

## Our board at a glance


**10**  **Non-executive directors**

**2**  **Executive directors**

**11** **Black**



**1** **White**

**6**  **Female**

**6**  **Male**

The board is established according to the company's memorandum of incorporation, the Companies Act and King IV. Some board duties have been delegated to formally constituted committees, although the board retains ultimate responsibility. Delegation is formalised through approved terms of reference.

Our board is committed to providing strategic leadership and oversight. We establish clear authority levels to ensure ATNS fulfils its statutory, commercial and developmental goals while upholding our corporate citizenship responsibilities. Our primary focus is meeting the legitimate needs and expectations of all stakeholders.

Led by our chairman, the board maintains the highest ethical standards and ensures its effectiveness. Board members are appointed by the Minister of Transport based on their qualifications and experience. This rigorous process, overseen by DoT's Oversight Unit,

adheres to the PFMA, Companies Act and other relevant legislation.

Our board operates under a board charter outlining its responsibilities, including adherence to the ATNS Act, fiduciary duties and the relationship with executive management. The charter is regularly updated to comply with legal changes.

The board is accountable for the overall direction and management of the company. The CEO and Exco support the board by overseeing day-to-day operations and implementing its strategic decisions.

Since the restructuring of the board's committees in 2023, significant progress has been achieved in streamlining governance processes and enhancing operational efficiency.

The reorganisation, which reduced the number of committees from six to four, has led to more focused and effective oversight. The dissolution of the Governance Committee and the reassignment of its roles to the full board have strengthened direct board involvement in key governance areas. Board development responsibilities have been successfully integrated into the Remuneration and Human Capital Committee, ensuring continued attention to board effectiveness and development.

The merger of the Transformation and Investment Committee with the Business Research, Operations

and Development Committee to form the Strategic Programmes Information and Technology Committee has proven effective. This new committee structure has facilitated more cohesive oversight of strategic initiatives and technological advancements, driving better alignment between business strategy and operational execution.

Overall, these changes have contributed to a more streamlined governance framework, reduced duplication and improved decision-making processes, aligning the board's activities with the organisation's strategic goals and operational needs.

## Board attendance for the year under review

Attendance of Audit and Risk Committee meetings					
	Initial	Surname	Status of board membership	Ordinary meetings for the year	Special meetings for the year
Committee Chairman	P	Sibiya	Appointed on 13 January 2023	4/4	1/1
Members	A	Amod	Appointed on 13 January 2023	4/4	1/1
	K	Boqwana	Reappointed on 13 January 2023	4/4	1/1
	P	Mangoma	Appointed on 13 January 2023	4/4	1/1

## Board training and development

The 2023/2024 board training and development programme was approved by the board. Training was provided to the board on national public procurement and prevention and combatting of corrupt activities on 3 November 2023. Another training intervention was provided to the board on the Protection of Personal Information Act and Companies Act on 24 November 2023. A risk workshop was held on 18 January 2024. Board members were also registered for IoDSA during 2023.

## Board evaluation

The evaluation of the board was not conducted during the year under review. This was because the board was considered to be relatively new as it was appointed on 13 January 2023 and the board induction session was held during February 2023.

## Key board discussions and matters during the year under review

- ATNS 30th birthday celebration
- Organisational design implementation
- Information technology security
- Safety standards and assurance
- 2023 wage labour negotiations
- Approved the audited annual financial statements for the year ended 31 March 2023 including:
  - Consideration and confirmation that the entity is a going concern, assessment of solvency and liquidity and recommendation that it does not declare a dividend for the financial year
  - Approval of directors' report
  - Acceptance of Independent auditors' report
  - Acceptance of the report of the Audit and Risk Committee
- Approved the 2022/2023 annual integrated report in line with legislative requirements
- Approved various policies to strengthen policy environment and internal controls

- Approved the CSI plan for the 2023/2024 financial year
- Approved research strategy review
- Approved the 2023/2024 annual research plan
- Approved acceptance of the auditor's management letter for the audit of the 2023/2024 financial year
- Recommended reappointment of external auditors
- Approved the DoT quarterly performance reports
- Reviewed ATNS strategy 2025
- Approved the 2024/2025 to 2026/2027 corporate plan
- Reviewed and approved the board charter and the committees' terms of references
- Approved the restructuring of the board committees
- Monitored and noted progress on quarterly reports
- Approval of various policies to strengthen policy environment and internal controls.
- The appointment of a co-opted member of the Strategic Programmes, Information and Technology Committee based on the skills required on the committee.
- Approval of the fraud management plan, strategic risk register 2024/2025, budget, borrowing plan, investment plan and materiality and significance framework, any delegation of authority,

## Future focuses

- ▶ Strategy 2030
- ▶ 2025/26 to 2027/28 Corporate Plan
- ▶ Infrastructure maintenance and upgrading
- ▶ Organisational design implementation finalisation
- ▶ Financial sustainability
- ▶ Regulatory compliance
- ▶ Strategy underpins virtually every boardroom discussion. Strategy interrelates with operating and financial performance, talent and compensation, risk, sustainability, governance, regulation, etc
- ▶ Understanding the risks and opportunities of artificial intelligence and other disruptive technologies
- ▶ Talent retention (skills shortage). Focusing on employment practices, safety considerations, compensation, skills development, succession planning and wellbeing
- ▶ Risk management: Oversight
- ▶ Governance: Broader ESG matters
- ▶ Technology, climate risk and cybersecurity
- ▶ Monitoring: Providing management oversight.

## Board Committees

The ATNS board is supported in its mandate by the following committees:

### Audit and Risk Committee

Established as a statutory committee under the PFMA and the Companies Act, the Audit and Risk Committee plays a crucial role in overseeing the effectiveness of governance across various functional areas. This includes finance, compliance, information technology, internal audit and risk management.

The committee works independently with external and internal assurance providers to review the integrity of the annual financial statements and the annual integrated report. It also assesses the performance and independence of the Chief Audit Executive, evaluates the finance function and undertakes other duties delegated by the board.

### Key committee discussions and matters during the year under review

- ▶ Financial performance reporting and monitoring
- ▶ Strategic risk management reporting and monitoring
- ▶ Reviewed financial budgets and recommended them to the board for approval
- ▶ Periodically reviewed the financial performance of the company
- ▶ Recommended the annual financial statements to the board for approval
- ▶ Assessed the effectiveness of the finance function, the Chief Audit Executive and the independence of assurance providers
- ▶ Reviewed and approved the internal audit annual and three-year rolling plans
- ▶ Reviewed and approved external audit plans and audit fees
- ▶ Assessed the company's going-concern status
- ▶ Reviewed risk management processes, risk management effectiveness, the key risks facing the business and the company's response to these
- ▶ Reviewed compliance with legislation and approved legal reports
- ▶ Monitored irregular, wasteful and fruitless expenditure
- ▶ Monitored the audit improvement plan to close the external audit findings from the previous financial year

- ▶ Approved the audit strategy for 2023/2024, internal audit charter and three-year plan 2024/2025 to 2026/2027, risk appetite and tolerance framework and risk management plan 2024/2025
- ▶ Approved the Audit and Risk Committee report for inclusion into the integrated report
- ▶ Reviewed and recommended various policies to the board for approval
- ▶ Reviewed the committee's terms of reference and recommended them to the board for approval
- ▶ Approved the 2023/2024 risk management plan
- ▶ Approved the 2023/2024 fraud risk management plan
- ▶ Approved the compliance strategy, including 2023/2024 and 2024/2025 plans.

### Future focuses areas

- ▶ Financial sustainability
- ▶ Financial performance monitoring and reporting
- ▶ Strategic risk management monitoring and reporting
- ▶ Enterprise risk management: The threat landscape has evolved heavily in the last few years, demanding a rethink of risk oversight
- ▶ Internal audit talent for the function to be both effective and valuable in the organisation
- ▶ Reviewing measures to improve the internal control environment
- ▶ Ever-evolving regulatory and reporting requirements
- ▶ Finance transformation: Involves aligning the organisation's finance processes and operations with the company's overall mission and goals
- ▶ Audit quality and transparency: Critical matters to be disclosed
- ▶ Oversight of corporate culture given the committee's focus on compliance and the hotline process.

### Strategic Programmes, Information and Technology Committee

The Committee was responsible for overseeing supply chain management processes and procurement, including identifying potential risks. The committee ensured that all expenditures at ATNS adhered to established delegation of authority levels. Additionally, it supported the board in setting targets for the black economic empowerment balanced scorecard in accordance with broad-based black economic empowerment (B-BBEE) codes, thereby advancing the board's transformation goals.

The committee's purpose is to oversee and ensure the effective implementation of ATNS's business operations, growth strategy and research initiatives while aligning them with laws and best practices. It also guides the establishment and management of a business structure for non-regulated activities and monitors operational risks and opportunities.

### Key committee discussions and matters during the year under review

- Recommendation of the appointment of a service provider to provide data telecommunication network services, lease and maintenance services
- Review of investment projects (capex and opex)
- Review of Strategic Programmes, Information and Technology Committee terms of reference
- Recommending quarterly operations report to the board for noting
- Discussed and noted the DoT quarterly submissions
- Discussed and noted safety and standards assurance report
- Discussed and noted quarterly projects below R50 million reports
- Discussed and noted quarterly deviations, expansions and variations reports
- Discussed and noted the quarterly IT/OT governance report
- Discussed and noted the non-regulated business performance review and implementation of growth strategy
- Discussed and noted the implementation of the research and development strategy report
- Reviewed the procurement plan for 2023/2024
- Discussed and noted the transformation report (B-BBEE pillars)

## Future focuses areas

- ▶ Cybersecurity is clearly a risk that needs to be managed and one that often entails major financial, legal and reputational consequences.
- ▶ Strategic projects, with enterprise resource planning modernisation modernisation being the next phase
- ▶ Revised strategic risk reporting and continuous monitoring of the risks this may reveal
- ▶ Development and implementation of artificial intelligence technologies
- ▶ Remote access towers technologies.

## Social and Ethics Committee

The Social and Ethics Committee is tasked with overseeing ATNS's social, ethical and economic development matters. It is dedicated to promoting employment equity, preventing unfair discrimination and tackling corruption while advancing transformation in the aviation industry. In 2023/2024 the committee focused on several key areas, namely reviewing and monitoring initiatives to promote equality and reduce discrimination, aligning B-BBEE policies with national codes and overseeing stakeholder relationships concerning social and economic development. The committee also evaluated legal compliance frameworks, monitored safety and health strategies and assessed the impact of ATNS's operations on society and the environment.

The purpose of the Social and Ethics Committee is to support the board in discharging its oversight responsibilities regarding how ATNS does business according to its values, ethical standards and social responsibility. As per the Companies Act, the committee's duties include overseeing social and economic development, corporate citizenship, the environment, health and public safety, consumer relationships and labour and employment.

## Key committee discussions and matters during the year under review

- Advises on, oversaw and monitored ATNS's social and economic development, ethics, transformation, sustainability, corporate citizenship, environment, health, public safety, stakeholder relationship, labour and employment matters
- Ethics management: Oversight and implementation of the ethics management plan
- Review governance documents and policies and recommended them to the board for approval

- Stakeholder management: Monitored progress with implementation of the stakeholder engagement strategy and stakeholder reports including consideration of stakeholder risks
- Social environment/corporate citizenship: Considered activities contributing to donations, charitable giving and socio-economic development
- Monitoring the implementation of transformation initiatives
- Reviewed the committee's terms of reference and recommended them to the board for approval
- Reviewed and recommended non-financial disclosures contained in the integrated annual report to the board for approval
- Considered the implications of the Employment Equity Amendment Bill, effective 1 September 2023
- Reviewed and reported to the board on ATNS detailed B-BBEE strategy, targets and budget and progress made aligned to the scorecard
- Reviewed and reported to the board on ATNS employment equity performance set out in the annual employee equity report submitted to the Department of Labour and Employment
- Reviewed and considered the employment equity targets agreed with the Department of Labour and Employment in the context of broader diversity objectives.

## Future focuses areas

- ▶ Oversight of corporate culture given the committee's focus on ethics.
- ▶ Adoption and oversight of the revised ethics management plan
- ▶ Consider ATNS corporate citizenship contributions, including the development of communities and environmental initiatives
- ▶ Effective stakeholder management
- ▶ Oversee the implementation of the sustainability and environmental frameworks, strategy and plan
- ▶ Recommend and approve CSI projects and budget
- ▶ Oversee ATNS transformation strategy to maintain level 2 B-BBEE status.

## Remuneration and Human Capital Committee

The Remuneration and Human Capital Committee manages human resource matters, guiding and recommending on performance targets through balanced scorecards and equity plans. It ensures compliance with labour-related legislation such as the Labour Relations Act 66 of 1995, Employment Equity Act 55 of 1998, Skills Development Act 97 of 1988,

Basic Conditions of Employment Act 75 of 1997 and other compliance related legislations e.g. PFMA and National Treasury Regulations. The committee plays a crucial role in informing the board about executive appointments, terminations and promotions. It also monitors the effectiveness of company-wide succession plans, including for the CEO position. The committee's oversight ensures that human capital management aligns with regulatory requirements and supports the strategic goals of ATNS.

### Key committee discussions and matters during the year under review

- Discussed and recommended guidelines on human capital management
- Reviewed and recommended for approval by the board, the committee's 2023/2024 terms of reference
- Discussed and noted the future-fit workforce
- Discussed and noted the 2022/2023 corporate balanced scorecard performance report
- Noted and discussed the wage negotiations process and progress, headcount, available vacancies and exits
- Monitored compliance with relevant labour-related legislation, including the Employment Equity Act
- Discussed and noted the directives converted into policies
- Approved and guided key human capital policies, monitored compliance with employment laws and guided employment equity strategies
- Ensured effective talent management processes, including succession planning and career progression
- Ensured market-related remuneration and assessed company incentive schemes and fringe benefits
- Monitored that regular reviews of industry best practices in remuneration
- Followed board-approved Human Capital policies
- Reviewed the effectiveness of the Aviation Training Academy's operations.

### Future focuses areas

- ▶ Continued oversight on alternative rewards structures and retention mechanisms as part of an enhanced rewards strategy for high-performing employees and scarce and critical skills
- ▶ Review of performance measurement criteria for executive management and other employees, salary and wage negotiations
- ▶ Oversight of succession planning for executive management and senior leadership
- ▶ Review pay equity (equal pay for equal work).











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# Our strategic focus

During the year under review, the strategic plan was in its fourth year. It is always undergoing alignment with the changing external environment.

This approach enables the organisation to remain sustainable. This includes conducting annual strategy reviews to address the impact of the environment on strategic direction, demands from the industry, regulatory landscape and economic conditions.

