Global Code of Conduct
Ask a question or raise a concern anytime using the Rolls-Royce Ethics Line.

www.rolls-royce.com/ethicsline
Sound ethical behaviour is simply how we should all conduct ourselves in our everyday lives. Our Code of Conduct helps us understand what is acceptable and what will not be tolerated in Rolls-Royce. We all know that every day we can be faced with challenges and pressures from production targets to demanding customers, but we must never compromise our commitment to our Code of Conduct.

Whatever our role is in the Company, whether that is me, our Board members, managers, or any of our employees, our actions and our behaviours can seriously impact the reputation of Rolls-Royce. This applies to everyone, everywhere and every day; we are all ‘Trusted to Deliver Excellence’.

This is a company where long-term relationships really matter and trust is absolutely essential to everything we do. It affects who wants to engage with us, who wants to supply things to us, who wants to buy things from us, who wants to invest in us, and importantly, it affects who wants to come and work for us and who wants to stay working for us.

We are rightly proud of the extraordinary technology that our Company creates, but I want us also to be equally proud of the way that we do business and the reputation that Rolls-Royce has both inside and outside of our Company. Sound ethical behaviour is integral to our culture and represents who we are.

Everyone, at all times, must speak up using one of our four channels if they are unsure, unclear or uncomfortable about something. These are your Line Manager, a Subject Matter Expert (SME) e.g. Human Resources or Legal, your Local Ethics Adviser (LEA) or the Rolls-Royce Ethics Line. We need to challenge ourselves and each other to continue to be ‘Trusted to Deliver Excellence’.

Each and every one of us is required to be a role model for ethical behaviour, fairness and integrity. This is essential to our continued success as a company.

Thank you for your support.

Warren East
Chief Executive
Global Code of Conduct

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# 1.0 Introduction

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Ask a question or raise a concern anytime using the Rolls-Royce Ethics Line.
1.1 Our values and how we conduct business

Who we are and how we behave matter to our people and the many stakeholders that have an interest in our business. We have a proud heritage, one of the world’s most powerful brands and a responsibility to hand on to future generations a business that is strong and successful.

Our ambition is to be world-class and competition-beating in our relationships with our customers, and on the delivery of world-class technologies and services. To achieve this, we apply lean and cost-effective processes, simple and efficient operations, and a strong commitment to operate to high ethical standards.

Every day we need to live up to our set of values ‘trusted to deliver excellence’:

Trust – never assume trust, we must earn it, each and every day. Trust is gained from our customers and other stakeholders; it is hard to earn and easy to lose. We cannot build strong relationships amongst ourselves or with our customers without it.

Deliver – we are only as good as our last success. Believing that we are good is not good enough, our customers must share our belief. Customers should benefit from our successes and recognise that what we say, we do.

Excellence – this must be our standard in everything we do and how we do it. Believing that whatever we do today can always be bettered.

This means our customers and other stakeholders trusting us for our behaviour and how we conduct business, as much as for the products and services that we deliver.

Each of us has a personal responsibility to live up to our values and build trust with each other, our customers and the many stakeholders that have an interest in our business.

1.2 Why we have this Code

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

Whether we spend our day building engines, securing contracts, designing components, or planning and managing projects, each of us, through our actions and decisions, has a personal responsibility for building our reputation and living up to our values of being ‘trusted to deliver excellence’.

This Global Code of Conduct (the Code) helps us do this by setting out the ethical principles that underpin our statement of values and the way in which we conduct our business. This Code provides guidance on how to apply these principles in everything we do.
1.3

Who this Code applies to

All employees of Rolls-Royce, its subsidiaries and joint ventures which Rolls-Royce controls, are required to comply with this Code.

We will request that our suppliers, subcontractors, temporary workers and other third parties we work with apply the principles of this Code or work to their own similar standards.

Rolls-Royce employees who are Directors on Boards of non-controlled joint ventures should encourage the joint venture to adopt this Code as a model or use a similar code.

This Code replaces the Global Code of Business Ethics dated June 2009 and will be periodically reviewed and updated. The latest version of this Code can be found on the Business Ethics intranet or RRPS intranet.

We welcome your feedback on the content of this Code, and will consider all comments carefully. To provide feedback, please visit the Business Ethics intranet or RRPS intranet.

1.4

Your commitment to this Code

We are all required to comply with this Code.

You must make time to read and understand the principles and rules set out in this Code. If you have any questions, speak to your manager or seek advice from the Rolls-Royce Ethics Line.

If you are a leader, manager or supervisor, you have a particular responsibility to:

• lead by example and promote and display good ethical behaviour and business conduct, as well as complying with laws and regulations;
• make sure all team members have access to and understand this Code;
• make sure your people get training on ethical issues and policies related to this Code;
• create an environment in which members of your team feel confident and able to raise ethical concerns; and
• make sure that any ethical concerns that are raised are taken seriously and followed up.

Breaches of this Code are not acceptable and will result in the Company taking action which may include disciplinary action up to and including dismissal.

It is not possible for this Code to be exhaustive and set out every legal or Company requirement. In some situations, you will need to use common sense and good judgement to make ethical decisions based on the principles contained in this Code. If you are faced with a dilemma and you are unsure how to solve it, then you should ask for help.

