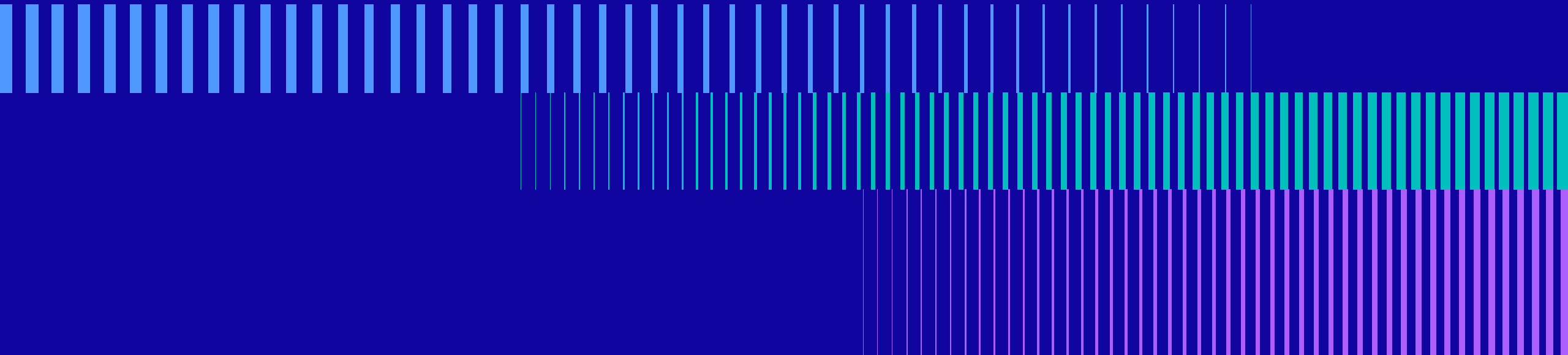




IMPLEMENTING THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS



BACKGROUND

*'These Guiding Principles should be understood **as a coherent whole** and should be read, individually and collectively, in terms of their objective of enhancing standards and practices with regard to business and human rights so as to achieve tangible results for affected individuals and communities, and thereby also contributing to a socially sustainable globalization.'*

- In essence this means how we behave as a business, how we work with our supply chain **and the use of our products.**
- The complexity of any human rights due diligence process that we conduct will depend upon the operating context, the size and nature of the business activities under scrutiny and the relationships we have with the parties involved. (Identify, assess, and mitigate potential and actual adverse impacts)
- If we have contributed or may contribute to an impact, we are expected to prevent or mitigate our own contribution to the impact and use or increase our leverage with other parties to prevent or mitigate it.
- If we have not caused or contributed to an impact, but may have our operations, products or services linked to an impact through a business relationship, we should be expected to use or increase our leverage with other parties, including suppliers, to seek to prevent or mitigate the impact.

OUR BUSINESS



What is Rolls-Royce?

We develop and deliver complex power and propulsion solutions for safety-critical applications in the air, at sea and on land (and we don't make cars!).

Civil Aerospace produces aero engines for the large commercial aircraft, regional jet and business aviation markets.

Defence produces aero engines for military transports, patrol aircraft and combat aircraft. We are also active in naval and support the nuclear propulsion plant for all the UK's nuclear submarines.

Power Systems is involved in power generation, key markets are data centres, industrial manufacturing and utilities. They provide engines for military vehicles and naval use as well for commercial marine and yachts. In industrial, key markets are rail, construction, agriculture and mining.

Items covered by the ATT account for around 30% of group revenue.