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# Considering material matters

## Materiality determination

Identifying and addressing material matters are crucial for ATNS to achieve sustainable success. We focus on key themes that affect our operations, stakeholders and strategic goals. These material matters guide our decision-making processes, ensuring that we prioritise areas that drive value creation and mitigate risks. Through a comprehensive analysis, we assess economic, environmental and social factors that influence our business, allowing us to adapt and innovate in a dynamic landscape. We followed the steps below in determining our material matters:

### Step one: Establish the context

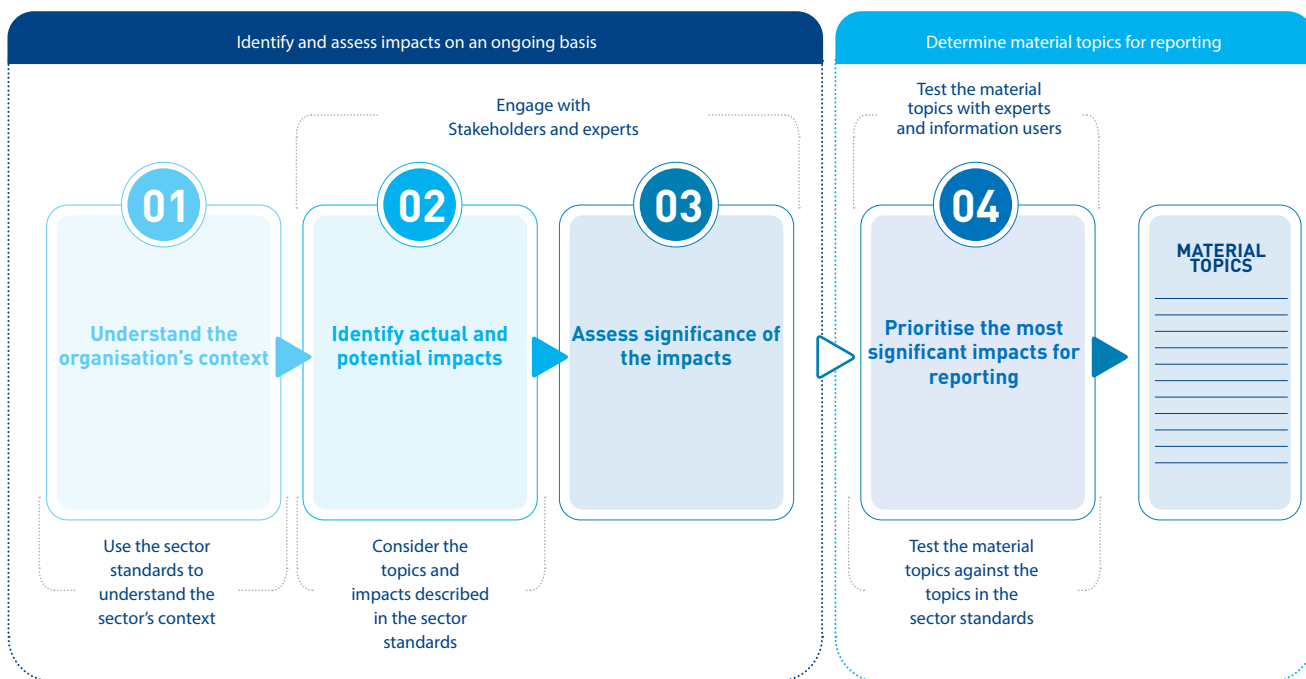
To establish the context for the materiality determination process, we began with a thorough understanding of ATNS's environment. This involved gathering information through engagement sessions with the ATNS core team to clarify expectations for the

workshop. We also reviewed supporting documents to identify material issues for the 2023/2024 period. Key documents included existing strategy papers, the business plan, the 2022/2023 integrated report and other performance-related materials.

In addition, a detailed documentary review was conducted. This review assessed previous integrated reports, strategy documentation, stakeholder surveys and outcomes from Exco and board meetings, among other reports. The documents reviewed were the 2023/2024 annual performance report, 2023/2024 governance indicators, 2023/2024 CNS availability report, 2023/2024 DoT investments and projects report, ATNS draft annual financial statements to 31 March 2024, ATNS revised strategy 2025, the approved 2023/2024 to 2025/2026 corporate plan and the strategic risk register

### Steps two to four: identify/assess/prioritise

In the subsequent steps, we focused on identifying and assessing the impacts related to ATNS's context. On 24 June 2024, a workshop was held with Exco and the Management Committee guided by a structured agenda to ensure a comprehensive approach to the materiality determination process. The workshop aimed to identify material issues, assess the significance of the identified impacts and prioritise them effectively. The agenda included activities to pinpoint material issues, evaluate their importance and determine their priority in relation to ATNS's strategic goals and stakeholder interests.



## Materiality theme 1

### Air traffic safety

1

#### Air traffic safety goes beyond passenger safety.

it encompasses the safety of assets and navigation infrastructure. Aviation safety remains a top priority for us, reflecting our commitment to industry-leading safety measures. We continuously develop programmes and technologies, incorporating best practices from SACAA and other aviation authorities. These programmes enhance the safety of our systems, addressing increased traffic and technological advancements. Our SMS provides a comprehensive framework to manage safety risks, incorporating measures such as ICAO's runway safety programme, SMS audits and regular safety training.

#### Top risks

1. Cybersecurity
2. Technology
3. Infrastructure planning and maintenance
4. Safety
5. Natural perils

## Materiality theme 2

### Effective governance

2

#### Governance involves how ATNS is directed, with a focus on oversight and accountability.

We ensure our operations align with regulatory requirements, prioritising transparency, effective risk management and sustainable growth. We maintain our commitment to safety, efficiency and sustainability, promoting trust among stakeholders by adhering to national and international frameworks.

#### Top risks

1. Financial sustainability
2. Human resources skills and retention
3. Business continuity

59

## Materiality theme 3

### Skilled workforce

3

#### Maintaining a skilled workforce is crucial for meeting stakeholder requirements and achieving future objectives.

Our focus includes employee wellness, training and career development. We aim to enhance leadership skills, promote continuous learning and drive performance and sustainability.

#### Top risks

1. Financial sustainability
2. Human resources skills and retention
3. Business continuity

## Competent and capable management

4

The skills, behaviour and knowledge of our workforce are key to delivering superior service.

We invest in leadership and employee development programmes to enhance these competencies. This strategic focus ensures that we can meet stakeholder needs effectively and sustainably.

### Top risks

1. Financial sustainability
2. Business continuity
3. Safety incidents
4. Infrastructure planning and maintenance

## Environmental, economic and geopolitical instability

5

External factors such as financial instability, regulatory changes and geopolitical instability pose challenges to our operations.

We implement strategies to mitigate these risks and ensure long-term sustainability. We monitor the economic landscape and adapt our business strategies to address these challenges effectively.

### Top risks

1. Financial sustainability
2. Safety and efficiency
3. Human resources skills and retention
4. Infrastructure planning and maintenance
5. Business continuity

## Sustainable modern business

6

We strive to be an innovative and agile organisation that meets customer expectations and delivers on our mandate.

Our commitment to sustainability, efficiency and innovation drives our operations. We continuously explore new technologies and business models to enhance our services and maintain a competitive edge in the industry.

### Top risks

1. Financial sustainability
2. Human resources skills and retention
3. Business continuity
4. Safety and efficiency
5. Infrastructure planning and maintenance

## Materiality theme 7

### Attractive and sustainable growth strategy

7

**Our growth strategy focuses on long-term sustainability and expanding into new markets.**

We aim to unlock the potential of our existing products and develop innovative solutions. This strategic approach ensures we remain resilient and competitive in a rapidly changing industry.

#### Top risks

1. Financial sustainability
2. Human resources skills and retention
3. Business continuity
4. Safety and efficiency
5. Infrastructure planning and maintenance

## Materiality theme 8

### Partnerships

8

**We prioritise partnerships to deliver exceptional value to our stakeholders.**

Collaborating with key players in the industry allows us to leverage resources and develop innovative solutions. These partnerships support our mission to provide safe, efficient and sustainable air traffic management services.

#### Top risks

1. Financial sustainability
2. Human resources skills and retention
3. Business continuity

## Materiality theme 9

### Economic and geopolitical instability

9

**Economic and geopolitical instability affects air travel costs and operational efficiency.**

To address these challenge, we implement proactive strategies such as cost management and efficiency improvements to ensure long-term sustainability. We monitor global trends and adapt our business practices accordingly.

#### Top risks

1. Financial sustainability
2. Safety and efficiency
3. Human resources skills and retention
4. Infrastructure planning and maintenance
5. Business continuity

## Materiality theme 10

### Environmental and community impact

10

**We are committed to minimising our environmental footprint and positively affecting the communities we serve.**

Our initiatives focus on reducing emissions, noise pollution and supporting community development. We actively participate in industry collaborations to promote sustainability best practices.

#### Top risks

1. Financial sustainability
2. Safety and efficiency
3. Human resources skills and retention
4. Infrastructure planning and maintenance
5. Business continuity

## Our strategy review

ATNS conducted a comprehensive strategy review process culminating in the updated strategy 2025. The previous corporate strategic profile (2015/2016 to 2019/2020) concluded on 31 March 2020. The new strategy took a fresh look at the aviation sector, considering its challenges and opportunities, and at the role of stakeholders in the air transport industry. The strategy formulation process included engagements with industry players such as IATA, CANSO, SACAA, BARSA and AASA and AASA, along with the ATNS board, management and staff.

The strategy review process involved re-scanning the environment to understand the current context, reassessing risks and opportunities and recalibrating key performance indicators (KPIs), targets and strategic initiatives. The organisation adopted a bottom-up strategy planning process which took the approach of organisation wide consultative process undertaken prior to board engagement and well as shareholder Wider management. The purpose was to ensure the development of an all encompassing strategy with clear deliverables.

Throughout this process, ATNS's strategic pillars of service excellence, sustainability and innovation remain unchanged. service excellence focuses on revising capex and opex, establishing collaborative agreements, developing strategic partnerships and enhancing growth through new products and services. Sustainability involves driving liquidity management, revising budget and procurement plans, exploring growth opportunities for non-regulated business, managing opex and cash reserves and reviewing organisational design. Innovation emphasises the use of emerging technologies to deliver efficient operations, creating agile and flexible operations, deploying remotely piloted aircraft system technology, implementing digital transformation and developing a future-centric operating model and cyber business continuity strategy. This structured approach ensures ATNS can adapt to evolving circumstances while maintaining a clear focus on its strategic objectives.

## Our strategy

While our vision, mission, strategic pillars and objectives remain the same, we have updated our values, strategic initiatives and KPIs to better align with the evolving business landscape. Our revised initiatives now emphasise operational and customer outputs, taking into account the financial pressures faced by our customers.

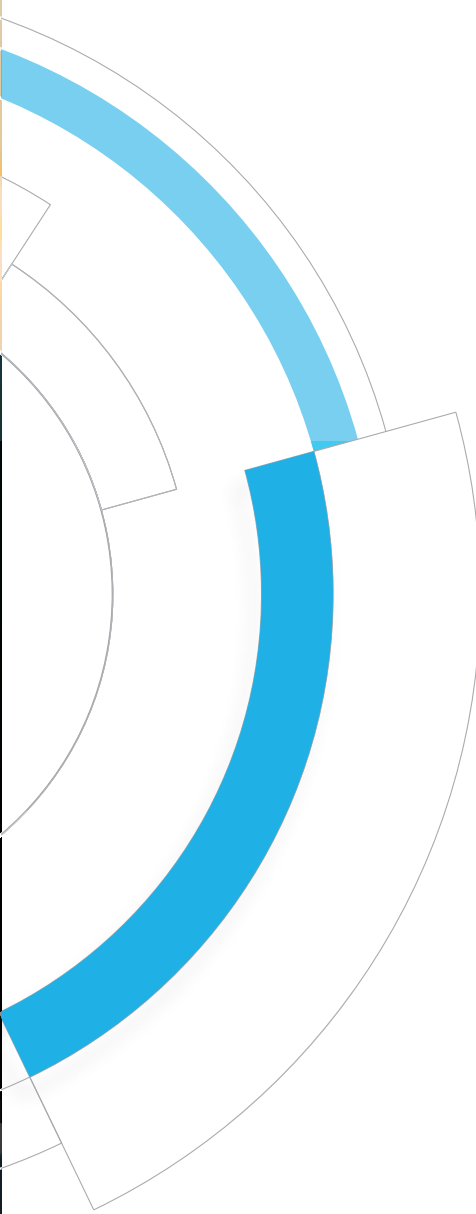
To ensure the effectiveness of our updated strategy, we have sought insights and expertise from industry players. This collaborative approach aims to position us as the leading provider of air traffic management solutions in Africa.





## A large, stylized graphic of the number '4' is positioned on the right side of the page. The number is composed of several overlapping, semi-transparent shapes in shades of blue and teal. It is surrounded by several concentric white circles of varying radii, creating a circular frame effect. The overall design is modern and technical.





# Performance review



# Corporate performance 2023/2024

The table below is a summary of our performance per Key Performance Area and overall organisational performance reflection for the 2023/24 financial year. For ease of reference, each KPA marks its number of indicators achieved and those not achieved. The summary table should be read together with the capitals structured into 6:

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social Capital
- Natural Capital

These Capitals are such that our reporting links to our outcomes-based planning. Each KPA derives from the National Development Plan 2030 and the Medium-Term Strategic Framework – which is our 6th Administration planning framework then this is further broken into Minister’s and National Department of Transport priorities which then influenced our KPAs.

Key performance areas	Performance status summary		Total	Annual performance
	Achieved	Not achieved		
Infrastructure build that stimulates economic growth and job creation	6	2	8	
Innovation	3	-	3	
Job creation	2	-	2	
Accelerating transformation towards greater economic participation	*	1	2	B-BBEE verification in progress
Environmental protection	1	-	1	
<b>Total</b>	<b>12</b>	<b>3</b>	<b>16</b>	<b>80%</b>

## Financial Capital

National development plan NDP 2030:

Medium-term Strategic Framework (MTSF):

Outcome 4 Decent employment through inclusive economic growth

Outcome 6 An efficient, competitive and responsive economic infrastructure network

the seven priorities

DoT strategic priorities

South African Economic Reconstruction and Recovery Plan

Objective	KPI	2022/2023 target	2022/2023 actual	2023/2024 actual	2023/2024 target	Reasons for non-achievement
Maintain financial sustainability	Current ratio	2.0	3.2	2.4	2.0	
	Total operating expenditure	N/A	N/A	R1 385m	≤R1 409m	
	Capex capitalisation	R250m	R123,98m	R177.5m	R156m	
	Audit outcome	N/A	N/A	Unqualified audit outcome with findings	Clean audit	Attained unqualified audit opinion with findings detailed in the auditor’s report

See the Chief Financial Officer’s review for further details from pages 76 to 82.

\* B-BBEE outstanding

Manufactured capital						
NDP 2030: Chapter 12: Building safer communities						
MTSF: Outcome 3 All people in South Africa are and feel safe						
The seven priorities Priority 5: Social cohesion and safe communities						
DoT strategic priorities Priority 3: Infrastructure building that stimulates economic growth and job creation						
Economic Reconstruction and Recovery Plan Priority 5: Support for the recovery and growth of the tourism, cultural and creative industries						
Objective	KPI	2022/2023 target	2022/2023 actual	2023/2024 actual	2023/2024 target	Reasons for non-achievement
2. Ensure the safety and efficiency of operations	Sms maturity	SMS maturity level C	Level C achieved	SMS maturity level C plus 15% level D	SMS maturity level C plus 45% level D	Certain study areas did not meet the requirements for a level D rating and action plans are already in progress to ensure that these are addressed.
	Accident rate	Zero ATS-related accidents per 100 000 flight hours	Zero ATS-related accidents/ 100 000 flight hours	Zero ATS-related accidents/ 100 000 flight hours	Zero ATS-related accidents/ 100 000 flight hours	
	Serious incident rate	Serious incident rate pf 4 or lower (categories A and B) incidents per 100 000 flight hours	2.7 serious (categories A and B) safety incidents/100 000 flight hours	3.3 serious (categories A and B) safety incidents/100 000 flight hours	≤ 4 serious (categories A and B) safety incidents/100 000 flight hours	
	On-time performance	N/A	N/A	99.96%	98%	

See Operational Review on pages 83 to 86 and the Safety Review on pages 87 to 88.