Local laws and customs

As a company we act in a socially responsible manner, comply with applicable laws and respect the societies in which we operate. Our respect for human rights is reflected in the policies and standards we have established covering business ethics, health, safety and environment, employees and community investment. We hope that our approach will help to advance the welfare of our employees and the societies in which they are based.

Laws can be highly complex and vary by locality so if you have any doubt as to their meaning or applicability do not guess but speak to the Rolls-Royce Legal team for advice.

This Code establishes the minimum standards of conduct that are expected in relation to our business, regardless of our geographical location. If you believe the guidance in the Code conflicts with local law and you are unsure how to act or behave, then you should follow the higher standard. In this situation you may also need to seek guidance from your manager or the Rolls-Royce Legal team.

Where to go for help

Relevant Policies/Additional Guidance: Business Ethics intranet, RRPS intranet

Contacts: Your manager, Legal team or the Rolls-Royce Ethics Line
1.5 Identifying and solving ethical dilemmas

At work you may be faced with situations where there is no obvious right answer and you are unsure which course of action to take. This section, together with the TRUST model in section 1.7, will help you to identify instances where there may be an ethical dilemma and to find your way through these to make sound ethical decisions.

How to identify unethical behaviour or an ethical dilemma

Ask some of the following questions:

- Are these actions legal, fair and honest?
- How would I feel about myself afterwards?
- How would this issue look if it was reported in the media?
- Would I be comfortable explaining this in court?
- How would I feel if my family and friends knew about my actions?

Listen to the conversations around you. If you find yourself hearing or saying phrases like the ones below, you may well be facing an ethical dilemma:

- “No one will ever know.”
- “It doesn’t matter how it gets done as long as it gets done.”
- “Everyone else does it, so it must be OK.”
- “Don’t worry, it’s the way we do things around here.”
- “I don’t want to know.”

1.6 Asking questions and raising concerns

We are committed to having an environment where you can ask questions and raise concerns about business ethics without fear of retaliation. If you have experienced or witnessed unethical behaviour in the workplace, including something illegal, you must report it. Do not hesitate to seek guidance on these matters. It is better to ask a question or raise a concern at an early stage than to ignore an ethical issue that could have more serious consequences in the longer term.

Questions and concerns

If you have a question or concern the first point of contact is your manager. After contacting your manager, you or your manager can seek advice from an expert, eg Human Resources, Legal, Compliance, Finance or Health, Safety and Environment.

If you feel unable to speak to your manager, or are unsure of where to go for help, you can also contact the Rolls-Royce Ethics Line or your Local Ethics Officer.

Rolls-Royce Ethics Line

The Rolls-Royce Ethics Line enables you to:

- ask a question or seek advice about any ethical issue, or
- raise a concern with the Ethics team so that it can be investigated.

You can do this by logging on to www.rolls-royce.com/ethicsline which links you to an independently managed website available 24 hours a day, 7 days a week, in multiple languages. The website provides guidance on how to ask your question or raise your concern either by completing an online form or by telephone. In-country telephone numbers can also be found at the end of this Code.

Your question or concern can be dealt with anonymously, however, giving your name may help in answering your question or following up your concern. All questions and concerns will be forwarded to the Ethics team for action. If you have chosen to remain anonymous, the Ethics team will still be able to communicate with you through the external website, retaining your anonymity.

Additionally you can contact a member of the Ethics team directly and our contact details can be found on the Business Ethics intranet.

Retaliation against anyone who raises an ethical concern in good faith is not acceptable and could result in disciplinary action.

Restrictions on raising a concern

Local laws in some countries may restrict the types of concerns that you can raise using the Rolls-Royce Ethics Line, and your ability to remain anonymous. If you work in one of these countries, you may need to raise your concern with Human Resources or your Works Council Representative as appropriate. The Rolls-Royce Ethics Line gives details of any restrictions.

Where to go for help

Relevant Policies/Additional Guidance: Business Ethics intranet, RRPS intranet, RRPS worldwide, Integrity & Compliance, RRPS intranet Processes and Guidelines

Contacts: Rolls-Royce Ethics Line, Local Ethics Officers, Ethics team, RRPS Integrity & Compliance team, relevant RRPS subject matter expert
1.7 

TRUST Model for ethical decision-making

In most situations, it is not difficult to make the right decision, but occasionally you may be faced with an ethical dilemma that is more difficult to solve and you will have to make a judgement. In these situations, the TRUST model may help you to make ethical decisions that are consistent with our statement of values of being ‘trusted to deliver excellence’.

THINK about the ethical dilemma

• What is the dilemma?
• Do you know all the relevant facts?
• Who does it affect?

READ the relevant policy or procedure

• Is there a principle in the Global Code of Conduct to guide you?
• What are the relevant policies, procedures and/or laws?

UNDERSTAND the implications of the decision for all concerned

• What is the potential risk to you, our business or other stakeholders (eg customers, suppliers, community)?
• What is the likely impact on the business (eg reputation, cost, quality, delivery)?

SPEAK to others for guidance

• Talk to your manager, colleagues, or an expert (eg Human Resources, Legal, Quality, Health, Safety and Environment) as necessary.
• Contact the Rolls-Royce Ethics Line or your Local Ethics Officer for additional advice.

