

Policy on Product and Technology Classification

All regulators place a legal responsibility on companies to establish the export control classification (sometimes referred to as a 'rating') of their products against lists of export controlled items, which form part of national law on strategic export controls. As well as the finished article they require each and every part and component to be classified. This is because a part or component does not necessarily attract the same classification as the finished article. Similarly, companies are required to classify all technology: the 'know how' that defines design and manufacture, and software associated with those parts and components. Classification requires detailed analysis of the design origin, materials, performance and intended end-use of the item.

Some items may be subject to the export control laws of more than one jurisdiction by virtue of design content or being produced in other jurisdiction(s), in which case they must be assessed against the control lists of all jurisdictions that apply.

In some cases, an item requires an export classification only because it is being re-exported from that jurisdiction, not because of any design or production content added there. Any classifications applied for that reason must be clearly identified, so that country of origin or other jurisdiction(s) are clear that they are not required to apply for a re-export authorisation.

Policy

1. Each Rolls-Royce business, whether wholly-owned or JV, and function classifies, records and manages export control classification data for all products and their associated parts, components, materials, machine tools and tooling, technology and software. Where the design intent, design origin or intellectual property of the item is owned by Rolls-Royce, the business or function must evaluate the properties of the item against the relevant control list(s) to determine the export classification, with assistance where necessary from an Export Controls Specialist or technical specialist who is able to interpret the technical properties of the items against the control list descriptions.
2. Capricorn is the global master database of export classifications (ratings) for the countries in which Rolls-Royce operates. It stores all validated export classifications as determined by each country location. The Export Classification indicates if an Export Authorisation is required for any given recipient. Capricorn should be searched for classifications needed before exporting goods or technology and used for recording classifications for all new items. Before carrying out a classification the database should be checked to determine whether an assessment has already been completed. It also provides a legal record of classifications and provides auditable evidence of Rolls-Royce performing its legal obligation to know how its products are controlled.
3. Where the design intent, design origin or intellectual property of the item is owned by an entity other than Rolls-Royce, the business or function must advise the owning entity of all actual or potential applications or end uses for which the item is to be used (e.g. military, nuclear or dual-use), design intent or parentage / origin of final product, and based upon this information must request and obtain the Export

Classification(s) from the owning entity. In instances where the classification is not provided by the entity, we may need to complete the determination as detailed in paragraph 1 above.