Intellectual capital						
NDP 2030: Chapter 9: Improving education, training and innovation						
MTSF: Outcome 5: A skilled and capable workforce to support an inclusive growth path						
The seven priorities Priority 2: Education, skills and health						
DoT strategic priorities Priority 7: Innovation						
Economic Reconstruction and Recovery Plan Priority 1: Infrastructure investment and delivery Priority 2: Industrialisation through localisation						
Objective	KPI	2022/2023 target	2022/2023 actual	2023/2024 actual	2023/2024 target	Reasons for non-achievement
<b>3. Be the leading training academy on the continent</b>	Diversification of training product line and offering	One new product line developed and ready to offer to customers. Delivery of product line developed in 2021/2022.	100% completion of product development and one new product line offering	Two products developed and offered to customers	One new product line developed and ready to offer to customers	The target was exceeded as two products were developed and offered to customers (space weather training for aviation personnel was completed and an aviation consumer protection course was developed for the Tanzania Civil Aviation Authority)
<b>4. Create an adaptive and innovative enterprise</b>	Digital transformation	Implementation of the digital transformation annual plan (≥80%)	81.4% Implementation of the digital transformation annual plan	86.3% Implementation of the digital transformation annual plan	Implementation of the digital transformation annual plan (≥80%) - infrastructure modernisation	
	% completion of research and development projects to enhance safety, efficiency and environment	(≥80%) completion of approved research and development plan	92% completion of approved research and development plan	88% completion of research and development projects as per approved plan	80% completion of research and development projects as per approved plan	

See operational review on pages 83 to 86 for further details.

Human capital						
NDP 2030 Chapter 9: Improvement education, training and training						
MTSF: Outcome 4 Decent employment through inclusive economic growth						
The Seven priorities Priority 1: Economic transformation and job creation						
DoT strategic priorities Priority 6: Job Creation						
Priority 4: Gender equality and economic inclusion of women and youth						
Priority 7: Mass public employment interventions						
Objective	KPI	2022/2023 target	2022/2023 actual	2023/2024 actual	2023/2024 target	Reasons for non-achievement
5. Develop future-fit workforce	Organisation design implementation	Implement 80-89% of the targets in the organisation design framework	89% implementation on the organisation design framework	78.65% Implementation of the targets in the organisation migration and transition plan tiers 2 and 3 job completed	Implement 50% to 60% of the targets in the organisation migration and transition plan	
	Culture and values embedding	Implement 70% to 79% of the culture review programme	75% implementation of the values embedding programme and action plans to bring to life the desired culture completed	94% implementation of the action plans to enable the desired culture and the embedding of ATNS values	Implement 60% to 80% of the action plans to enable the desired culture and the embedding of ATNS values	

See human capital review on pages 89 to 92 for further details.

Social capital						
NDP 2030: Chapter 3: Economy and employment						
MTSF: Outcome 5: A skilled and capable workforce to support an inclusive growth path						
The seven priorities Priority 1: Economic transformation and job creation Priority 6: A capable, ethical and developmental state						
DoT strategic priorities Priority 5: Accelerating transformation towards greater economic participation.						
Economic Reconstruction and Recovery Plan						
Priority 4: Gender equality and economic inclusion of women and youth						
Priority 7: Mass public employment interventions						
Objectives	KPI	2022/2023 target	2022/2023 actual	2023/2024 actual	2023/2024 target	Reasons for non-achievement
6. Improved stakeholder-centric management	Customer satisfaction index	Improve index to 7.5	7.0	6.6	7.25 to 8.25	There was a decrease in the number of respondents who were satisfied with services provided by ATNS (perceived staff shortages at peak times and multiple communication transmission frequencies managed by a single air traffic controller owing to the lack of human resources). Initiatives are underway to address customer concerns
7. Increased business transformation	B-BBEE and small, medium and micro enterprises (SMMEs) development-development	Level 2 with 100% points on ED		**	Level 2 and 2 SMMEs developed in line with the approved programme	B-BBEE verification in progress. Certificate will be available end of August

See social impact review on pages 97 to 98 for further details.

Natural capital						
NDP 2030: Chapter 5: Environmental sustainability and resilience						
MTSF Outcome 10 Protecting and enhancing our environmental assets and natural resources						
The seven priorities Priority 7: A better Africa and world						
DoT strategic priorities Priority 9: Environmental protection						
Economic Reconstruction Priority 6: Green economy interventions and recovery plan						
Objective	KPI	2022/2023 target	2022/2023 actual	2023/2024 actual	2023/2024 target	Reasons for non-achievement
7. Improved environmental stewardship	Environmental management system (EMS) and CANSO accreditations	EMS certification for ATA and head office	EMS certification for ATA and head office	EMS implementation and CANSO accreditation surveillance audits	EMS implementation and CANSO certificate accreditation — surveillance audits	

See Environment Impact Review on pages 93 to 96 for further details

\*\* B-BBEE results will be available end of August

# Safety performance

At ATNS, safety is paramount and integral to our operations. Our commitment to maintaining the highest safety standards drives our approach, ensuring that every employee contributes to and benefits from our robust safety culture.

## Our safety approach

Our safety strategy for 2023/2024 is centred on five key principles, each aimed at enhancing our safety performance and maintaining a proactive safety culture:

Principle	Goal
<b>Safety is a collective responsibility</b>	Deliver high-level safety performance
<b>We cannot deliver safety without our people</b>	Ensure high levels of human performance in safety delivery
<b>Safety is sacrosanct</b>	Use innovative technologies, airspace and procedures
<b>Safety comes before anything</b>	Ensure conducive work and business environments
<b>A safety culture is the cornerstone of safety</b>	Ensure effective safety governance and culture

The ATNS mission is to provide safe, efficient and expeditious air traffic management solutions. To achieve this, we continuously invest in our people, technology and processes, ensuring that all necessary resources are in place.

## Safety metrics

For 2023/2024, we were committed to achieving the following safety targets:

Safety metric	Achievement (2023/2024)	Target	Ceiling
<b>Accident rate</b>	-	-	-
<b>Serious incident rate</b>	3.3	4	4
<b>Safety rate</b>	9.5	7	7

Our performance during the year reflected our ongoing dedication to these targets. We measure our safety performance using four main categories:

**Number of fatal accidents attributed to ATNS:** Measures the number of aircraft accidents involving ATNS, with a target of zero.

**Serious incident rate:** Tracks serious incidents attributable to ATNS, with a target of fewer than four per 100 000 flight hours.

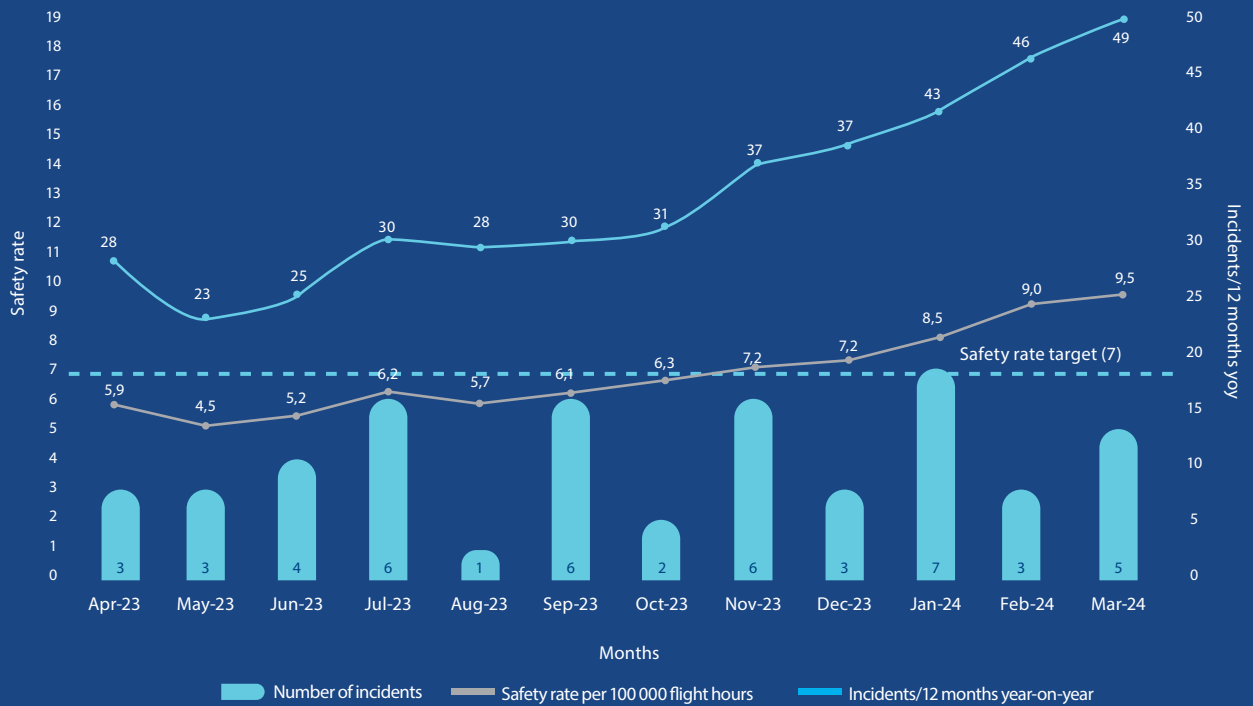
**Safety rate:** Records the number of safety incidents per 100 000 flight hours, aiming for fewer than seven incidents.

**Safety management system maturity:** Assesses the maturity level of our SMS, with a target of maintaining level C plus 45% level D.

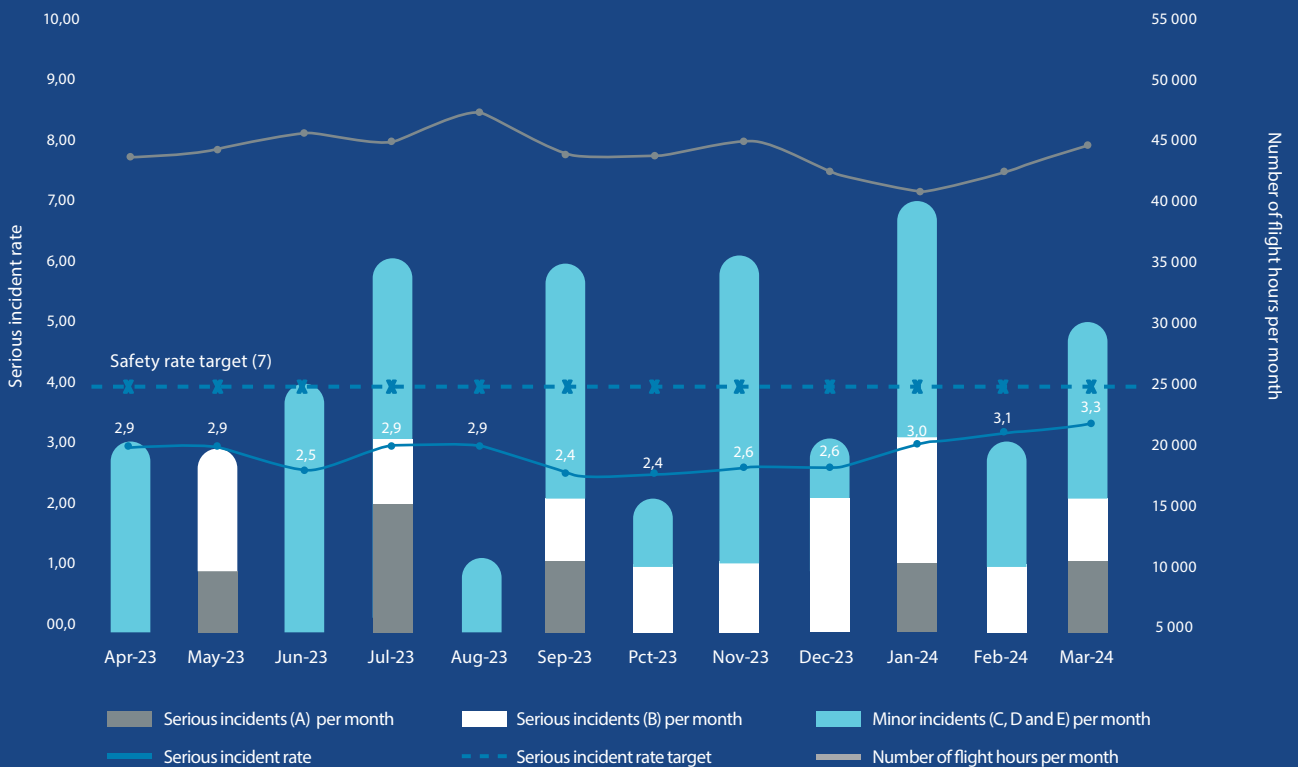
## Performance overview

- Number of ATS accidents attributed to ATNS: As in 2022/2023, no accidents were attributed to ATNS, meeting our target and reflecting our stringent safety measures
- Serious incident rate: Our rate of 3.3 per 100 000 flight hours was below our ceiling of 4, compared to 2.7 in 2022/2023, demonstrating effective risk management
- Safety rate: With a safety rate of 9.5 per 100 000 flight hours, the performance falls outside of the ceiling of 7, compared to 5.1 in 2022/2023. However safety mitigations are in progress to arrest the escalating safety rate through the corporate annual safety plans
- SMS maturity – with an achievement of SMS maturity level C and 15% level D, even though we did not meet the targeted level C plus 45% level D based on the CANSO standard of excellence, continued maintenance of level C shows that the ATNS SMS continues to meet regulatory requirements. Action plans are in progress to recover and to meet the required performance.

## ATS safety rate per 100 000 flight hours



## ATS serious incidents (A&B), minor incidents (C,D&E) and serious incident rate per month





## Outlook and strategy

As we advance through 2024/2025, our focus will remain on:

- Achieving at least 90% of safety targets: We aim to maintain a safety ratio of two or fewer events per 100 000 air traffic movements
- Human performance: Enhancing workforce competency through continuous training, development and engagement
- Innovative technologies: Aligning with the aviation system block upgrade roadmap and transitioning to advanced aeronautical information management systems
- Annual safety assurance plan: implementing and maintaining compliance with safety standards and promoting safety governance
- Safety culture: Conducting employee surveys to reinforce our commitment to a just culture and improving our work environment to support high levels of safety.

Our five-year safety strategy, guided by lessons learnt, stakeholder feedback and global best practices, will build on our achievements and address emerging challenges in the aviation industry.