TAKE ACTION to solve the ethical dilemma

• Make an informed decision – this may be a simple choice between a ‘right’ and a ‘wrong’ alternative, or a more difficult judgement between two ‘rights’.
• Evaluate the results of your decision. What was the outcome, and what did you learn from the situation?
2.0 Working together

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Ask a question or raise a concern anytime using the Rolls-Royce Ethics Line.
2.1 Diversity and inclusion

Our competitive position is strengthened by the diversity of our workforce. We promote an inclusive workplace in which every individual feels respected and valued.

Our principles

• We treat each other openly, honestly and courteously.
• We do not tolerate bullying, harassment or unlawful discrimination of any kind and encourage employees to take action about any instance which they experience or observe.
• We value diversity and promote equal opportunities for all employees in a workplace free from unlawful discrimination.
• We recruit, select and develop our people on merit, irrespective of their race, colour, religion, gender, age, sexual orientation, marital status, disability or any other characteristic protected by applicable laws.
• We appreciate employees’ commitments outside of the workplace and support our employees in achieving a balance between work and home life.

What this means for you

You must:

• treat everyone you meet in the course of business with fairness, respect and dignity (eg job applicants, employees, customers and suppliers);
• speak up if you witness, or are aware of, any behaviour which you believe constitutes bullying, harassment or discrimination;
• not behave in a manner that is disrespectful, bullying, intimidating, offensive or malicious, or make jokes which are discriminatory or inappropriate;
• not engage in sexual harassment including unwelcome physical contact, expressions, gestures, comments or invitations;
• not exclude others from projects, discussions and opportunities due to their race, colour, religion, gender, age, sexual orientation, marital status, disability, or any other protected characteristic as required by law; and
• as a manager, make decisions about the recruitment, selection and development of employees based on objective criteria, including qualifications, skills and experience.

Q&As

Q. I need to pull together a project team for a high profile, emergency piece of work. Can I invite only young, full-time team members in order to give us flexibility around meeting times?
A. If you take this action, you will be excluding others who may have the motivation and capability to contribute. A diverse team with a mix of skills, perspectives and experience is likely to be more effective.

Q. Members of my team make comments about my racial background. If I object, they say they are joking and mean no offence. Should I just ignore it?
A. No. First you should talk to your manager or Human Resources about it. All allegations will be taken seriously and appropriate action will be taken. If you feel your case is not being treated properly, you can also contact the Rolls-Royce Ethics Line.
2.2 Performance and reward

We reward and recognise high performance and actively manage under performance.

Our principles

- We seek to reward our employees fairly and take account of individual contributions to the performance of the business.
- We assess performance objectives in a fair and consistent manner.
- We regularly review the performance of our people and provide constructive feedback.
- We invest in training, education and development to improve the skills of our employees and the capability of the business.
- We encourage our employees to become shareholders in the Company.

What this means for you

You must:

- perform your job to the best of your ability, seeking support and feedback as required;
- participate as required in the Company performance management process;
- as a manager, evaluate the performance of your team fairly and consistently and provide them with regular feedback;
- as a manager, support and promote the development of your staff; and
- as a manager, actively manage under performance.

Q&As

Q. I am concerned that my business will not meet its targets this quarter and am therefore putting my team under considerable pressure. Am I right to leave them in no doubt that their performance needs to improve?

A. It is part of your responsibility to set challenging targets and to improve your team’s performance. However, we do not support an intimidating or bullying style of management. You should try to analyse and discuss with your team all the factors that may be hindering them, and if team members aren’t performing as expected, manage their performance according to company guidelines. It is essential that we behave ethically in all that we do.

Q. I have been in my role for 18 months now and have not had a performance review during this time. Every time I raise it with my manager he says that he is too busy. What should I do?

A. This is not acceptable. Your manager has a responsibility to provide feedback and to support your development. You should pursue the matter with your manager or speak to Human Resources to make sure that a formal performance development review is carried out.
2.3 Employee engagement

We are committed to creating the right working environment so everyone can perform at their best.

**Our principles**

- We encourage openness and honesty in all our relationships.
- We work globally and expect mutual respect and collaboration between all our people.
- We engage and involve our people in improving the business and welcome their feedback.
- We endeavour to share information and discuss business and work issues with our people and their representatives.
- We resolve disputes fairly.
- The decision on whether or not to join a trade union is an individual choice. We respect the relevant processes and laws on collective representation and consultation in the countries where we work.

**What this means for you**

You must:

- ask for, provide and act on feedback;
- accept accountability for delivering the best results for our customers;
- be open with the people you work with;
- as a manager, involve your team, make sure they know what’s expected of them and talk regularly to them about the contribution they’re making to our success; and
- as a manager, be aware of how your decisions and actions affect your team and make sure they have the help and support they need.

**Q&As**

**Q. A member of my team has a complaint – what should I do?**

**A.** Complaints and grievances should be resolved at the earliest opportunity. Wherever possible the resolution should come from discussion with you. If a resolution cannot be reached then the appropriate procedures must be used. Contact Human Resources who will advise you how to proceed.
### 3.0 Running our company

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Ask a question or raise a concern anytime using the Rolls-Royce Ethics Line.

www.rolls-royce.com/ethicsline
3.1

Accuracy and integrity in business records

We are committed to high standards of accuracy and integrity in our business records.

