



Rolls-Royce



Global Supplier Code of Conduct

Message from our Chief Executive Officer

At Rolls-Royce our strategy focuses on customer, innovation and profitable growth to ensure a sustainable business. This includes being a good corporate citizen in our dealings with customers, suppliers, employees and wider society, wherever we do business around the world.

High standards of corporate conduct, ethical behaviour and compliance are critical for Rolls-Royce and our suppliers – our mutual success depends upon it.

The Rolls-Royce Board and I have made it clear that Rolls-Royce will not tolerate improper business conduct of any sort. Our zero tolerance approach applies to our own people, and to our suppliers. To ensure you are clear what is expected, we have revised our Global Supplier Code of Conduct. This document replaces our previous Code, issued in 2008.

Our Global Supplier Code of Conduct sets out the behaviours, practices and standards we expect to see demonstrated and complied with, all of which are based on our own Rolls-Royce Global Code of Conduct, policies and standards.

We expect our suppliers to be ethical, responsible and to fully comply with all applicable laws and regulations.

At Rolls-Royce, we have a simple brand promise and set of values – we are ‘trusted to deliver excellence’. We need your support as our suppliers, and that of our broader supply chain, to ensure that together we are able to live up to that promise and continue to be successful.

Thank you



Warren East
Chief Executive Officer



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1 Introduction

We set high standards for the way we do business. This helps our customers know that we can be 'trusted to deliver excellence'.

This Global Supplier Code of Conduct (the Code) sets out minimum standards of behaviour and practices we require from our suppliers. We expect our suppliers to adhere to this Code, in addition to the provisions of any commercial terms agreed between Rolls-Royce plc and the supplier.

In the event that local law, regulation or rules impose stricter requirements than this Code, suppliers must comply with those requirements.

1.1 Purpose

The Code specifies the minimum standards of behaviour Rolls-Royce requires of our suppliers. The requirements identified in the Code are based on the principles of the Rolls-Royce Global Code of Conduct and are mandated through the Rolls-Royce General Conditions of Purchase.

The purpose of the Code is to formally communicate the Rolls-Royce requirements and expectations to the global supply chain; it is freely available to view and can be downloaded from the Rolls-Royce Global Supplier Portal: <https://suppliers.rolls-royce.com>

Suppliers are required to adhere and comply with the principles set out in this document. For more information see section 6 – Supplier commitment.

1.2 Content, scope and applicability

The Code is applicable to all suppliers and partners who supply product or services related to Rolls-Royce contracts or purchase orders.

Suppliers are expected to cascade these principles to their own suppliers in order to ensure alignment across the supply chain. This may involve the establishment of supply chain management processes that integrate the requirements of this Code.

1.3 Asking questions and raising concerns

If any employee of a supplier has an actual or potential ethical concern they are encouraged to make Rolls-Royce aware. For more information see section 6.3 – Supplier ethical concerns.

2 Working together

At Rolls-Royce, our culture fosters innovation, collaboration and continuous improvement. We support our people in their development and create the right climate for success to make sure everyone can do their best and fulfil their potential.

All suppliers must comply with applicable international and national laws and standards in relation to labour practises and human rights, including slavery and human trafficking legislation.

2.1 Slavery and human trafficking

Our principles:	What this means for our suppliers:
We do not accept child labour or any practice that inhibits the development of children.	Suppliers must never use or support practices that inhibit the development of children. Suppliers must not employ anyone under the age of 15 years or, where it is higher, the mandatory national school leaving age.
We believe that all employment should be freely chosen.	Suppliers must not hold an individual or group in slavery or servitude. This includes any form of physical or mental coercion. Suppliers must not use any form of involuntary labour including forced, compulsory, prison or debt-bonded labour. Suppliers must not traffic individuals or groups for the purpose of labour exploitation.

2.2 Fair pay and benefits

Our principles:	What this means for our suppliers:
We recognise the need to reward fairly for skill, contribution and performance.	Suppliers must ensure that all wages meet local minimum wage requirements. Any overtime shall be voluntary and workers must receive adequate compensation for any overtime worked. Standard working hours must not exceed legal limits and over time must not exceed the maximum allowed by law.

2.3 Diversity and inclusion

Our principles:	What this means for our suppliers:
We treat each other openly, honestly and courteously.	Suppliers are expected to promote equal opportunities for all and value diversity.
We do not tolerate bullying, harassment or unlawful discrimination of any kind.	Harassment or discrimination towards employees, including all forms of physical, verbal or psychological abuse must not be tolerated.