## Addressing misinformation on social media

In February 2024, ATNS addressed concerns about a manipulated social media video that falsely depicted a near-collision between aircraft at OR Tambo International Airport. The video, which misrepresented a standard aviation procedure as a serious safety incident, was debunked by ATNS. This clarification demonstrates ATNS's commitment to transparency and accuracy in communicating aviation safety matters and highlights the potential risks associated with misinformation in the public domain.

## Incident response and safety protocols

In April 2024, ATNS demonstrated its commitment to aviation safety when an aircraft experienced a loss of its rear tyre shortly after departing OR Tambo International Airport. ATNS air traffic controllers, including those from the central airspace management unit, expertly managed the situation by safely rerouting the aircraft back to its point of departure. This incident highlights ATNS's readiness to handle emergencies and its effective coordination with pilots, ground crew and aviation specialists to maintain safety standards.

The proactive response is evidence of ATNS's dedication to upholding aviation safety protocols and its ability to manage rare incidents in South Africa's airspace.

## Operational performance

In 2023/2024, we prioritised enhancing the efficiency and reliability of our services through advanced technology and robust performance metrics. Building on the previous year's challenges, we implemented a series of targeted initiatives aimed at improving key operational aspects, including delay reduction and system availability.

### Average delay per delayed flight

In 2022/2023, we achieved an average delay of 331 seconds per delayed flight, surpassing our target of no more than 360 seconds. In the year under review, we continued our efforts to minimise delays and maintain high service standards. Our target for the year was to keep the average delay below 360 seconds per delayed flight, reflecting our commitment to timely service delivery and operational excellence.

### System availability for communication, navigation and surveillance

In 2022/2023, we faced challenges with system availability for CNS systems due to equipment failures, theft, vandalism and external factors such as loadshedding. To address these issues in 2023/2024, we undertook the following measures:

- Communications: We mitigated frequent power outages and telecom link obsolescence by equipping radar sites with VHF radios linked to controller workstations via VSAT technology. We also replaced the outdated MARTIS® network with a new multiprotocol label switching network to enhance performance and reliability. Additionally, we collaborated with service providers to address infrastructure issues in high-risk areas.
- Navigational aids: We improved battery backup infrastructure and recharging systems to manage power outages and disruptions. Security enhancements were implemented to prevent vandalism and theft.
- Surveillance: We invested in upgraded electrical backup systems to ensure consistent performance and reliability, addressing technical failures and power issues effectively.

Throughout 2023/2024, our focus was on overcoming the challenges identified in 2022/2023, aiming to achieve an average delay of 360 seconds per delayed flight and system availability targets of greater than 96% in CNS. We made significant progress towards these goals, reflecting our ongoing commitment to delivering high levels of service and operational efficiency.

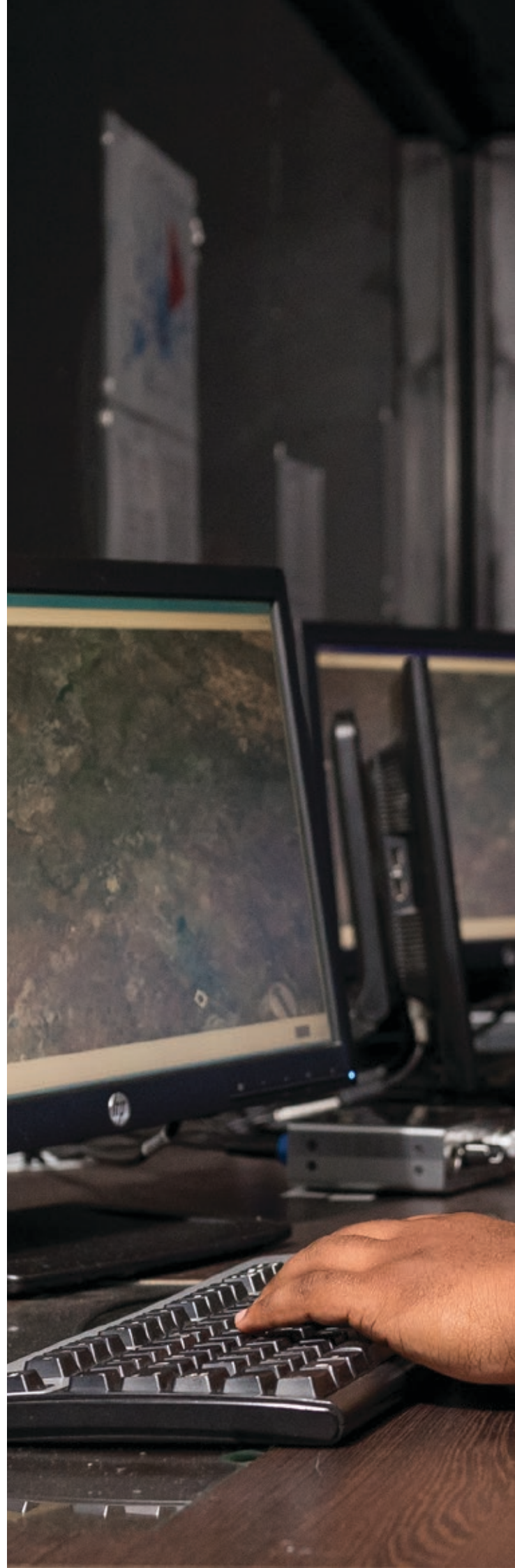
## Network interruption and service recovery

In February 2024, ATNS experienced a breakdown in its communication network, affecting air traffic control operations and causing delays. Despite the disruptions, no flights were cancelled and ATNS implemented measures to mitigate the backlog, including increasing the number of air traffic controllers and extending service hours at regional airports. By resolving approximately 80% of the network issues and working towards full restoration, we demonstrated resilience and a commitment to maintaining operational efficiency even in challenging circumstances. This response reflects our focus on ensuring minimal disruption and continued service reliability for air transport users.

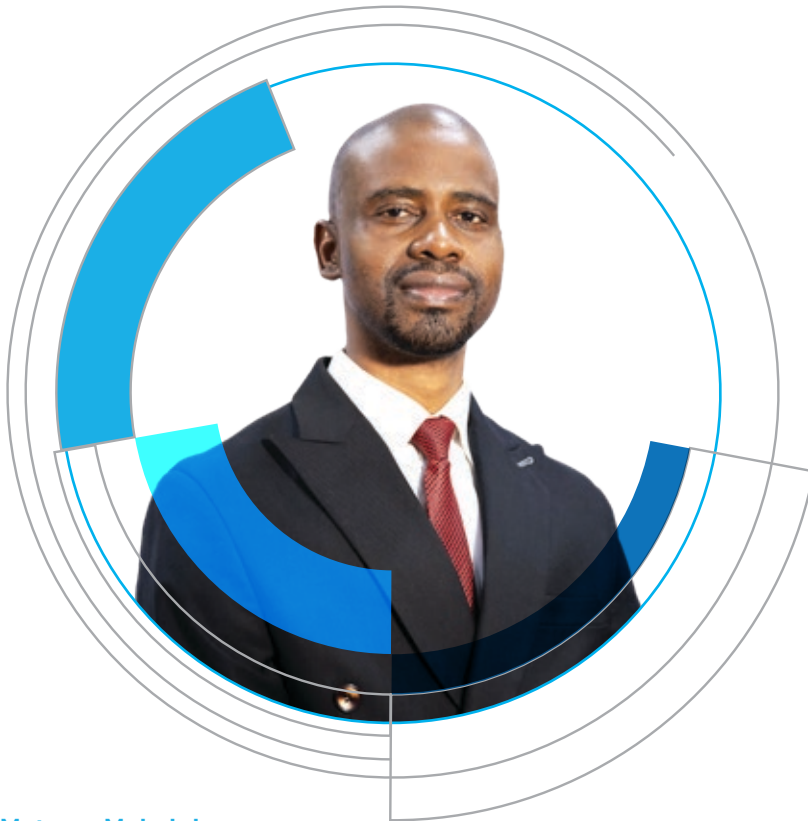
## Technological advancements

### Passive radar technology deployment

On 9 May 2024, ATNS and the CSIR announced significant progress in deploying passive radar system technology. This partnership, which began in 2017 and was renewed in April 2023, focuses on using passive radar to enhance air traffic safety. The technology, which relies on third-party signals for aircraft tracking, offers a cost-effective alternative to traditional radar systems. The ongoing testing at Kruger Mpumalanga International Airport demonstrates ATNS's commitment to leveraging advanced technologies to improve air surveillance and improved system availability.







**Matome Moholola**  
Chief Financial Officer

# Chief Financial Officer's Statement

“These achievements are a testament to the hard work and dedication of our team, as well as the support of our stakeholders.”

It is with great satisfaction that I present our company's financial performance for the financial year ended 31 March 2024. This section of our report provides a comprehensive overview of our performance, strategic direction and commitment to sustainable value creation.

ATNS delivered a strong financial performance for the year, marked by an increase in revenue of 24% to R1 700 million (2022/2023: R1 400 million), which resulted in the company becoming profitable for the first time since the pandemic. Operational costs of R1 500 million were in line with expectations. We continue to monitor and tighten cost-containment measures and keep costs to a minimum.

Capital expenditure increased to R223 million (2022/2023: R128 million), buoyed by our investment in operational infrastructure that enables continued provision and improvement of safe operations. Our gearing increased to 23.3% (2022/2023: 16.3%), reflecting increased loans to finance capital expenditure projects. Our company's liquidity, measured by the current ratio remained strong at 2.4. There was no breach of our loan covenants and, based on management projections none of the covenants are expected to be breached in the future. Current debt levels are within the company's ability to service them as they become due as evidenced by the liquidity ratio.

Our cash reserves improved in the current year to R887 million (2022/2023: R618 million) due mainly to the loan facility drawdown and improved cash generated from operations.

These achievements are a testament to the hard work and dedication of our team and the support of our stakeholders.

I invite you to explore this report in detail to gain a deeper understanding of our business, our strategies and our commitment to creating value for all stakeholders.



# Abridged financial statements

## Abridged statement of profit or loss and other comprehensive income

Figures in Rand	2024	2023
Revenue	1 722 831 878	1 387 900 886
Other income	7 106 539	12 329 771
Total expenditure	1 669 249 212	(1 436 761 774)
<b>Profit (loss) before taxation</b>	<b>60 689 205</b>	<b>(36 531 117)</b>
Taxation	(37 395 171)	5 285 431
<b>Profit (loss) for the year</b>	<b>23 294 034</b>	<b>(41 816 548)</b>

## Abridged statement of financial position

Figures in Rand	2024	2023
<b>Assets</b>		
<b>Non-current Assets</b>	1 585 708 351	1 632 052 776
Cash and cash equivalents	887 370 047	617 827 089
Current assets excluding cash and cash equivalents	237 727 282	203 051 264
<b>Total Assets</b>	<b>2 710 805 680</b>	<b>2 452 931 129</b>
<b>Equity and Liabilities</b>		
Total equity	1 925 555 756	1 902 261 722
Non-current liabilities	324 618 271	283 333 474
Current liabilities	460 631 653	267 335 933
<b>Total Equity and Liabilities</b>	<b>2 710 805 680</b>	<b>2 452 931 129</b>

## Abridged statement of cash flows

Figures in Rand	2024	2023
Cash flows from operating activities	330 500 325	122 796 925
Cash flows from investing activities	(222 998 833)	(127 029 040)
Cash flows from financing activities	150 035 507	170 596 669
<b>Total cash movement for the year</b>	<b>257 536 999</b>	<b>166 364 554</b>

## Creating and sustaining financial capital



ATNS provides ATM solutions for South Africa and 6% of the world's airspace and creates financial value in the short, medium- and long term through its regulated and non-regulated business activities. Our industry is directly linked to air traffic movements which increase when we are experiencing economic growth and has a high correlation to gross domestic product. Our objective is to enhance financial stability by implementing sound financial practices, fostering resilience in the face of economic challenges and actively creating long-term value.

## Sound financial management

Distributable profits are retained for re-investment and to maintain financial sustainability in the short term.

ATNS aims to maintain a minimum cash balance of two months' operating expenditure plus capital loan payables. Cash flow is monitored daily to ensure sufficient funds to cover operational expenses and loan obligations.

## Material financial and economic outcomes

- Maintaining long-term financial sustainability by optimising revenue in ATNS's regulated and non-regulated businesses
- Protecting South Africa's economic interests and trade, while creating employment opportunities for South Africans
- Creating economic value for the country

## Key financial capital outputs

	2022/2023 Actuals	2023/2024 Actuals
Total revenue	R1 400 million	R1 700 million
Operating costs	R1 300 million	R1 500 million
Capital expenditure	R127 million	R223 million
SADC VSAT revenue	R50 million	R67 million
NAFISAT revenue	R54 million	R74 million
Total assets	R2 500 million	R2 700 million
Total equity	R1 900 million	R1 900 million
Cash generated from operations	R123 million	R331 million
Total invested in CNS technology	R77 million	R139 million
Employee wages and benefits	R859 million	R1 000 million
Total borrowings	R183 million	R345 million
Payment to government as income tax	-R5.2 million	R37 million

## Non-regulated business streams

### Increasing revenue in the non-regulated business

As part of its ongoing initiative to ensure long-term financial sustainability, ATNS pursues other forms of revenue in the form of non-regulated business.

Revenue	2022/2023	2023/2024	2024/2025 Target
VSAT	R50.0 million	R66.2 million	R64.9 million
NAFISAT	R53.9 million	R71.1 million	R70.4 million
Aeronautical information services revenue	R6.3 million	R10.1 million	R12.7 million
Training	R15.5 million	R14.1 million	R16.6 million
Small aerodrome	R64.2 million	R63.3 million	R61.6 million
Technical	R13.6 million	R13.9 million	R10.8 million
Sundry revenue	R27.6 million	R21.1 million	R23.7 million
<b>Total</b>	<b>R231.2 million</b>	<b>R263.6 million</b>	<b>R260.7 million</b>

Non-regulated business currently contributes 15% of the company's revenue and encompasses a long-term strategy to facilitate regional expansion. Non-regulated revenue increased 14% in comparison with the prior year, due largely to the continued improvement in activities experienced in the aviation sector.

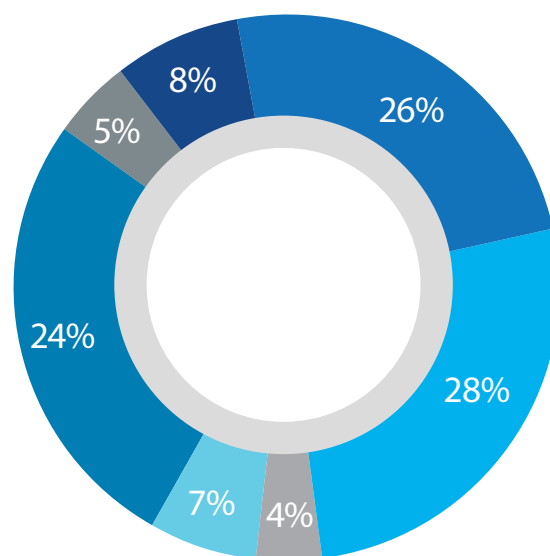
Our approach to creating financial value for the business through our non-regulated business streams focuses on:

- A long-term strategy to expand in the Africa region
- Our experience and brand reputation in moving into new markets
- Expansion in the non-regulated business market without undue risks to the regulated market and shareholder
- Partnering with external service providers to harness market opportunities.