Our principles

• We maintain accurate and complete records of our business dealings, including all transactions between our business and external individuals and organisations, and all expenditure and labour charges.
• We act in line with the law and applicable technical and professional standards.
• We prepare our financial records in a timely manner, representing the facts accurately and completely.
• We maintain a rigorous system of financial, operational and compliance controls and an effective system of risk management.
• We are committed to the prevention and detection of fraud and will investigate any suspicion of fraudulent activity. Fraud is a criminal offence which we will not tolerate.

What this means for you

You must:

• record all expenditure, hours worked, transactions or any other aspect of the Company's business, accurately, in a timely manner and in accordance with local procedures;
• preserve documents and records in accordance with applicable legal requirements;
• comply with the Delegated Authority Levels for the approval of financial and other business decisions;
• comply with the Group Tax Policies in relation to all tax matters and dealings with tax authorities;
• report any suspicion of fraud to Corporate Security, Internal Audit or the Rolls-Royce Ethics Line immediately;
• complete product inspection and testing documentation accurately and truthfully;
• not allow yourself to be influenced or influence others to do anything that would compromise the integrity of our business records, reports, products or services; and
• not make a false or deliberately misleading entry in a report, record or expense claim or falsify any corporate records (eg financial, safety, environmental or quality results).

Q&As

Q. I have been asked by my manager to move some costs to another department which is showing an underspend, so that our department is not seen as over budget. Is that OK?
A. No. You would be artificially manipulating the results. Costs must only be moved between departments or businesses when there is a valid reason, such as the provision of a service to that area.

Q. There is a conflict between what I should record in the accounts and what would be beneficial for the bonus metrics. What should I record?
A. Your clear responsibility is to maintain the records accurately.
3.2

Quality and continuous improvement

We make sure that quality is central to everything we do.

Our principles

- We recognise that robust quality is an essential building block of safety and we continuously improve the quality and efficiency of our products and services.
- We apply our Quality Management System in all of our operations.
- We are committed to continuous improvement by working together and complying with agreed processes across businesses, functions and geographies.

What this means for you

You must:

- take responsibility for your part in delivering a high quality experience that meets the expectations of our customers;
- follow our global quality management procedures to ensure the integrity of our products and services;
- take action and respond promptly to any concerns about possible quality issues; and
- actively identify ways to continuously improve the way we operate to support our drive for process excellence.

Q&As

Q. I suspect that quality procedures are being compromised in my area. What should I do?
A. Quality procedures must never be compromised. You should start by speaking to your manager. If you feel unable to speak to your manager, speak to the next level of management or your Quality point of contact.

Q. I’m new to my area and I’m not sure which procedures I’m responsible for operating. How do I find out?
A. Speak to your manager. All employees should be briefed on the procedures that guide their work.
We use our assets – human, financial, physical and intellectual – to grow our business.

**Our principles**

- Our technologies, intellectual property and commercially sensitive information are vital assets of our business and we protect them from unauthorised use and disclosure.
- We take individual responsibility for the proper use of our business and customer property, including IT systems, materials, facilities and equipment.
- We do not tolerate the use of our business information systems to access, copy, store or transmit any information or data considered to be offensive, obscene or inappropriate.

**What this means for you**

You must:

- only use our assets for business purposes, unless you have authorisation for other use, and maintain them with care, guarding against waste and abuse;
- not seek personal gain from the use, sale, transfer or other disposal of our business assets without authorisation;
- value the Company’s time, and work diligently to fulfil the responsibilities of your role;
- not try to circumvent IT security controls;
- keep all our documents protected and secure;
- not disclose our confidential information to other parties, such as suppliers, customers or joint ventures, without confirming that there is an appropriate agreement in place to protect intellectual property rights; and
- always seek guidance from the Intellectual Property team before giving opinions or views on intellectual property matters.

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**Q&As**

**Q.** I have invented something in the course of my work which I think is novel and could benefit our business. What should I do about it?

**A.** You should discuss it with the Intellectual Property team, who will advise whether a patent should be applied for. Remember that prior disclosure of the invention externally could result in failure to obtain a patent.

**Q.** I have a company laptop. Are there any restrictions on using it to access the internet at home and in my own time?

**A.** Our information systems exist for the purpose of conducting business. A minimal amount of personal use is acceptable, but should not interfere with or conflict with business use. Accessing illegal, offensive or inappropriate material remains unacceptable. Check with your manager on acceptable use guidelines for the team.
3.4

Respecting the confidential and proprietary information of others

We are committed to treating all other parties’ confidential, proprietary or trade secret information with integrity and in compliance with the relevant laws and regulations.

Our principles

- We will act with integrity and protect information in our possession that is confidential or proprietary to other parties, including customers, suppliers, joint ventures and other partners.
- We do not obtain competitive intelligence by illegal or unethical means and we do not read or use competitor information that we should not have.
- We do not solicit, acquire, read or use the confidential or proprietary information of other parties that we know to be proprietary or restricted from disclosure.
- When working with customers such as governments and defence companies where projects may raise issues of national security, we will not seek unnecessary or unauthorised access to material and we will handle customer classified or proprietary marked information in accordance with the appropriate legislation, policies and processes.