2.4 Collective bargaining

Our principles:	What this means for our suppliers:
The decision on whether to join a trade union or not is an individual choice.	Suppliers are expected to respect this choice and the relevant processes and laws on collective representation and consultation where applicable.

3 Running our company

Rolls-Royce engages in dialogue and partnerships to align our business needs with the requirements of our major stakeholders, including customers, governments and industry bodies.

Suppliers are expected to behave ethically and appropriately in all dialogue, and to respect the proprietary information of Rolls-Royce and other parties.

3.1 Quality and continuous improvement

Our principles:	What this means for our suppliers:
We make sure that quality is central to all we do. We are committed to continuous improvement by working together and complying with agreed processes across businesses, functions and geographies.	Suppliers must demonstrate a commitment to quality and, where applicable, comply with the requirements of our SABRe Supplier Management System Requirements (available on the Global Supplier Portal), as modelled upon the structure of ISO 9001. Suppliers are encouraged to seek opportunities for continuous improvement throughout their operations. We encourage suppliers to work openly and collaboratively with us to ensure we are continually improving our operations.

3.2 Proprietary information

Our principles:	What this means for our suppliers:
Rolls-Royce is committed to treating all other parties' confidential, proprietary or trade secret information with integrity. We respect the confidentiality of commercially sensitive information provided to us and we only use it appropriately for legitimate business purposes.	Suppliers must safeguard Rolls-Royce proprietary information. Suppliers must neither receive nor supply information unless either already legitimately in the public domain or given with permission. Appropriate non-disclosure or confidentiality agreements should be used to protect proprietary information.

4 Conducting our business

High standards of ethical behaviour and compliance with laws and regulations are essential to protecting our employees, and the reputation and long-term success of our business.

We expect suppliers to behave ethically at all times, and to restrain from any behaviour that is intended as, or may be viewed as, inappropriate or offensive. Suppliers must comply with all applicable legal and industry requirements, and should seek to implement best practice in their industries.

4.1 Anti-bribery and corruption

Our principles:	What this means for our suppliers:
Rolls-Royce has a zero tolerance policy for bribery and corruption.	Suppliers are expected to behave ethically in all business dealings. Suppliers must not offer, give or accept anything of value that may be viewed as, or has the effect of, improperly influencing business decisions. Suppliers must not offer or give gifts or hospitality to any employee that is intended as, or may be viewed as, an attempt to improperly influence business decisions. Suppliers must not make facilitation payments or permit them to be made on behalf of the supplier or Rolls-Royce. Suppliers must comply with all applicable anti-bribery and corruption laws and regulations of the countries in which they operate.

4.2 Conflicts of interest

Our principles:	What this means for our suppliers:
We seek to avoid conflicts of interest in our business dealings, but where they do occur we manage them.	All suppliers must make Rolls-Royce aware of any potential conflicts of interest as soon as they are known.

4.3 Export controls and import obligations

Our principles:	What this means for our suppliers:
We are committed to compliance with import and export laws, regulations and procedures that apply to our operations globally.	Suppliers must comply with all relevant export control legislations when exporting goods or technology, and shall plan for and obtain all necessary authorisations and permits to ensure timely and compliant delivery of their products. Where an authorisation or permit so requires, suppliers shall also have in place all the necessary processes to manage access to export controlled goods or technology only by staff or other entities authorised to have such access. Where applicable, this requirement shall be flowed down to any sub-tier suppliers.

4.4 Competitive behaviour and antitrust

Our principles:	What this means for our suppliers:
We conduct our business in compliance with competition (antitrust) laws	Suppliers must comply with competition (antitrust) laws in the countries where they operate or sell product or services. Suppliers must not co-ordinate market conduct with competitors or their own suppliers in a way that improperly restricts competition.

5 Our place in the world

As a global company we seek to be a good corporate citizen in our dealings with customers, suppliers, employees and communities where we operate.

All suppliers must make proper provision for the health, safety and welfare of their employees, contractors, visitors and those in the community who may be affected by their operations. We expect suppliers to comply with legal and industry requirements and seek to implement best practice in their industries.