Revenues are accrued through:

- VSAT and NAFISAT revenue earned from the provision of aeronautical ground-to-ground telecommunication services in the SADC and North and Eastn African regions
- Aeronautical information services revenue earned from flight procedure designs, documentation and surveys carried out for various countries
- Training revenue earned by offering IATA diplomas and regulatory courses to air navigation service providers, civil aviation authorities and airports authorities on the African continent
- Small aerodromes revenue earned by providing ATS (aerodrome services) to non-ACSA airports
- Technical services revenue earned from maintenance services rendered to ACSA, other third parties and technical consulting services provided
- Sundry revenue from billing services provided for various clients, datalink revenue and services provided outside of published hours at various airports.

### Non-regulated revenue



- VSAT
- NAFISAT
- AIS Revenue
- Training
- Small aerodrome
- Technical fees
- Sundry revenue



## Capital investment performance

ATNS's capital expenditure for 2023/2024 was R223 million against a target of R334 million. This was due to delays in execution of projects.

### Capital expenditure – commitments

Description	2021/2022 actuals	2022/2023 actuals	2023/2024 actuals
Commitments	R375 million	R379 million	R213 million

### Capital expenditure performance – cash flow

Objective measures	2021/2022 actuals	2022/2023 actuals	2023/2024 actuals
Cash flow from capex projects implemented	R187 million	R127 million	R223 million

### Fruitless and wasteful expenditure

Description	2023/2024	2022/2023
Opening balance	2 038	1 533
Add: Fruitless and wasteful expenditure confirmed	2 919	505
Less: Fruitless and wasteful expenditure written off	-1 116	-
Less: Fruitless and wasteful expenditure recoverable	-	-
<b>Closing balance</b>	<b>3 841</b>	<b>2 038</b>

### Irregular expenditure

Description	2023/2024	2022/2023 (Restated)
Opening balance	8 395	11 716
Add: Irregular expenditure confirmed	-	740
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(8 395)	(4 061)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
<b>Closing balance</b>	<b>-</b>	<b>8 395</b>

## Outlook

ATNS's tariff revenue is based on the number of aircraft movements, tariff increases and estimates tariff increases and estimates implemented each year. The volume growth is a sum of the growth in movements and the change in aircraft mix. Other revenue comprises ancillary revenue for services including small aerodrome fees, training, technical services and AIS.

The permission application process for 2023/2024 to 2027/2028 was finalised in the current year. However, ATNS objected to the tariffs as proposed by the Regulating Committee as these would have negatively affected its financial sustainability of the entity. The matter has been escalated to the Minister of Transport who has since established a tribunal committee for a review. The Regulatory Committee granted the company a temporary Permission to levy charges based on forecasted inflation until the application process is finalised. The company continues to operate on these until the matter has been finalised.

## Capital expenditure projects

ATNS is mandated to provide adequate, reliable infrastructure to support air traffic control services to meet efficiency, safety and quality of service for our customers. As a result, ATNS is planning and implementing the following key and critical infrastructure investment projects for 2024/2025 and beyond:

- High-frequency replacement
- Radar replacement at Sutherland, Gqeberha, East London and Kruger Mpumalanga airports
- IT infrastructure programming (computing and storage serve, citrix and reverse proxy, and backup and archiving solution replacement)
- Terminal navigational aid (on airport) Rengagements/en-route and terminal (not on airports) navigational aids
- Advanced surface movement guidance and control system (OR Tambo and Cape Town)
- Central airspace management unit replacement and enhancement display system
- Distance measuring equipment-distance measuring equipment network
- Very-high-frequency coverage
- ATA radar system simulation model replacement
- IT systems (end-user computing)
- Time synchronisation
- Wide area multilateration expansion and civil works

- Wide area multilateration expansion network project
- Enhancement of voice and data recorders at OR Tambo, Cape Town, Bloemfontein, Gqeberha, East London, George, Lanseria and Durban airports
- Local area network upgrade
- Billing system
- Voice communication system replacements (Pietermaritzburg, , Wonderboom, Polokwane, Kimberley, Upington, Rand, Pilanesberg, George Dick Montshioa, Kruger Mpumalanga, Mthatha, Bhisho, Richards Bay and ATA)
- Fibre optic replacement at Durban, Bloemfontein, Kimberley and Upington.
- Recorder (voice) replacement at regional and smaller airports
- VHF direction finder at Richards Bay and Pilanesberg.

## Materiality and Significance Framework

### Materiality Framework

As per the National Treasury section 54 practice note, the parameters for significance and materiality levels are derived from certain elements of the annual financial statements as illustrated in Table1: Parameters for Significance and Materiality Levels:

### Parameters for significance and materiality levels

Figures in Rand	2024 final statements	Lower limits	Upper limits
1%-2% of total assets	2 710 805 680	27 108 057	54 216 114
0.5% -1% of total revenue	1 722 831 878	8 614 159	17 228 319
2%-5% of profit (loss) after tax	23 294 034	465 881	1 164 702

\*Based on the recent audited annual financial statements

In arriving at the significance and materiality level, the following factors were considered:

- Guidelines issued by National Treasury
- The nature of the ATNS business
- Statutory requirements affecting ATNS
- The inherent and control risks associated with ATNS
- Quantitative and qualitative issues
- Transport sector benchmarking.

The significance level is set at R400 million. This limit took into consideration the process undertaken during the permission application process, which includes consultation with the industry and approval by the Regulating Committee. From a company perspective, materiality is set at R17.2 million based on the upper level of revenue to ensure prudence and efficiencies in decision-making processes.

# Operational review

At present, around 84% of ATNS's revenue is facilitated through its regulated business. During the year under review, non-regulated business contributed approximately 16% to the total turnover of the company.

Our regulated business continues to consist of three main components:

- Air traffic services within South Africa
- Air navigation infrastructure including CNS infrastructure
- Training services driven by our world-renowned Aviation Training Academy.

Through our regulated services, we are uniquely positioned to assist airline and airport customers to realise value.

The Covid-19 pandemic severely disrupted our operations, leading to a loss of revenue. Additionally, our tariff structure was designed with fixed costs, but with declining traffic and insufficient tariff adjustments (a 44% increase over five years instead of the needed 40% in the first year alone), our revenue has been strained. During the Covid-19 period, we also deferred maintenance due to funding constraints, resulting in ageing infrastructure that now requires increased capital expenditure. The year under review was also marked by the challenges of communication system failures resulting from by loadshedding, further disrupting operations.

To address these challenges, we established a command centre to improve our performance and operational oversight. Our performance improvement efforts focused on audit outcomes, organisational design, environmental management and capitalisation. We also introduced enterprise project portfolio management to address procedural inefficiencies. To ensure progress, we implemented a weekly monitoring system where employees reported challenges and elicited support. To overcome the silo mentality, we emphasised accountability and communication across teams, ensuring that everyone worked together and held each other accountable. We also addressed issues related to consequence management and integrity in reporting. By closely monitoring progress, we improved performance significantly. Initially, our performance

rate was low, around 54% in November, but through consistent monitoring and alignment with our technical indicators, we improved significantly to 95%.

## Operational performance

ATNS's core business is air traffic management, which involves ensuring the safe and efficient operation of aircraft in South African airspace. This includes services such as air traffic services, aeronautical information management, airspace management and flight procedure design. These operations generate most of the company's revenue.

## Air traffic movements

ATMs refers to aircraft take-off or landing at an airport, over flights in South African airspace and training operations.

## Total traffic movements 2023/2024

During the reporting period, ATNS recorded a total of 870 992 ATMs, an additional 56 782 movements, which constitutes an increase of 6.97% compared to 814 210 movements last year. The total movements are a combination of scheduled and non-scheduled flights, including training flights. The recovery of the movements can be seen on a month-to-month comparison.

## Revenue movements 2023/2024

During the period under review, ATNS recorded a total of 416 597 revenue movements, an increase of 11.97% compared to 372 051 movements of the previous year. Revenue movements continue to recover as demand and frequency increase.

## Non-revenue movements 2023/2024

A total of 454 395 non-revenue movements were recorded, which is a decrease of 4,33% compared to the 475 009 movements recorded last year.

Tariff revenue of R161.5 million was 25.3% higher than in the previous year, but fell short of expectations. The tariff revenue generated for ATNS is based on a temporary tariff increase of 4.4% granted by the Regulating Committee. Tariff revenue improved from the previous year, due mainly to the previous year, mainly due to an increase in billable movements. The airlines have continued to expand on the routes as the economy recovers from the effects of the pandemic, which positively affected revenue levels.

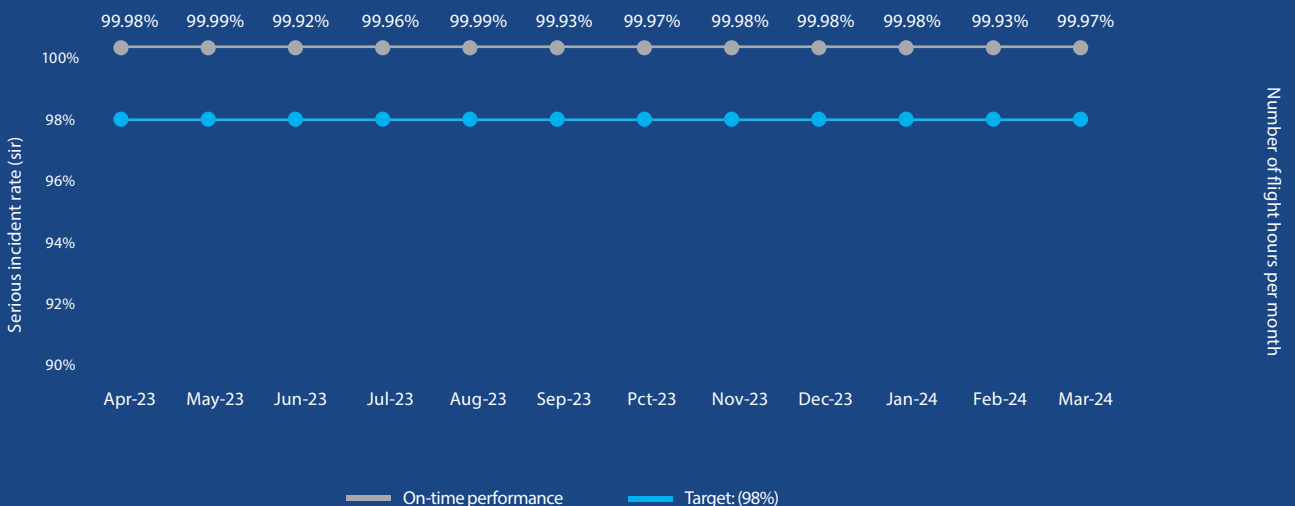
## Operational efficiency

ATNS manages around 650 000 instrument flight rules (IFR) flights yearly which operate between more than 25 city pairs domestically and regionally. One of ATNS's strategic objectives is to improve operational efficiency and cost-effectiveness of air traffic services. Air navigation service partners globally are continuously pressured to provide services that maximise the efficient use of airspace and airport

capacity and, therefore, facilitate an efficient flight concept for airspace users, thereby assisting airlines in managing their operating costs. Operational efficiency is a service standard that measures the capability of ATNS's service delivery to the ATM community in a cost-effective manner while ensuring high-quality service and support.

## On-time performance

As part of continuous improvement, ATNS strives to measure the operational efficiency of its services, such as reducing the number of traffic delays at airports and in the airspace. The term 'delay' is generally applied when an event occurs later than it was planned. ATNS routinely measures IFR departure delays arising from any operational disruption. On time performance is a measure which considers the number of IFR departing flights which operate on time, as a percentage of the total number of departing flights. Out of 17,746 departures in January 99.98% were on time. In February, 99.93% of 16 628 flights and, in March, 99.97% of 18 187 flights were on time. The average is 99.96% which is above the 98% target.



To uphold our commitment to delivering safe and efficient air traffic services, we monitor key performance indicators to measure our service delivery effectiveness.

Key performance indicators for our service delivery include average delay per delayed flight and system availability for CNS.

### Average delay per delayed flight

We calculate average departure delay for flights operating under IFR considering factors such as airport operations, airline performance, weather conditions and our own service delivery. In the 2023/2024 financial year, we successfully met the target of 360 seconds average delay per delayed flight.

### System availability for CNS

We measure the performance of our CNS infrastructure through system availability. This metric indicates how reliably our systems operate against set targets. Consistent system availability is crucial for maintaining network stability and preventing service disruptions. We calculate a national average availability percentage across all systems.

### Average system availability

This metric measures the overall system uptime, considering all factors contributing to outages, both internal and external. It's used primarily for internal performance analysis.

Average availability (excluding vandalism and theft): This is the indicator with all internal and external contributors to system outages included, but outage contributors associated with vandalism and/or theft excluded. This indicator is used for ATNS KPI reporting processes.

Average availability (ATNS only): This indicator excludes all external and/or third-party contributors to system outages. It is used to monitor and evaluate ATNS's internal business processes.

During the reporting period, CNS systems performance consistently fell short of targets due to ATNS equipment failures, theft, vandalism and third-party factors such as loadshedding.

## Infrastructure modernisation

We are still addressing the infrastructure challenges resulting from delayed replacements and maintenance programme stemming primarily from the impact of Covid-19. During the year, we implemented a turnaround plan to address a substantial number of outdated flight procedures. We have made progress in updating a large portion of these procedures.

A key achievement during the year was successfully securing a commercial agreement for the supply of automatic dependent surveillance broadcast surveillance data. This will enhance our ability to monitor airspace, both domestically and internationally. The project, which began several years ago, has culminated in a successful partnership that will improve air traffic management capabilities.

During the reporting period, management made slight progress in infrastructure modernisation as follows:

- 77% infrastructure refresh implementation
- Oracle architecture — implementation underway
- Citrix — OR Tambo implementation underway
- Core networking – completed
- Cloud backup – completed
- AD and Exchange - completed
- Server and storage – partial implementation completed and the balance initiated
- Cloud migration transition plan approved
- 100% hosted private automatic branch exchange completed
- 18% local area network upgrade completed – tender advertised

In 2024/2025, ATNS will continue to reduce the legacy in its IT environment by implementing its infrastructure refresh programme, which will ensure that ATNS's IT infrastructure will be secure, stable, reliable and scalable. Key initiatives are in progress, including:

- Expediting the procurement of local area network upgrades for ATNS sites
- Fast-tracking the implementation of infrastructure refresh as per plan.

## Innovation

Innovation is at the core of ATNS's sustainability as it strives to create an adaptive organisation that is at the next frontier of development to enhance service delivery and efficiency in the transport sector. ATNS aims to extend its stewardship beyond ATM service provision by contributing to the technology innovation

value chain and developing domestically consumed technologies. The ATNS research, development and innovation (rdi) strategy, outlines key strategic, innovative projects for the short- to medium term.

In addition, ATNS has taken a collaborative approach to leverage innovative technologies and digitised systems. Shaping the future of civil aviation lies in activities that cultivate and foster research, development and innovation. The aim is to be more adamant about developing commercially viable artefacts/products in South Africa. This will be achieved through strategic partnerships and benchmarking with civil aviation organisations, industry experts and academic and research institutes. Additionally, continuously analysing and changing processes/procedures that limit efficiency in operations is imperative. Enhancing skills development of employees is at the centre of shaping the future of ATNS.