What this means for you

You must:

- avoid placing yourself or the Company in the position of receiving other parties’ confidential, proprietary or trade secret information (including software) when not authorised to do so. If in doubt you should consult the Legal or the Intellectual Property team;
- not receive or copy documents or material (including software) unless you have specific permission to do so, and after seeking permission from the Legal or the Intellectual Property team if you are in doubt;
- not seek access to classified materials where access is not required for legitimate business purposes or if you are not authorised to do so;
- keep all documents provided to us in confidence by other parties protected and secure. It is especially critical for our people with access to government classified information or protectively marked documents to deal with them in line with business procedures, and the appropriate legislation, policies and processes;
- not disclose commercially sensitive information about a customer, supplier, joint venture or other partner company, either internally or externally, without their permission to do so; and
- if in doubt seek advice from the Legal team.

Q&As

Q. During a recent sales visit, a customer gave me a copy of my competitor’s price list to justify his request to lower our price. Can I refer to the list?
A. No. If a customer gives you competitor pricing information which is not publicly available do not use it and contact the Legal team for guidance.

Q. During a meeting with a customer, a file of information is placed in front of me that may contain a competitor’s information. The customer then leaves the room. Can I open this file and read the information?
A. Do not open the file or read the information. When the customer returns, you should confirm that you have not looked at it.
3.5 Privacy and confidentiality

We are committed to protecting the privacy and confidentiality of our people.

Our principles

• We respect the personal privacy of our people in line with applicable laws and company policies.

• We collect and process personal information only in line with our company policies in the countries in which we operate in order to meet necessary business needs and legal requirements.

• We all have a responsibility to keep personal information secure and observe the privacy of individuals.

• We may periodically review and monitor messages and call records for security and other business purposes in line with applicable laws.

What this means for you

You must:

• respect the rights of individuals whose personal information you process;

• only create, save, process, hold, disclose and transfer personal information in line with applicable laws;

• inform your manager if you have any concerns about how personal information is secured, processed or shared in the area of the business in which you work;

• not access or disclose personal information to anyone inside or outside the organisation unless the disclosure is in line with applicable laws and our company policies; and

• speak to the Legal team or a member of the Global Data Privacy Function if you’re not sure – privacy laws vary between the countries in which we operate.

Q&As

Q. My friend, who is an ex-employee, has now set up his own business. He’s asked for the names and home addresses of all the people at my site so he can send out marketing leaflets to them. Is this OK?

A. No. You should not send your friend this information. Sending it would be contrary to the principles in this Code, may break national laws and could subject the company and/or you to legal action.

Q. I want to transfer some information, which will include personal data, from our shared drive onto a memory stick so that I can work on the information when I am away from the office. Is this allowed?

A. Personal data must be kept securely at all times. The carriage of personal data on removable media presents particular risks and should only be done if there is no alternative. For this reason any requirement to put personal data onto removable media is to be authorised by a senior manager or director. If authority is given, then the data is only to be put onto encrypted removable media as detailed in the IT Security policies and deleted immediately after the work is complete.
3.6 Media and communications

We are committed to protecting our brand and reputation.

Our principles

- Our reputation is a key asset and we behave in a manner that maintains and reflects well on our brand at all times.
- We sponsor activities that will meet commercial objectives and have a positive effect on the reputation of our business and its stakeholders.
- We work with the media to assist them in understanding our business and make sure that the information we provide is accurate and not misleading.
- We keep all our shareholders well informed by providing information that they can access easily.
- Corporate Affairs is responsible for the management of any company official business presence and comment on social media channels.

What this means for you

You must:

- act in a way that protects or enhances our reputation and brand at all times;
- use care and good judgement when speaking about our business or people, even when not in the workplace;
- not speak to the media or members of the investment community about our business without prior authorisation;
- not use social media to post or display information about the company and its stakeholders that is vulgar, obscene, threatening, intimidating, harassing, libellous or discriminatory; and
- not engage in social media forums for business purposes while acting on behalf of the company in an official capacity, without prior written approval from Corporate Affairs.

Q&As

Q. What should I do if I get a phone call from a journalist asking questions about our position on a particular issue?

A. All calls from journalists should be referred to the Corporate Affairs department without answering the query. If you are the appropriate person to speak to the journalist, Corporate Affairs will broker the discussion and set the rules of engagement.

Q. What should I do if one of my customers or suppliers wants to use the Rolls-Royce logo?

A. There are specific brand guidelines and all such requests should be addressed to Corporate Affairs.
4.0 Conducting our business

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Ethics Line

www.rolls-royce.com/ethicsline

Ask a question or raise a concern anytime using the Rolls-Royce Ethics Line.
Anti-bribery and corruption

We do not offer, pay or accept bribes or kickbacks for any purpose whether directly or through a third party.

Our principles

• We have a zero tolerance policy for bribery and corruption.
• We do not offer, give or accept anything of value that can be viewed as, or has the effect of, improperly influencing business decisions.
• It is the Company’s position to use its own employees to conduct its business. However, sometimes the Company uses intermediaries such as consultants and distributors to assist in marketing and distributing its products and services. We will only appoint intermediaries of known integrity and require that their conduct meets our standards at all times.
• We do not make facilitation payments, or permit others to make them on our behalf.
• We comply with anti-bribery and corruption laws and Rolls-Royce policies and procedures that prevent bribery and corruption.