5.1 Health, safety and environment (HS&E)

Our principles:	What this means for our suppliers:
<p>We have a strong approach to HS&E management, where our vision is to be known for the excellence of our HS&E performance in all our business activities and our products.</p> <p>Our HS&E goals are to:</p> <ul style="list-style-type: none"> • Create a safe and healthy work environment with no injuries, no work related ill-health, and no environmental incidents, and • Prevent or minimise the negative impacts of our products and services 	<p>We expect our suppliers to take personal and collective responsibility to help fulfil our HS&E goals.</p> <p>Suppliers must make proper provision for the health, safety and the welfare of their employees, contractors, visitors and those in the community who may be affected by their activities.</p> <p>The supplier shall care for the environment through a commitment to good environmental practices.</p>
<p>We have a robust HS&E management system in place across our global operations.</p>	<p>Suppliers are expected to develop, implement and maintain a management system for managing health, safety and environmental risks.</p> <p>This system may be integrated into the supplier's business management system and associated processes, or act as a standalone HS&E management system.</p> <p>As a minimum this management system shall include processes for:</p> <ul style="list-style-type: none"> • Identifying, assessing and managing HS&E risks and opportunities • Planning improvements and establishing objectives and targets where applicable • Identifying and delivering learning relevant to identified risks • Monitoring performance • Assurance of the effective management of HS&E risks <p>Suppliers are encouraged to have management systems in place that are equivalent to the requirements of OHSAS 18001 and ISO 14001. We do not mandate certification to these standards.</p> <p>Suppliers who carry out activities on our premises, in our facilities or under our direct control shall follow the requirements set out in the Rolls-Royce HS&E management system.</p>
<p>We participate annually in the Carbon Disclosure Project (www.cdp.net) to measure, analyse and benchmark our environmental performance.</p>	<p>Suppliers are encouraged to register as members of the Carbon Disclosure Project and participate in annual submissions.</p>

5.2 Community involvement

Our principles:	What this means for our suppliers:
<p>We are committed to building positive relationships with the communities in which we live and work.</p>	<p>Suppliers are encouraged to seek similar opportunities in their local communities.</p> <p>Suppliers are expected to listen carefully to requests or concerns from the community and address them appropriately.</p>

5.3 Lobbying and political support

Our principles:	What this means for our suppliers:
<p>We are committed to undertaking any lobbying activities in compliance with all applicable laws, and to behaving ethically in all our interactions with governments, agencies and their representatives.</p>	<p>Suppliers must undertake any and all lobbying activities in compliance with all applicable laws.</p> <p>Suppliers are expected to behave ethically in all interactions with governments, their agencies and representatives.</p> <p>We expect suppliers to refrain from making any corporate contributions or donations to political parties, or any think-tanks, academic institutions or charities closely linked to political parties, intended as, or that may be viewed as, attempts to influence decision making.</p>

6 Supplier commitment

6.1 Communication

Suppliers must make the Rolls-Royce Global Supplier Code of Conduct available to employees in the business language of the company.

Suppliers are encouraged to make their employees aware of the Rolls-Royce Ethics Line, as detailed in 6.3 below.

6.2 Code adherence

Suppliers must conform to all aspects of the Rolls-Royce Global Supplier Code of Conduct, as mandated through the Rolls-Royce General Conditions of Purchase.

Rolls-Royce reserves the right to audit against compliance to this Supplier Code of Conduct. Suppliers are expected to ensure that documentation is kept that demonstrates compliance with this Code; Rolls-Royce may request access to that documentation at any time. Rolls-Royce may also request access to supplier sites for audit purposes.

Rolls-Royce reserves the right to terminate contracts in the event of material breach of the principles set out in the Code.

Suppliers are encouraged to disseminate these expectations throughout their own supply chain and incorporate the principles set out in this document as part of routine sustainable business practices.

6.3 Supplier ethical concerns

If any supplier has an actual or potential ethical concern related to the subject matter of the Code or any engagement or relationship with Rolls-Royce they are encouraged to make Rolls-Royce aware.

This can be done through the Rolls-Royce Ethics Line, anonymously if required. Concerns may be raised either online or via telephone.

The following website contains a full list of worldwide telephone numbers for reporting concerns, or alternatively you can use the online system also provided at:



EthicsPoint – Rolls-Royce

www.rolls-royce.com/ethicsline

We encourage suppliers to provide a similar anonymous service for raising ethical concerns.



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CTA348 June 2016

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