We have identified several research, development and innovation initiatives to shape the future of transportation. These include the establishment of the aviation innovation hub, a platform where groundbreaking innovative ideas/solutions will be showcased. Innovative ideas will be developed/matured into viable solutions. We will conduct thorough research to understand the South African innovation landscape, including key players, emerging technologies and trends. We will also propose collaborative programmes or projects that align with the innovation hub's focus areas. This could involve joint research initiatives, co-development projects or technology transfer programmes.

We encourage our employees to be innovative in their work, especially as we enter areas that demand fresh ideas. Across the organisation, employees can submit innovative proposals, which will then be evaluated based on specific criteria. We recognise runners-up and winners for their contributions.

One such innovation is the in-house product development BONISA, a modern air situation awareness display that will form the backbone of all future ATM system development for ATNS.

This system will provide a flexible, cost-effective alternative to expensive, custom-built display and processing systems. It will improve situational awareness and provide coverage for configured airspace.

Additionally, two stations have already been identified for a pilot programme at the planned innovation hub.

## Cybersecurity

The increasing reliance on digital systems exposes ATNS to potential cybersecurity threats. Cyberattacks targeting critical infrastructure could disrupt operations, compromise data integrity and pose significant risks to ATM.

## Aviation Training Academy

ATNS operates ATA, a successful, world-class, accredited (ISO-9001:2015) training institution offering a full range of ATS and air traffic safety electronic personnel training, management and other aviation-related courses. ATA is committed to world-class practices, providing its partners with the necessary skills and knowledge to keep the skies safer.

In addition to the multi-year academic accreditation project, ATA has introduced a product diversification project to expand its product portfolio and provide products to an increasingly diverse market. A diversity of training products across the entire aviation value chain will add value to the aviation community and provide much-needed additional revenue streams to the academy. Several additional products, which do not form part of the core offerings of ATA, have been included in this initiative, including, remotely piloted aircraft system training, cybersecurity, flight procedure design, space weather and other ad-hoc products requested by clients.

During the reporting period, the space weather training for aviation personnel was completed and delivered to the first cohort of graduates.

Additionally, a bespoke, aviation-nuanced consumer protection course, requested by the Uganda civil aviation authority was developed and delivered during the financial year.

# Safety review

Safety is paramount at ATNS. We prioritise creating a safe working environment by providing essential resources. ATNS has a deeply ingrained culture of high performance, driven by the nature of its profession, which demands a high level of responsibility, accountability and self-sufficiency. These attributes foster a safety-oriented culture, characterised by a strong sense of accountability and dedication to work. ATNS is committed to implementing, developing and improving appropriate strategies, management systems, processes and procedures to ensure that all activities uphold the highest level of safety performance and meet national and international standards.

Our annual safety plans detail specific actions for each department to ensure high safety standards. Key safety deliverables for 2023/2024 were SMS maturity, accident rate and serious incident rate.

## SMS maturity

SMS as a systematic approach to managing safety, including the necessary organisational structures, accountabilities, policies and procedures. It is a system to assure safe operations through effective management of safety risk. This system is designed to continuously improve safety by identifying hazards, collecting and analysing data and assessing safety risks. It seeks to proactively contain or mitigate risks before they result in aviation accidents and incidents.

The SMS maturity metric provides air navigation service providers with the tools to:

- Measure and understand SMS maturity against industry standards
- Make a business case for safety improvements
- Build and develop an SMS that meets their requirements and harmonises global operations.
- Demonstrate alignment with regulations, including ICAO's Annex 19;
- Share key learnings and best practices across the industry.

SMS maturity is measured against the CANSO standard of excellence in SMS. The overall rating is determined by the worst count achieved in any aspect and the intention is to achieve an overall SMS maturity of level C plus 45% of level D. The result obtained was CANSO SMS maturity level C plus 15% level D indicating that the target was not met.

## Accident rate

An accident is an occurrence associated with the operation of an aircraft, which takes place from the time any person boards the aircraft with the intention of flight until all such persons have disembarked and in which;

- A person is fatally or seriously injured
- The aircraft sustains significant damage or structural failure
- The aircraft goes missing or becomes completely inaccessible.

During the period under review, zero aircraft accidents attributable to ATNS were recorded.

## Serious Incident Rate (SIR)

This measures the number of serious incidents attributable to ATNS (against the cumulative number of flight hours recorded over a 12-month rolling period). During the period under review, ATNS achieved a rate of 3.3 against a ceiling of 4 indicating that the actual performance has been achieved. A cumulative total of 18 categories A and B safety events was recorded against a cumulative total of 49 safety events calculated over 12 months. A safety turnaround plan to ensure that safety incidents do not escalate beyond 4 serious incidents per 100 000 flight hours has been developed.

Business objectives	Key performance indicator	Measure	Actuals Quarter 4 2023/2024	Ceiling 2023/2024
<b>Safety performance</b>				
Safety performance index	Safety rate	Number of safety events per 100 000 flight hours on a 12-month moving average	9.5	≤ 7
Safety performance index	Accident rate	Zero aircraft accidents attributable to ATNS per 100 000 flight hours on a 12-month moving average	-	-
Safety performance index	SMS maturity	CANSO ranking	Level C plus 15% level D	Level C plus 45% level D
Safety performance index	Serious incident rate	Number of categories A and B safety events per 100 000 flight hours	3.3	≤ 4 categories A and B

The table above gives a trend analysis of the safety rate:

- The year started with April 2023 to October 2023 performance below the ceiling of 7. However, from November 2023 the safety rate was above the ceiling of 7 and continued on an upward trend, with the financial year closing with a performance of 9.5
- To note are the months with recorded safety incidents of 4 and above, which are June, July, September and November 2023, and January and March 2024.

The table presents the serious incident rate trend:

- The year closed with a rate of 3.3 against a ceiling of 4
- The rate was below the ceiling for the whole period under review, although the performance was on upward trend for the last two months of the year
- Six of the reported safety incidents were classified as category A and 12 as category B. More than 60% of the recorded safety incidents were lower in severity, giving a good overall performance.





# Human capital review

## Human Capital review

Our employees are central to ATNS's success. Building a future-fit organisation depends largely on how we equip our people for the aviation industry today and in the future. This includes the necessary skills, high-performance culture and organisation design to achieve our intended outcomes.

At 2023/2024 year-end, ATNS had 1 081 permanent and non-permanent employees, including 38 in the graduate in training programme, 59 in the air traffic services bursar scheme, six in the engineering learnership programme and two in the persons with disability programme.

A total of 73 new permanent employees were hired during the year. The attrition rate was 4.99%, which reflects voluntary exits.

## Certification as one of 136 top employers in South Africa for 2023/2024

ATNS continues to solidify its position as a leading employer in South Africa by achieving top employer certification. This prestigious recognition underscores the organisation's commitment to exceptional people practices and a world-class work environment. To attain this certification, ATNS underwent a rigorous evaluation process that assessed various human capital people management strategies, talent acquisition, learning, diversity, equity and inclusion, wellbeing, work environment and more.

By excelling in these areas, we create a thriving workplace that empowers employees to reach their full potential. This achievement highlights our dedication to our people and our role as a driving force in the aviation industry. We strive to improve our people management practices continuously.

## Future-fit workforce programme

We aim to create a future-fit workforce aligned with the company's strategy. This involves the organisation design project and fostering a generative organisational culture. Our goal is to build a workforce capable of navigating future challenges, improving

efficiency and expanding the company's customer base while maintaining the highest safety standards.

The 2023/2024 financial year focused on accelerating the implementation of the organisation design project, following a top-down approach. The organisational structure that is being implemented follows a matrix organisational structure to break down silos and promote employee growth and development. We aim to create a positive work environment by offering exposure opportunities for career development and recognising employee contributions.

The project implementation is segmented into five tiers, one being Exco (Peromnes levels 4 to 1), two the Management Committee (levels 5 and 6), three middle management (levels 7 and 8), four administration officers (levels 9 to 12) and five general officers (levels 13 to 17). In the past year, the following deliverables of the project were achieved:

- Developing and reviewing business processes to guide the development of the organisational structures to ensure they effectively meet current and future needs. This involved a thorough evaluation to determine which business processes are essential today and will continue to be relevant in the future, as well as identifying those that should be phased out
- All tier one Exco positions were successfully concluded thus contributing to leadership stability
- Developed business processes and related organisational structures for tiers 2 and 3, and developed 50% of the job descriptions in preparation for job evaluations.
- Engagements began with the labour unions on the implementation of tiers 4 and 5 as work continues in 2024/2025.

Progress made was not without challenges. These included project activities starting and stalling for various reasons, over-ambitious timelines and a lack of progress due to no dedicated resources to drive the project deliverables. To mitigate some of the risks, extensive communication efforts that included roadshows to various stations were implemented to keep employees informed. The augmented project team had to identify gaps, revise plans and review some processes from scratch to ensure that structured traction was realised.

Competency-based assessments, among others, are conducted for management and senior roles. The outcomes further contribute to leadership development that started with the executive coaching programme in 2023/2024 in partnership with Gordon Institute of Business Science. More initiatives will be implemented in the new financial year. This approach ensures that leaders at all levels, from first-line management to senior management, are equipped to manage and lead effectively. By integrating leadership development with our people practices, we create a cohesive and future-ready organisation..

## Transformation and diversity

ATNS continues to focus on transformation initiatives and the embedment of diversity in different aspects of its business practices. Over the years, we have transitioned into a world-class organisation that embraces diversity. We are committed to making our workplace a more diverse environment, ensuring compliance with the provisions of the Employment Equity Act 55 of 1998 (as amended). The workforce transformation agenda is driven through our employment equity plan, ensuring our staffing profile aligns with national demographics.

For the year under review, we continued to make significant strides in gender representation, particularly in the air traffic services environment, where Women now constitute 51% of the workforce, which was historically unheard of. This progress is attributable to a supportive leadership environment and a deliberate focus on transformation.

While there's room for improvement in certain technical areas, ATNS continues to prioritise gender equality in recruitment, training and leadership positions. The company ended the year with excellent gender parity representation at the board level 50% men versus 50% women, 55% women at Exco level, 48.31% women organisation.-wide, 2.04% people with disabilities (with nine people employed during the year under review). It is working towards similar representation in other areas.

## Learning and development

In the 2023/2024 financial year, employees participated in various non-core training and development initiatives, including employee part-time bursaries, corporate training, short courses and target-generating operating trainee courses A total of

R11 601 458 was spent on training initiatives including the child-of-the-employee bursary scheme valued at R1 951 748.85 which was reintroduced (post Covid-19) as part of our employee value proposition.

## Mandatory grants received from the Transport Education and Training Authority (TETA)

The mandatory grant received from TETA amounted to R1 210 955.90, being 20% of the skills development levy paid based on the company salary bill.

## Scholarships awarded to ATNS employees

For the year under review, ATNS received the following five scholarships :

- Chinese government scholarship coordinated through DoT for studying towards an MBA specialising in global governance. Two senior managers were enrolled on the programme and have successfully completed the initial stage.
- TETA scholarship in partnership with the Gordon Institute of Business Science for the international executive development programme. Two senior managers were successfully enrolled in the programme, which also covered international visits to various transport entities in Jakarta, Indonesia and Milan, Italy.
- TETA scholarship with the Gordon Institute of Business Science for the international leadership development programme. One manager was enrolled on the programme, which included a visit to the Unit.

## Remuneration philosophy and reward practices

ATNS's remuneration practices are fair, non-discrimination and responsible. Our philosophy aligns with the company's strategic objectives, considers market value drivers and supports competitiveness in attracting and retaining top talent, sustaining a high-performance culture. We maintain a zero-tolerance approach to unfair discrimination, with no reported incidents.

## Remuneration paid to/receivable by members/persons in sections A. and B below in terms of Treasury Regulation 28.1.1 to 28.1.4 and GRAP 20 Par 35 for executive management and prescribed officers

A detailed Excel spreadsheet is attached with the amounts received for the period under review. The following executives and prescribed officers exited ATNS during the financial year.

- Ms Sebona
- Mr Nkabinde
- Ms Mofolo

## Annual salary increases 2023/2024

The annual salary increases are approved by the ATNS board of directors, considering factors such as the consumer price index and affordability. For the 2023/2024 financial year, ATNS entered into one-year wage agreements with the two recognised labour unions i.e. South African Transport and Allied Workers Union for the three bargaining units and Solidarity for the administration bargaining unit. Effective from 1 April 2023, the annual increases were effected as follows:

- **ATS bargaining unit**
  - ▶ Received a 4% increase on the matrix and 2% on anniversary increases, plus a housing allowance of R6 000 per annum
  - ▶ Received a once-off cash payout of 5.5% of the employee's annual cost to company as of 31 March 2021. That applied to only those employees who were either on 12 years plus on the ATS salary matrix or pay-to-hold at the same date. This amount was payable only to the employees engaged before 1 October 2020 with uninterrupted service.
  - ▶ A once-off cash payout of R3 500 only for the employees who validated in different positions (air traffic control officers 1, 2 and 3) from their original position during the period 1 April 2021 to 31 March 2023
  - ▶ An ex-gratia payment of R13 500 payable to employees engaged before 1 April 2023.
- **Operations technology**
  - ▶ Base increase of 6.1% plus a housing allowance of R6 000 per annum
  - ▶ Once-off cash payment of 5.5% of the employee's cost to company as of 31 March 2021 with a

minimum of R11 500. This amount was payable only to employees engaged before 1 October 2020 with uninterrupted service

- ▶ An ex-gratia payment of R13 500 payable to employees engaged before 1 April 2023.

- **Administration bargaining unit**

- ▶ Base increase of 6.1% plus a housing allowance of R6 000 per annum
- ▶ Once-off cash payment of 5.5% of the employee's cost to company as of 31 March 2021 with a minimum of R11 500. This amount was payable only to employees engaged before to 1 October 2020 with uninterrupted service
- ▶ An ex-gratia payment of R15 500 payable to employees engaged before 1 April 2023.

- **Non-bargaining unit**

- ▶ Across-the-board increase of 6.9%
- ▶ Once-off cash payment of 5% calculated on the annual cost to company as of 31 March 2021. This payment was payable only to employees engaged before 1 October 2020 with uninterrupted service.
- ▶ An ex-gratia payment made according to job grades.
  - ▶ Exco: Zero allocation.
  - ▶ Senior management (Peromnes 5 and 6) received R11 500
  - ▶ All other non-bargaining unit grades received R12 500.

Some of our remuneration practices are summarised below

Remuneration practices	Details
Guaranteed pay	Includes basic pay and employee benefits such as medical aid, retirement fund and risk fund contribution, based on a fixed percentage. Permanent employees can choose to structure their pensionable salary between 50% and 100% of their salary package.
Variable pay	Includes job-specific allowances and overtime where applicable.
Retirement fund	Permanent employees are members of ATNS’s retirement fund, governed by the Pension Funds Act of 1956.
Short-term incentives	Dependent on achieving predetermined business performance targets.
Parental leave	The parents are entitled to a shared four consecutive months of parental paid leave per birth or adoption, limited to a maximum of three births.
Recognition awards	Long-service awards are given to employees who have been with the organisation for a minimum of five years and at every five-year interval thereafter, up to 40 years of service. A non-financial recognition policy was approved by the board as one of the enablers of building a high-performance culture.
Learning and development	Includes part-time studies scheme, short courses, management and leadership development programmes and aviation sector-specific training programmes.