What this means for you

You must:
• only offer or accept gifts or hospitality allowed under the relevant company policies;
• make sure that all intermediaries are approved under the relevant company policies following due diligence, and that they work for Rolls-Royce under a valid, approved contract;
• not make facilitation payments;
• not put yourself at risk if there is a credible threat to your personal wellbeing, health or safety if you do not make a payment to an official. In this situation you should make the payment and report it immediately to the Director of Security and your Compliance Officer;
• make sure all sponsorships and donations are properly approved; and
• not use corporate funds or assets for political donations.

Q&A

Q. I need to use an intermediary but do not have time to get approval through the Rolls-Royce process. What do I do?
A. You cannot use an intermediary that is not approved and does not have a valid, approved contract in place. You must ensure that the intermediary does not act on behalf of Rolls-Royce and contact your Compliance Officer for assistance. If you are aware of an intermediary acting for the company who is not approved, then you need to report it immediately to your Compliance Officer or the Chief Compliance Officer.
4.2 Conflicts of interest

We avoid conflicts of interest in our business dealings, but where they occur we manage them.

**Our principles**

- We avoid any relationship, influence or activity that will impair our ability to make fair and objective decisions when performing our jobs.
- If we believe there is, or may be, a conflict of interest, we will report it to the responsible manager.
- We comply with applicable laws and regulations in relation to the employment or engagement of current or former military and civilian government personnel.
- We do not engage in, encourage or facilitate insider dealing. We will not use any non-public information about our business or other companies for buying or selling shares, other securities or financial instruments for personal gain. Nor will we pass on such information to anyone else.

**What this means for you**

You must:

- make sure that conflicts of interest are disclosed, managed and recorded;
- discuss with your manager any personal or professional relationships that could give rise to a conflict of interest;
- not provide any services to a competitor or potential competitor;
- not place business with a firm owned or controlled by an employee of Rolls-Royce or their family, unless authorised in advance;
- not own, or have a substantial interest in, a company which is or has the potential to be a customer, supplier or competitor of Rolls-Royce unless authorised in advance;
- not use non-public information for personal gain, or pass such information to someone else (either inside or outside the company) who does not have a legitimate need for the information;
- not place yourself in the position of hiring or supervising a family member or close personal friend, including someone with whom you are having a romantic relationship; and
- as a manager, make sure that your team is aware of the rules relating to the buying and selling of our shares and to any ‘close period’ rules that apply.

**Q&As**

**Q.** My husband works for a company that supplies us with equipment. Sometimes I am responsible for purchasing supplies from them. What should I do?

**A.** This could be a conflict of interest, depending on your husband’s role in the company. Explain this to your manager or talk to the Rolls-Royce Ethics Line, who will provide guidance.

**Q.** I have often dealt with military customers in the course of supplying equipment. One of them has asked me about the possibility of employment by the company after he leaves the military. What should I do?

**A.** You should not discuss the details of any employment opportunities. You should talk to your manager and the Rolls-Royce Ethics Line before engaging in any employment discussions. There are conflict of interest regulations relating to employing former military personnel that must be observed.
4.3 Export controls and importation obligations

We are committed to compliance with import and export laws, regulations and procedures that apply to our operations globally.

Our principles

- The export of certain Rolls-Royce technologies, goods, services and information from some countries and/or into others is subject to restrictions under law. We will comply with all applicable export control and import laws, regulations and procedures wherever we operate.

What this means for you

You must:

- comply with applicable export and import laws and regulations when transferring goods, services, software or technology within your country or across national boundaries;
- comply with national and international sanctions and embargoes and the company’s destination-specific policies when doing business with entities in other countries;
- if you are involved in the transfer of goods, services, software or technology (including items carried in hand baggage), make sure you understand the laws and regulations that apply, including those of other countries affected by the transfer. If you are in any doubt, ask the Export Control team to help you;
- not travel with a laptop computer or other electronic device containing controlled technology without the appropriate authorisation from your local Export Point of Contact;
- be alert for suspicious enquiries from individuals, organisations or third parties acting on behalf of other organisations attempting to gain access to our goods, software or technology which may be denied to them by virtue of sanctions and embargoes or because the items are destined for an illicit Weapons of Mass Destruction programme;
- make sure that all duties, levies and tax obligations are satisfied, that the terms and conditions of any import or export authorisations are complied with, and that any necessary import or export declarations are made including those to the Customs Authority at the point of exit and/or entry; and
- always consult a member of the Export Controls or Customs and Tax teams if in doubt about the right course of action in any case involving import or export.

Q&As

Q. We are in arrears to a customer on a part that is awaiting an export licence. I am visiting the customer next week. I could take the part with me and then sort out the paperwork afterwards. Is this OK?

A. No. This Code states that we comply with applicable import and export laws. Breaching these laws would undermine our credibility with the customer, may be a risk to national security and expose us to legal sanctions which would seriously damage our reputation.

Q. I need to export a drawing of a component to a new potential supplier. How can I find out whether I am authorised to do this?

A. Prepare a detailed description of the transaction you wish to make and obtain guidance from your local Export Point of Contact and/or company experts in Export Controls, Security and Intellectual Property.
4.4

Competition

We conduct our business in compliance with competition laws, known in some countries as antitrust laws.

Our principles

• We believe in open and fair competition.
• We conduct business in an honest and straightforward way.
• We comply with competition and antitrust laws.