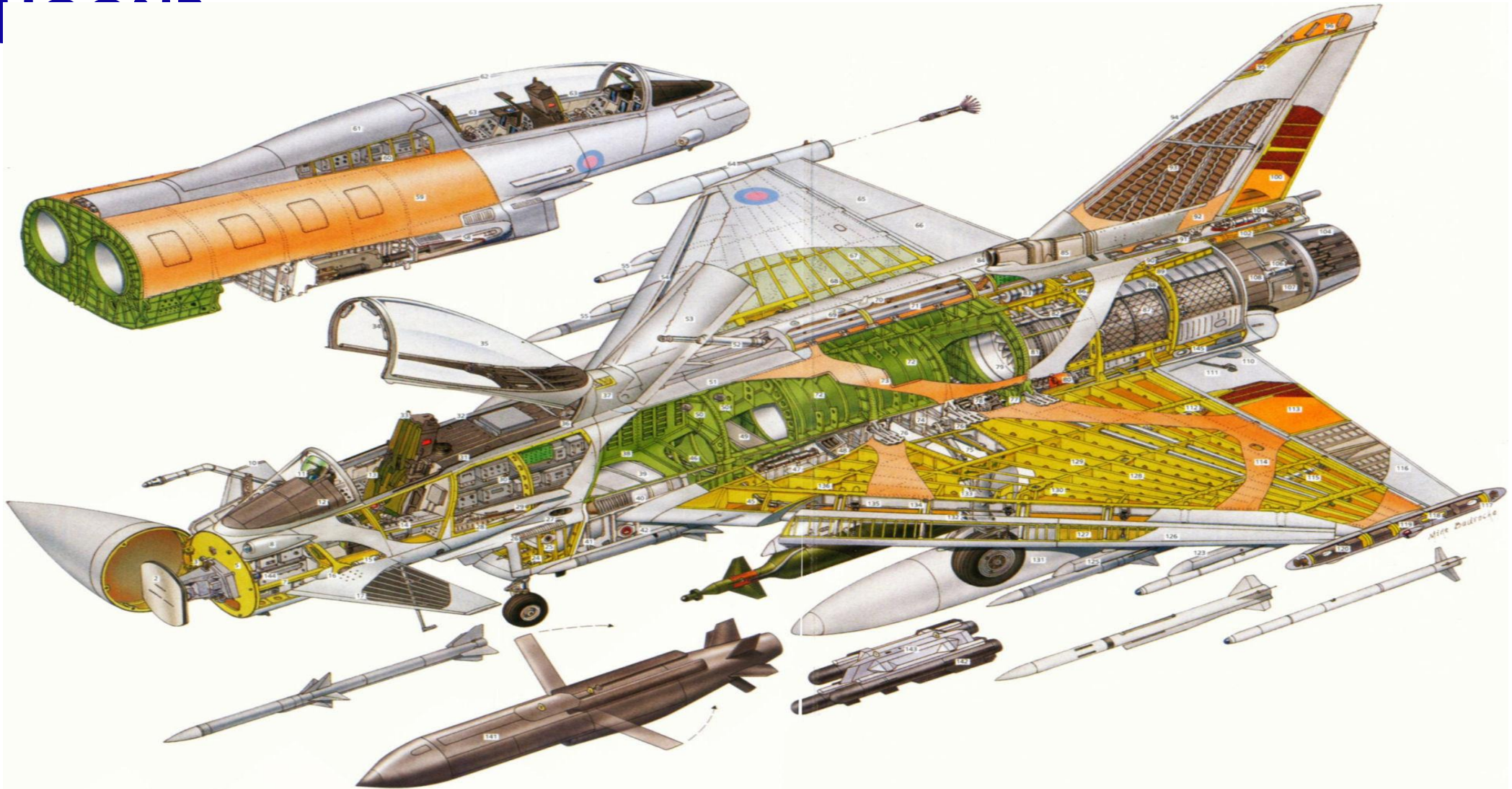
HUMAN RIGHTS IMPLEMENTATION

'Group Human Rights Programme Elements

- Human Rights Steering Group
- Human Rights Community of Practice



WHO SHOULD UNDERTAKE DUE DILIGENCE FOR THE TYPE



WHO SHOULD UNDERTAKE DUE DILIGENCE FOR THE TYPHOON?

- Is it the company that produces the aircraft - in this case the holding company based in Germany and/or the three main consortium members?
- Is it also the companies that produce the major components for the aircraft such as the engine, ejector seat, sensors, landing gear, life support and aircrew equipment?
- Is it also all the companies that are suppliers to the companies that produce the major components?
- If it also includes the suppliers to the suppliers of the main components that would involve 150 just for the engine!