Employment relations

ATNS is a highly unionised employer with a total of 1 081 employees as of March 2024. Sixty-eight percent of employees are affiliated with the two recognised labour unions with 45% South African Transport and Allied Workers Union and 23% Solidarity representation.

For the year under review, ATNS had a fairly stable labour climate. As part of building the relationship with labour, quarterly ATNS Exco and Labour Leadership Business Committee engagement meetings were

established. The latter committee was re-established as an Exco sub-committee and will focus primarily on engaging organised labour to ensure alignment on company strategy implementation and sharing updates on business performance. A consultative forum was also established to allow for engagement on policy-development and review-related matters.

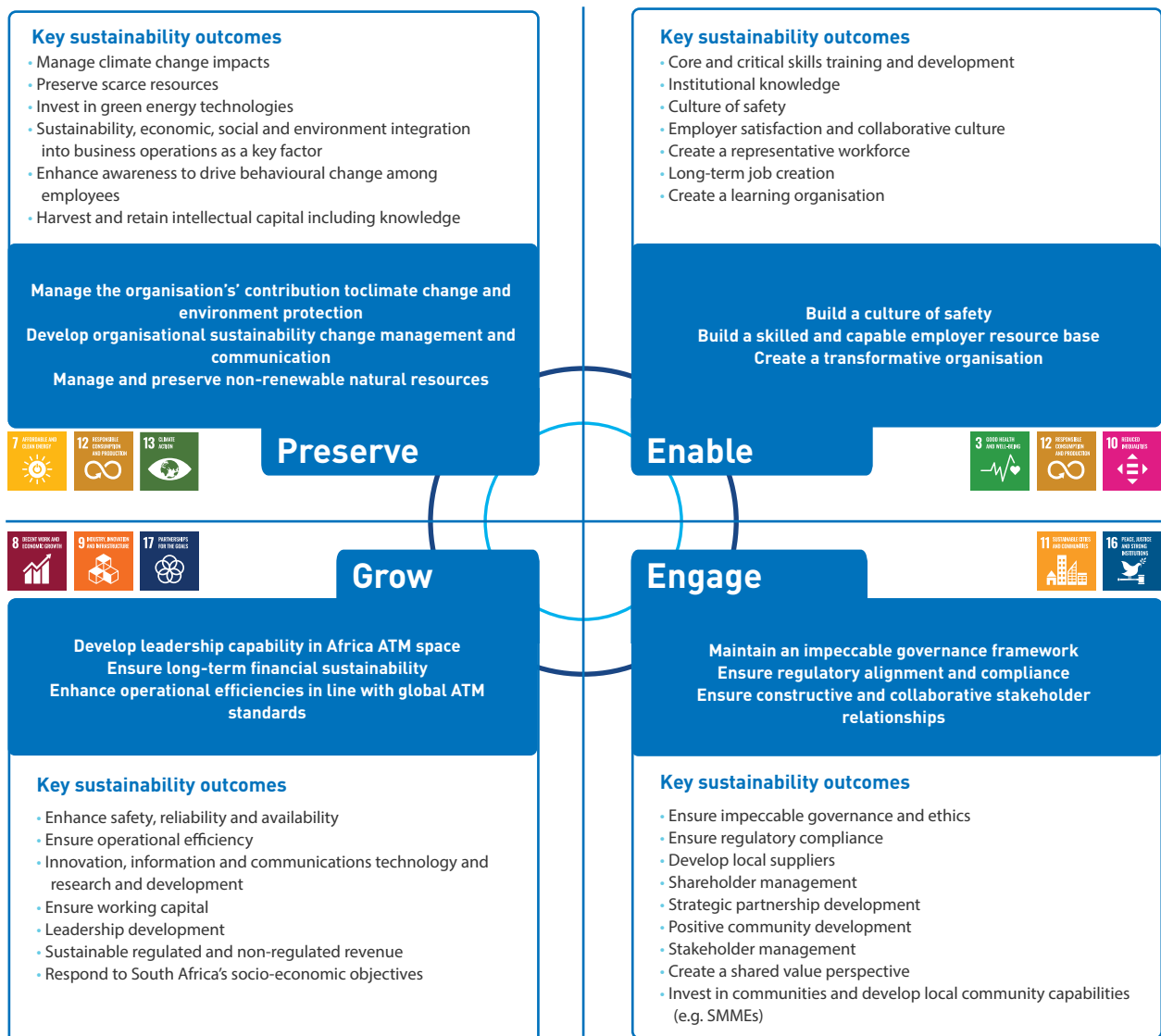
# Environmental impact review

## Our approach to sustainable development

The sustainability landscape is ever changing and dynamic and continuously requires assessment to enhance socio-economic development, environmental protection and sustainable sustainable economic growth.

ATNS's sustainable development framework underpins the company's contribution to its most

significant SDGs through outcomes that enable long-term value creation through its business operations and. key sustainability dimensions. As we review our 2025 strategy, sustainability remains a strategic pillar as SDGs are a crucial focus for any corporate citizen. Our approach aligned to the Minister of Transport's statement of strategic intent, the shareholder's compact and DoT's green agenda, and our framework. further prioritises sustainable economic, social and environmental outcomes.



Global developments such as the newly released non-financial disclosure International Financial Reporting Standards standards for sustainability and climate disclosure (standards 1 and 2 respectively) call for companies to intentionally address sustainability and climate change issues as increased requirements from stakeholders emerge. The recently published South Africa's State of Climate Action report aimed at ensuring the achievement of a just transition to a less-carbon-intensive economy and society that is resilient to the impacts of climate change calls for continued commitment to sustainability for our business and for others. Furthermore, with Agenda 2030 on the horizon and increased ESG issues gaining prominence, robust action is required in keeping with being a leading air navigation services provider in Africa responding to ICAO's strategic objectives as well as South Africa's commitments as a signatory to the Paris Agreement.

Therefore, as a state-owned company, ATNS supports effective and sustainable to ensure that its corporate strategy is aligned to sustainable development objectives that promote future-fit skills, community wellbeing, socio-economic development and environmental stewardship.

Our approach to managing ESG risks provides an opportunity to increase resilience, enhance our performance and realise opportunities to build the corporate brand, attract customers and investors and provide a competitive advantage to position us on the continent and globally. Therefore, the development of an ESG framework to centralise, monitor and report ESG matters remains a key priority as we develop our corporate strategy and as we continuously review the material issues that will support our framework.

## Environmental stewardship

The global environment and the aviation industry's ambitious goals for decarbonising the sector and achieving net-zero by 2050 require significant interventions and collaborative efforts to contribute to limit the increase in temperatures by 1.5° Celsius. Whilst ICAO has already identified key focus areas to realise this goal through increasing focus to the basket of measures i.e. sustainable aviation fuels, infrastructure and operations, new technologies and offsetting programmes, ICAO 41st assembly's resolution on the long-term global aspirational goal for international for international aviation was adopted in 2022. This further promotes the goal for net-zero carbon emissions by 2050.

ATNS remains a committed stakeholder within the aviation value chain in addressing addressing environmental impacts through efficient ATM. Our environmental sustainability programmes support the industry's goal of net-zero carbon emissions by 2050.

Managing our carbon emissions, which is a response to addressing climate risk, forms part of our programmes as we monitor and report on our carbon footprint. Furthermore, addressing the impact of our ATM through operational efficiencies and our bid for CANSO GreenATM accreditation demonstrates our continued efforts to enhance our ATM operations and address carbon emissions.






## Highlights over the reporting period

### Environmental management system and GreenATM

- The company has started work to acquire GreenATM status, with the request for accreditation submitted
- External surveillance audit conducted to assess conformance to the environmental management system standard to maintain ISO 14001 certification. The audit was successful, with no new or repeat findings and ATA and head office retained their ISO status
- Non-conformities were closed, with most internal and external legacy findings addressed
- Rollout of the environmental management system continued, with most sites completed and the balance scheduled for 2024/2025
- Other activities:
  - ▶ Integration of sustainability principles into the core business is crucial for achieving our strategic sustainability objectives. Project screening of our CNS projects seeks to identify areas for reducing environmental impacts and optimising opportunities
  - ▶ Review of our waste management policy as a procedure to continuously improve our waste management practices
  - ▶ Increasing environmental and sustainability awareness through our annual sustainability and environmental communication plan which aims to promote greater understanding of environmental sustainability and embed into the organisational culture.

### Carbon footprint and energy management

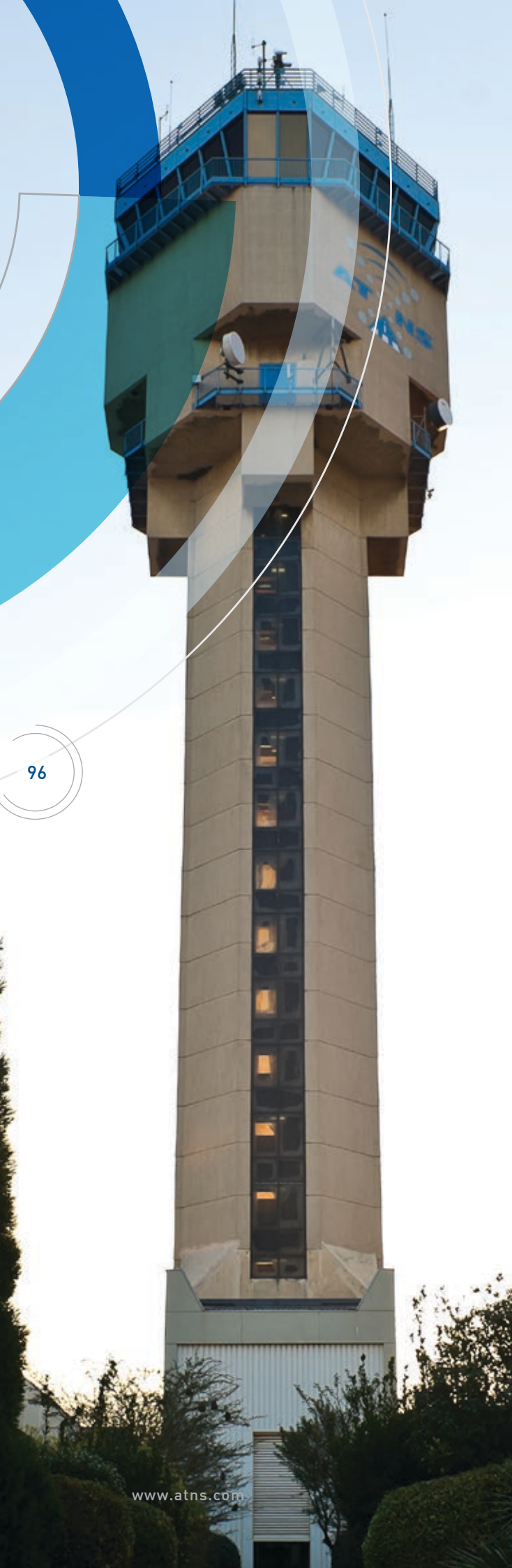
- ATNS' carbon footprint inventory is based on UK Department for Environment, Food and Rural Affairs emission factors, which provide internationally used conversion factors that enable businesses to determine emissions from their business activities, products and services. Scope 1 includes stationary and mobile sources such as generators and vehicles, scope 2 includes electricity usage. The main contributor to emissions is scope 2.
- In the current reporting year, scope 2 emissions from electricity remained the biggest contributor due mainly to energy consumption by the business. A feasibility study to implement renewable energy for ATA is underway with the usage of hydrogen power being explored.
- Other energy efficiency interventions (LED lighting, energy-saving equipment, motion sensors etc are included in the screening of relevant projects, verifying the utility invoicing to ensure accuracy and identification of opportunities for smart metering.

Key environmental indicators	2021/2022	2022/2023	2023/2024	Indicator
Total carbon inventory for the financial year	8 312.31	8 494.40	8 442.13	
Scope 1 emissions — use of fuel	436.02	579.88	554.01	
Scope 2 emissions — electricity consumption	7 876.29	7 914.52	7 888.12	
Overall annual fuel usage	162 34	215.65	211.57	
Overall annual electricity usage	7 721.85	7321.30	7 584.72	

### Improved ATM

The aviation industry's contribution to global carbon emissions may be significantly lower than the more carbon-intensive industries, but with the anticipated growth in air traffic due to increases in demand and growth, the need to decarbonise the sector, through reducing its impact on climate change, remains a priority. Previous studies indicate that ATM and other operational procedures could reduce aviation fuel burn by between 8% and 18%, thus implying an average flight efficiency of 82% to 92%, which demonstrates how climate objectives can be advanced by innovative ATM efficiencies. In ATNS, this is achieved through:

- Promoting the use of more fuel-efficient flight paths and procedures
- Collaborating with airlines and other stakeholders to develop more efficient flight routes that minimise fuel consumption and emissions
- Optimising the use of airspace
- Reducing the number of holding patterns and implementing continuous descent approaches, where aircraft descend in a continuous manner rather than in steps. This will ultimately reduce time spent on the ground with engine-on and time spent in airspace, resulting in fuel savings and ultimately, lowered emissions released and attributed to aviation
- The adoption of new technologies to better manage air traffic and reduce emissions, including space-based automatic dependent surveillance broadcast, air traffic flow management and others outlined in the Aviation System Block Upgrade roadmap
- Accurately forecasting and sequencing air traffic to reduce delays, which in turn can reduce fuel consumption and emissions.



## Outlook

- **GreenATM accreditation:** We are actively pursuing CANSO's GreenATM accreditation to enhance our ATM operations and address carbon emissions. This initiative will help us define a GreenATM roadmap, contributing to a net-zero carbon strategy aligned with the industry's 2050 aspirations and our ESG objectives. A gap analysis has been conducted to inform short- to medium-term actions foundational to this roadmap
- **ATM enhancements:** We aim to improve flight efficiency by integrating environmental considerations into procedure design as per ICAO guidelines
- **Environmental management system:** We will maintain our ISO 14001 certification for head office and ATA, while preparing other sites for inclusion in the 2025/2026 recertification cycle
- **Carbon footprint action plan:** We will implement an action plan based on the recent verification project to align our processes with global best practices such as the Task Force on Climate-related Financial Disclosures and Carbon Disclosure Project, enhancing our disclosures, enhancing our carbon footprint management
- **ESG strategy development:** We will review our 2018 sustainability and environmental strategy to develop an ESG strategy supported by a net-zero 2050 roadmap that supports proactive management of ESG risks and enhances ATNS's performance
- **Renewable energy solutions:** We will continue to explore renewable energy options, including hydrogen power for OR Tambo and ATA sites, as part of an energy management strategy aligned with ISO 50001 environmental management system, including building retrofitting for energy efficiency
- **Environmental data collection:** We are enhancing the collection of environmental metrics on electricity, water and waste to increase reporting transparency and align with global standards
- **Education and awareness:** We will continue to enhance education and awareness through e-learning, communication and change management initiatives to embed an environment-conscious culture. We will also align CSI programmes with environmental and climate change agendas, supporting broader sustainable development objectives aligned with the SDGs.