What this means for you

You must:

• avoid making formal or informal agreements with competitors which result in price fixing, bid rigging, market allocation and arrangements to limit supply as these are almost always illegal;
• be careful before you agree to any restrictions on customers, joint venture partners or suppliers as to who they can sell to or buy from and on what terms;
• not share commercially sensitive information with competitors, which may include information relating to prices, ongoing bids, terms and conditions of sales, market share, costs or profit margins;
• report any suspicions or allegations of anti-competitive behaviour to your Legal team; and
• always seek advice from your Legal team if you are unsure how to proceed or need more guidance.

Q&As

Q. During a trade association meeting, two of our competitors started to discuss profit margins and unit costs – should I have intervened at the meeting?

A. A regulatory authority may conclude that everyone at the meeting tacitly agreed to use the information to align prices. You should state you believe the conversation is inappropriate, leave the meeting immediately and speak to the Legal team.
4.5

Working with our customers, suppliers and partners

We are committed to treating all our customers, suppliers and partners with fairness and integrity.

Our principles

• We treat all our customers and suppliers with fairness and integrity and build mutually beneficial relationships, regardless of the value of the transaction or the length of our association.
• We aim to build and maintain high levels of customer satisfaction through our commitment to improving quality, delivery, responsiveness and reliability.
• We respect the confidentiality of commercially sensitive information provided to us and we only use it appropriately for legitimate business purposes.
• We expect our suppliers and partners (including joint ventures where appropriate), their employees and their supply chains to operate to the highest standards of quality and integrity.
• When seeking new suppliers and partners we conduct thorough due diligence. We select suppliers and partners whose core values and commitment to ethical business conduct match our own.
• We are opposed to the use of any form of child labour or practices which inhibit the development of children. We believe that employment should be freely chosen and commit to refrain from using any form of forced or involuntary labour.

What this means for you

You must:

• communicate clearly and honestly with our customers, suppliers and partners, but take care to protect our intellectual property and not to disclose confidential information unless authorised to do so;
• make sure that all communications in bid preparations and contract negotiations with customers are accurate and truthful;
• comply with supplier selection criteria to make sure that suppliers are chosen on merit;
• contract with customers, suppliers and partners on clear terms and operate in accordance with them, making sure all communications are accurate;
• follow our global quality and safety management procedures to ensure the integrity of our products and services, deal with any concerns appropriately and work with our suppliers to find mutually beneficial solutions to any problems that arise; and
• take appropriate action if behaviours by suppliers or partners are contrary to the principles in this Code.

Q&As

Q. I suspect that one of our suppliers is paying its employees below the local legal minimum pay rates. What should I do?
A. You should discuss your concerns with your manager and the manager responsible for this supplier. We are committed to making sure that our suppliers do not unlawfully exploit their employees.

Q. I believe that an employee may be colluding with a supplier to defraud the company. What should I do?
A. You must immediately report the matter to Corporate Security or Internal Audit. Alternatively, reports can be made through the confidential Rolls-Royce Ethics Line.
5.0
Our place in the world

5.1 Health, safety and environment 34
5.2 Community investment 35
5.3 Lobbying and political support 36
We have a strong commitment to Health, Safety and Environmental (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.

Our principles
• We expect everyone who works in our business to help fulfil our HS&E goals, which are to create a safe and healthy work environment with no injuries, no work related ill-health, no environmental incidents and prevent or minimise the impacts of our products and services.
• We understand our duty of care to our employees and we provide a range of services to protect and enhance their health and wellbeing.

What this means for you
You must:
• set high standards for your HS&E behaviour and expect the same of others;
• make sure that you understand the HS&E requirements of your role and seek support from the HS&E team if required;
• always work to our HS&E Policy, standards and requirements;
• stop work if you think it is unsafe;
• intervene if you are concerned that an action or decision might result in us not meeting our HS&E Policy, standards and requirements;
• make sure you are up to date on the HS&E competence level required for your role;
• report and actively support learning from HS&E incidents, including near misses and unsafe acts/conditions;
• speak to your manager if you are concerned that actions or decisions may result in us not meeting our HS&E Policy or standards; and
• not put yourself or others at risk from your actions.

Q&As

Q. I suspect that safety procedures are being compromised in my area. What should I do?
A. Safety procedures must never be compromised. You should start by speaking to your manager. If you feel unable to speak to your manager, speak to the next level of management or your HS&E manager.

Q. I am very overstretched at work and need help. Where can I get help?
A. You should discuss your concerns with your manager. You can also obtain support from your local Occupational Health provider or from Human Resources.

Q. What do I do if I believe that my part of the business is in breach of national environmental legislation?
A. Our business is committed to obeying the law. You should raise the matter with your manager or your HS&E manager.
5.2 Community investment

We are committed to building positive relationships with the communities in which we live and work.

Our principles

• We seek to contribute to the economic development and social wellbeing of the communities in which we operate.
• Community investment is an intrinsic part of the way we do business, supporting our business strategy and future success. We direct this support within the areas of education and skills, in particular Science, Technology, Engineering and Mathematics (STEM); the environment; social investment; arts, culture and heritage.
• We encourage community investment activities that help us to recruit, retain, engage and develop our people whilst at the same time building our reputation and demonstrating good corporate citizenship in the communities in which we operate.
• We make sure that company charitable contributions are appropriate and proportionate.