# Social impact review

## Transformation

In November 2023, ATNS was recognised for its transformation efforts by winning the transformation award at the 2023 Civil Aviation Industry Awards. ATNS was also voted the first runner-up for the aviation research and development award for its progress in aeronautical innovation and air traffic management over the past 30 years. This comes after ATA was voted IATA's best training academy for three consecutive years.

## SMME development

Through its aviation transformation strategy, ATNS commits to breaking down monopolies in the supply chain of materials, equipment technologies, systems and other areas in aviation and related industries to ensure broad-based participation by black South Africans. Currently, ATNS is incubating two black-owned SMMEs focusing on aviation-related initiatives: The remotely piloted aircraft system and equipment installation and servicing with the assistance of the original equipment manufacturer.

## Job creation

ATNS is committed to building a diverse workforce through a structured recruitment and selection process.

In the past year, ATNS made significant progress in hiring diverse talent, with a focus on employment equity. The company exceeded targets for female representation and appointments from designated groups across all quarters. Several unemployed youths were also hired and onboarded during the year.

Internal and external appointments are done to maintain the organisational structures. Most of the external appointments are focused on youth development programmes that include recruitment and training of bursars to create and maintain a succession pipeline for the critical and core aviation sector-

specific skills within the operational environments i.e. air traffic services, and the engineering graduate development programme, which is a two-year programme that provides an opportunity for graduates to acquire aviation workplace experiential training in the technical environment.

## Youth development

ATNS contributes also to youth development through development initiatives including the ATS bursary and graduate-in-training programmes. ATS bursars are employed within the bursar's category and contribute to the ATS pipeline. Such opportunities provide youth with valuable integrated work-based experience and skills, thus increasing their chances of employability either internally or externally.

## Community development and support

ATNS, through its CSI programmes, made a significant impact during the review period to community development. This was achieved by providing effective learning experiences and creating opportunities for over 16 000 learners. ATNS's CSI focus is on education. The company aims to bring about transformative change in impoverished and remote communities. It provides tangible support through skills development and training programmes, aligning itself with the South African government's efforts to address youth unemployment and poverty. ATNS equips learners with essential tools through e-learning training and donations of ICT equipment, helping them pave the way to brighter futures.

## Education

ATNS is dedicated to being a responsible corporate citizen, with a specific focus on supporting individuals from disadvantaged backgrounds and communities. In 2023/2024, 5 877 learners from deeply rural schools across South Africa were provided with life, physical and natural science laboratories and apparatus. Additionally, 2 745 learners have received mathematics supplies, including scientific calculators and mobile science solutions, to support science, technology, engineering, mathematics and innovation subjects.

## Sustainable food provision programme

ATNS has significantly contributed to at least five essential goals of the NDP. The company has donated fruit and vegetable gardens to deserving schools nationwide, providing sustainable food to 4 237 learners and ensuring food security for the future. During its 30th birthday month, the company also handed over several science and computer laboratories across the country, particularly in KwaZulu-Natal, Limpopo, Northern Cape, Western Cape and Eastern Cape.

## Annual ATNS winter school programme

ATNS partnered with the Department of Basic Education to host winter schools in North West and Gauteng and held career exhibitions in all provinces, benefitting 1 300 learners.

## Extracurricular support programme

In nurturing talent and passion for sports, arts and culture, ATNS gave school uniforms and sports kits (for athletics, soccer and netball) to 2 815 learners. This has proven to be beneficial in developing skills and fostering a love for various disciplines.

## Social impact

The past financial year we characterised by unprecedented efforts to create a strong social impact, uplift communities and pave the way for a future full of opportunity and growth.

## Environmental impact review

While its direct environmental impact may be limited, ATNS recognises its potential to significantly benefit stakeholders through indirect means. To maximise this positive influence and align with our strategic goals, we are committed to integrating sustainability into our operations. By developing and implementing robust environmental policies and guidelines, we aim to demonstrate leadership in environmental stewardship and create long-term value.

We will focus on raising environmental awareness in the aviation sector, with opportunities for collaboration through entities such as ATA. By marketing ATA, forming service-level agreements and collaborating with other state-owned entities, we can address environmental challenges in a coordinated and integrated manner. There are also great opportunities in the African market, although geopolitical challenges persist. Breaking through these challenges could lead to increased profitability for the organisation.

To improve efficiency and reduce environmental impact, we aim to develop shorter flight routes. The more direct the route, the less fuel the airplane consumes, which is better for the environment. Delays in routing not only affect flight efficiency but contribute to increased emissions, making it crucial to streamline our procedures for route development.

One new initiative centres on achieving greenATM accreditation. To support this, we're finalising the organisational structure down to lower levels. We're also focusing on cultural alignment, strategic goal identification and determining KPIs for this role.

Our short- to medium-term objective is to improve the maturity of the environmental sustainability performance in the organisation. In the short- to medium term, the focus is to fully implement the objectives set out in the sustainability roadmap by integrating environmental issues at a strategic and operational level of the business. The previous financial year focused on implementing ISO 14001, including certification for ATA and head office.

For the reporting period, the objective was to conduct an external surveillance audit to assess conformance to the standard to maintain the current ISO 14001 certificate. As mentioned before, the audit was successful, with closure of non-conformities at 92% against a 90% target.





Luka Primary School — ga Luka village, Rustenburg

**Vegetable garden plus equipment and compost bin**



Makgetse High School — Hammanskraal, Gauteng

**Science apparatus (life and physical)**



Mahlubi Primary School — Caba Mdeni, Matatiele

**Nelson Mandela Day staff-driven initiative**



Retsamaile Primary School — Bothsabelo, Free State

**Natural science apparatus**



Restamaile Primary School — Bothsabelo, Freestate

**Completed science laboratory**

Edl Rampola Secondary School —  
Mahwelereng, Limpopo

**Netball and soccer kits**



e-learning training for 25 CSI

**Adopted schools across  
nine provinces**



Dondashe Secondary School handover  
event – Centane, Eastern Cape

**Science laboratory and  
computer centre**



ATNS National Winter School



Matsambu high school — Sifasonke  
settlement, Nkuri tribal, Giyani

**Science and computer  
laboratory**



# Annexures

## King IV application register

King IV principle	Application status	ATNS activities in 2023/2024 that strengthened application
Leadership, ethics and corporate citizenship	Governance outcome: Ethical culture	
<b>Principle 1:</b> The accounting authority should lead ethically and effectively.	Applied	The former board's term ended on 12 January 2023. The new board, appointed on 13 January 2023, has the necessary skills and competence for strategic leadership. Board effectiveness is assessed annually, with concerns addressed appropriately. Ethics-related policies guide decision-making, including conflicts of interest and gifts. Directors disclose potential conflicts of interest and the board, supported by the company secretary, ensures compliance with statutory requirements and policies.
<b>Principle 2:</b> The accounting authority should govern the ethics of the organisation to support an ethical culture.	Applied	The board delegated ethics governance to the Social and Ethics Committee and Audit and Risk Committee. An ethics risk assessment shaped the ethics management strategy, with an implementation plan monitored quarterly by the Social and Ethics Committee. The board oversees a culture review programme to foster an exemplary ethical culture.
<b>Principle 3:</b> The accounting authority should ensure the organisation is a responsible corporate citizen.	Applied	The board approved the 2023/2024 CSI plan and monitored its implementation through the Social and Ethics Committee. B-BBEE and enterprise supplier development were tracked at board meetings. The board also monitored sustainability and environmental strategy reports.
Strategy, performance and reporting	Governance outcome: Good performance and value creation	
<b>Principle 4:</b> The accounting authority should integrate core purpose, risks, opportunities, strategy, business model, performance and sustainable development.	Applied	The board formulates and approves the strategy aligned with the company's core purpose. It reviews the ATNS 2025 strategy for sustainable value creation and ensures risk management is aligned with governance practices. The board also finalises a shareholder's compact with the Minister of Transport, including performance indicators monitored quarterly.

King IV principle	Application status	ATNS activities in 2023/2024 that strengthened application
<b>Principle 5:</b> The accounting authority should ensure reports enable stakeholders to assess performance and prospects.	Applied	The Chairman signs quarterly performance reports, ratified by the board. The annual performance report complies with the PFMA and National Treasury Regulations. The Audit and Risk Committee oversees the ATNS integrated annual report, ensuring balanced business and sustainability reporting. The internal audit function provides assurance on reporting and disclosures.
Governing structures and delegation	Governance outcome: Adequate and effective control	
<b>Principle 6:</b> The accounting authority should serve as the focal point and custodian of corporate governance.	Applied	The board operates under a charter defining its powers and responsibilities. The charter is reviewed and approved annually. Board meetings are held quarterly and board committees are established with formal terms of reference. Board and committee performance assessments took place in the last quarter of the 2023/2024 period. The outcome of the assessments will be reported in the next financial year.
<b>Principle 7:</b> The accounting authority should balance knowledge, skills, experience, diversity and independence.	Applied	Director appointments are formal and transparent, approved by the Minister. The board comprises 10 independent non-executive directors and two executive directors.
<b>Principle 8:</b> The accounting authority should ensure delegation promotes independent judgment and balance of power.	Applied	The board dissolved the Governance Committee and Transformation and Investment and Projects Committee, establishing committees with clear terms of reference.
<b>Principle 9:</b> The accounting authority should ensure evaluations of performance and effectiveness support improvement.	Partially applied	No board evaluation was conducted during the period under review as the new board took office effectively from 13 January 2023. The board induction session took place during February 2023. The board and committee evaluation took place during the last quarter of the 2023/2024 financial year. The outcome of the assessment will be reported in the next financial year.
<b>Principle 10:</b> The accounting authority should ensure management appointments and delegation clarify roles and responsibilities.	Applied	A permanent CEO was appointed early in 2022/2023 and the delegation of authority policy outlines CEO and board responsibilities. The board Chairman maintains objectivity by not joining board committees.
<b>Principle 11:</b> The accounting authority should govern risk to support strategic objectives.	Applied	The board facilitated an annual risk workshop to align strategy, risk and sustainability. It approved the risk appetite and reviewed strategic risks.

King IV principle	Application status	ATNS activities in 2023/2024 that strengthened application
<b>Principle 12:</b> The accounting authority should govern technology and information to achieve strategic objectives.	Applied	The Strategic Programmes, Information and Technology Committee, including the Chief Technology Innovation Officer monitors IT governance and information security, submitting reports to the board.
<b>Principle 13:</b> The accounting authority should ensure compliance with laws, rules and standards to support ethical conduct.	Applied	The board delegated compliance governance to the Audit and Risk Committee. Legal and compliance reports are reviewed quarterly. A compliance function facilitates regulatory adherence and ensures an effective compliance framework.
<b>Principle 14:</b> The accounting authority should ensure fair, responsible and transparent remuneration.	Applied	The remuneration policy governs company pay structures. An organisation redesign and review of the total reward framework are underway. Director remuneration is disclosed in the annual financial statements.
<b>Principle 15:</b> The accounting authority should ensure assurance services and functions support control and information integrity.	Applied	The combined assurance framework ensures effective control and integrity of reports. Internal controls and risk management are monitored by management, the risk function and internal audit, with an expanded three-lines-of-defence approach.
<b>Principle 16:</b> The accounting authority should adopt a stakeholder inclusive approach.	Applied	The Social and Ethics Committee exercises oversight over stakeholder engagement. Accountability for stakeholder management at Exco level has been delegated to the Chief Customer Solutions Officer.



# Acronyms

<b>AASA</b>	Airlines Association of Southern Africa
<b>ACSA</b>	Airports Company South Africa
<b>ADS-B</b>	Automatic dependent surveillance – broadcast
<b>ANSP</b>	Air navigation service providers
<b>ATA</b>	Aviation Training Academy
<b>ATM</b>	Air traffic management
<b>ATM</b>	Air traffic movements
<b>ATNS</b>	Air Traffic and Navigation Services SOC Limited
<b>ATS</b>	Air traffic services
<b>BARSA</b>	Board of Airline Representatives of South Africa
<b>CANSO</b>	Civil Air Navigation Service Organisation
<b>Capex</b>	Capital expenditure
<b>CNS</b>	Communication, navigation and surveillance
<b>EMS</b>	Environmental management system
<b>ESG</b>	Environment, social and governance
<b>IATA</b>	International Air Transport Association
<b>ICAO</b>	International Civil Aviation Organisation
<b>ICT</b>	Information and communication technologies
<b>IoDSA</b>	Institute of Directors South Africa
<b>KPI</b>	Key performance indicator
<b>MTSF</b>	Medium-term strategic framework
<b>Opex</b>	Operational expenditure
<b>PFMA</b>	Public Finance Management Act (Act 1 of 1999)
<b>SACAA</b>	South African Civil Aviation Authority
<b>SMS</b>	Safety management system

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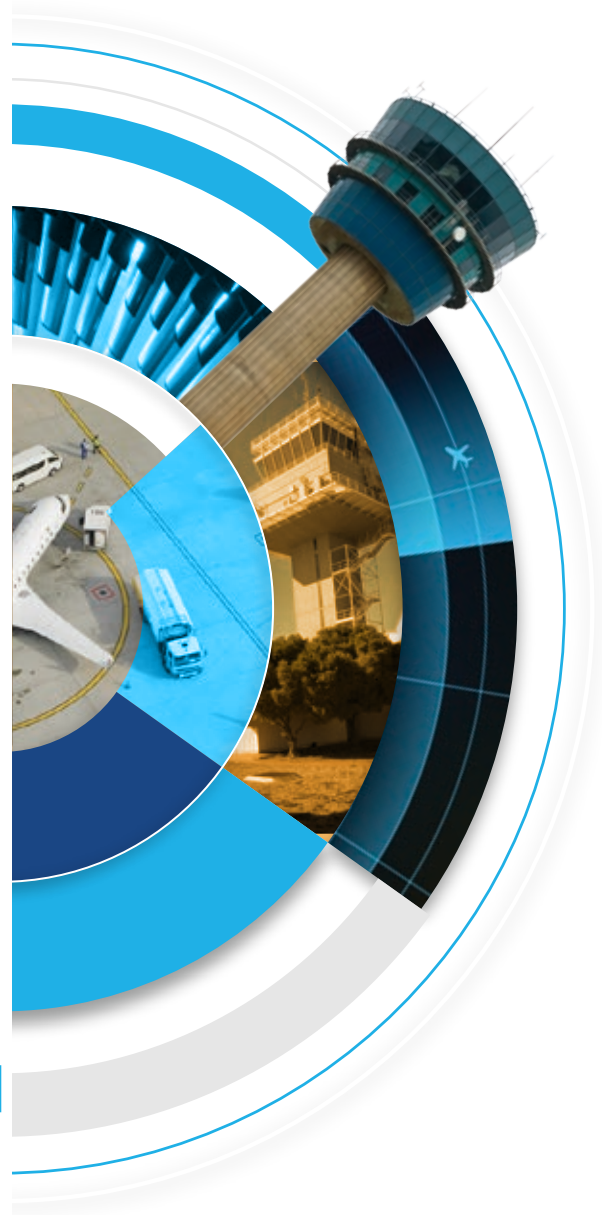
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# 2024



RP243/2024

ISBN: 978-1-77997-196-8