What this means for you

You must:

• be familiar with the relevant policy in this area and make sure that any request for support meets this, and is made and reported within the defined process; and
• listen carefully to requests or concerns from the community and address them.

Q&As

Q. Will I get support to work for voluntary organisations such as school committees or community groups?
A. In most cases yes, but time or resources can only be committed after permission has been given by your manager.

Q. If a member of the community approaches me with a request or a concern, what should I do?
A. Always treat the matter politely and seriously and discuss it with your manager to agree the appropriate action.
5.3 Lobbying and political support

We are committed to undertaking any lobbying activities in compliance with all applicable laws, and to behaving ethically in all our interactions with governments, their agencies and representatives.

**Our principles**
- We engage with governments in order to communicate with them on matters relating to our business.
- We do not make corporate contributions or donations to political parties or to any organisations, think-tanks, academic institutions or charities closely associated to a political party or cause.
- Our business has no preference for one political party over another.
- Our people may take part in party politics or make personal political donations, outside the business and in their own time.

**What this means for you**
You must:
- only engage in lobbying on behalf of our business with appropriate registration in your respective country (as required) and with prior authorisation from Government Relations in your region;
- when authorised to engage in lobbying on behalf of our business, work to all applicable laws and conduct yourself with integrity, honesty and transparency in all dealings with governments, their agencies and representatives; and
- not use our business time or resources to engage in personal political activities, without specific prior authorisation.

**Q&As**

**Q.** As a Rolls-Royce employee, may I stand for political office?

**A.** Yes, providing you are not using the Rolls-Royce name or attributing your views to the business. Any activity during business time must be properly authorised.
Rolls-Royce Ethics Line

Online at [www.rolls-royce.com/ethicsline](http://www.rolls-royce.com/ethicsline) or using the numbers set out below. For the latest list of available numbers, visit the Ethics Line website. Your question or concern can be dealt with anonymously in most jurisdictions, however, giving your name may help in answering your question or following up your concern.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
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<tbody>
<tr>
<td>Australia</td>
<td>1 800 339276</td>
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<tr>
<td>Azerbaijan</td>
<td>Collect call to the United States 503 619 1860</td>
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<tr>
<td>Belgium</td>
<td>0800 77004</td>
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<tr>
<td>Brazil</td>
<td>0800 8911667</td>
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<tr>
<td>Canada</td>
<td>1 800 968 0612 (English)</td>
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<td></td>
<td>1 855 350 9993 (French)</td>
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<tr>
<td>Chile</td>
<td>1230 020 5771</td>
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<tr>
<td>China (Northern)</td>
<td>10 800 712 1239</td>
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<tr>
<td>China (Southern)</td>
<td>10 800 120 1239</td>
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<tr>
<td>Croatia</td>
<td>0800 220 111 then dial 800 968 0612</td>
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<tr>
<td>Czech Republic</td>
<td>800 142 550</td>
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<tr>
<td>Denmark</td>
<td>80 882809</td>
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<tr>
<td>Egypt</td>
<td>02 2510 0200 then dial 800 968 0612</td>
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<tr>
<td>Finland</td>
<td>0800 1 14945</td>
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<td>France</td>
<td>0800 902500</td>
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<td>0800 1016582</td>
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<td>Greece</td>
<td>00800 12 6576</td>
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<td>Hong Kong</td>
<td>800 964214</td>
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<td>India</td>
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<td>001 803 011 3570</td>
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<td>Italy</td>
<td>800 786907</td>
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<td>Japan</td>
<td>00531 121520 (Japanese)</td>
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<td>0066 33 112505 (English)</td>
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<td>Kazakhstan</td>
<td>8* 800 121 4321 (^ indicates second dial tone) then dial 800 968 0612</td>
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<td>Lebanon</td>
<td>01 426 801 then dial 800 968 0612</td>
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<td>Malaysia</td>
<td>1 800 80 8641</td>
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<td>Mexico</td>
<td>001 800 840 7907 (Spanish)</td>
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<td>001 866 737 6850 (English)</td>
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<td>Namibia</td>
<td>Collect call to the United States 503 619 1860</td>
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<td>Qatar</td>
<td>Collect call to the United States 503 619 1860</td>
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<tr>
<td>Russia</td>
<td>8 10 8002 6053011</td>
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<tr>
<td>Saudi Arabia</td>
<td>1 800 10 then dial 800 968 0612</td>
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<tr>
<td>Singapore</td>
<td>800 1204201</td>
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<tr>
<td>South Africa</td>
<td>0800 09 92604</td>
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<td>South Korea</td>
<td>00798 14 800 6599 (Korean)</td>
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<td>00308 110 480 (English)</td>
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<td>00798 1 1 009 8084 (English)</td>
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<td>Spain</td>
<td>900 991498</td>
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<tr>
<td>Sweden</td>
<td>020 79 8729</td>
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<tr>
<td>Taiwan</td>
<td>00801 13 7956</td>
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<td>Thailand</td>
<td>001 800 12 0665204</td>
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<td>Turkey</td>
<td>0811 288 0001 then dial 800 968 0612</td>
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<td>8000 021 then dial 800 968 0612</td>
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<td>United Kingdom</td>
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<td>1 800 968 0612</td>
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<tr>
<td>Vietnam</td>
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Designed and produced by Radley Yeldar

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