



Contents

Industry: Aerospace & Defense.....	2
Energy Management	4
Hazardous Waste Management.....	4
Data Security	4
Product Safety	5
Fuel Economy & Emissions in Use-Phase.....	6
Materials Sourcing.....	6
Business Ethics.....	7

Rolls-Royce Statement

We are committed to communicating and reporting with transparency and accuracy. The following disclosures are made in line with the expectations of the Sustainability Accounting Standards Board (SASB) requirements for the Aerospace and Defence sector. Further detail, including our established basis of reporting, can be found at rolls-royce.com/sustainability.



Aerospace & Defence

Topic	Accounting Metric	Unit of Measure	Code
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	RT-AE-130a.1
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Metric tons (t), Percentage (%)	RT-AE-150a.1
	Number and aggregate quantity of reportable spills, quantity recovered	Number, Kilograms (kg)	RT-AE-150a.2
Data Security	(1) Number of data breaches, (2) percentage involving confidential information	Number, Percentage (%)	RT-AE-230a.1
	Description of approach to identifying and addressing data security risks in (1) company operations and (2) products	n/a	RT-AE-230a.2
Product Safety	Number of recalls issues, total units recalled	Number	RT-AE-250a.1
	Number of counterfeit parts detected, percentage avoided	Number, Percentage (%)	RT-AE-250a.2
	Number of Airworthiness Directives received, total units affected	Number	RT-AE-250a.3
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Reporting currency	RT-AE-250a.4



Rolls-Royce Sustainability Accounting Standards Board (SASB) Disclosure 2023

Fuel Economy & Emissions in Use-Phase	Revenue from alternative energy-related products	Reporting currency	RT-AE-410a.1
	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	n/a	RT-AE-410a.2
Materials Sourcing	Description of the management of risks associated with the use of critical materials	n/a	RT-AE-440a.1
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	Reporting currency	RT-AE-510a.1
	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index	Reporting currency	RT-AE-510a.2
	Discussion of processes to manage business ethics risks throughout the value chain	n/a	RT-AE-510a.3



Rolls-Royce Sustainability Accounting Standards Board (SASB) Disclosure 2023

Energy Management	
<p>1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable.</p> <p>RT-AE-130a.1</p>	<p>1) 5056 2) 23% 3) 34%</p> <p>* Combined total, compiled in accordance with both SASB RT-AE and RT-IG 2023 Standards; For further information on how this metric is calculated please refer to our Basis of Reporting.</p>

Hazardous Waste Management	
<p>1) Amount of hazardous waste generated; 2) percentage recycled</p> <p>RT-AE-150a.1</p>	<p>1) 21000* 2) 36%*</p> <p>*Combined total compiled in accordance with the SASB RT-AE 2023 Standard. For further information on how this metric is calculated please refer to our Basis of Reporting.</p>
<p>Number and aggregate quantity of reportable spills, quantity recovered</p> <p>RT-AE-150a.2</p>	<p>Rolls-Royce considers this information to be confidential.</p>

Data Security	
<p>Number of data breaches, (2) percentage involving confidential information.</p> <p>RT-AE-230a.1</p>	<p>Rolls-Royce considers this information to be confidential.</p>
<p>Description of approach to identifying and addressing data security risks in (1) company operations and (2) products</p> <p>RT-AE-230a.2</p>	<p>Information and data security risks, particularly cyber threats as an attempt to cause harm to the Group, its customers, suppliers and partners through the unauthorised access, manipulation, corruption, or destruction of data, systems, or products through cyberspace, have been recognised as Group Principal Risk.</p> <p>As a Principal Risk, we have a dedicated Group cyber security team and security operations centre. Our Chief Information Security Officer is accountable for the</p>



	<p>controls under the principal risk of cyber threat and as such reports on progress to the main board and executive leadership. His role covers both IT and product cybersecurity, including policy, information assurance, audit, architecture, operations and awareness training for all staff.</p> <p>Furthermore, we integrate the management of data security risks into our enterprise risk management system. We deploy web gateways, filtering, firewalls, intrusion detection, and advanced persistent threat detection along with Data Labelling and Data loss Prevention technology in conjunction with training and awareness campaigns for our staff. We also test software and systems to ensure they provide the necessary data security controls.</p> <p>To address these risks, we use our Enterprise Risks Management process, and our crisis management framework should incidents occur. Risks are governed by the Board level Data security committee.</p> <p>The Audit Committee reviews the Company's response to incidents and threats, including those related to cybersecurity and safety. There is a data security sub-committee.</p> <p>We also engage with our supply chain to manage cyber security risks: We have basic and enhanced requirements cyber security requirements depending on the level of data access and an incident reporting service is available to our suppliers. Also, there are business-specific requirements:</p> <ul style="list-style-type: none">- Civil specific: NPA 2019-01 - Aircraft Cyber-Security and NPA 2019-07 - The Management of Information Security Risks.- UK defence: Def Stan 05-138, CES or CES- US defence requirements: DFARS 252.204-7012 and 252.204-7020.
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Rolls-Royce Sustainability Accounting Standards Board (SASB) Disclosure 2023

	Please find more information about our approach to managing data security risk in the Rolls-Royce Annual Report 2023 , pages 55, and on our website . Data privacy is enforced by our Code and the Data Privacy Policy .
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Product Safety	
Number of recalls issued, total units recalled RT-AE-250a.1	Rolls-Royce considers this information to be confidential.
Number of counterfeit parts detected, percentage avoided RT-AE-250a.2	Rolls-Royce considers this information to be confidential.
Number of Airworthiness Directives received, total units affected RT-AE-250a.3	There were 40 Airworthiness Directives issued by EASA or the FAA effective in 2023 against products where Roll-Royce is the Type Certificate holder. There were no Emergency Airworthiness Directives and no Airworthiness Directives were issued as a result of an accident.
Total amount of monetary losses as a result of legal proceedings associated with product safety RT-AE-250a.4	Rolls-Royce considers this information to be confidential.

Fuel Economy & Emissions in Use-phase	
Revenue from alternative energy-related products RT-AE-410a.1	Rolls-Royce directs the reader to the Rolls-Royce Annual Report 2023 , where this data can be found whilst we continue to evolve our response to the SASB standards.
Description of approach and discussion of strategy to address fuel economy and	We are committed to reaching net zero carbon emissions from our operations and facilities and that our products are



greenhouse gas (GHG) emissions of products

RT-AE-410a.2

compatible with net zero operations by 2050, in line with the consensus of the global scientific community. Our climate strategy is designed to ensure that we play an active role in the energy transition and that we are strategically resilient in the face of climate change. In line with our strategic review we are still committed to short and medium-term targets. The specifics of these are to be confirmed as part of our 2024 strategic review of sustainability.

Our climate strategy has four key pillars starting with our own operations, extending to the support we can provide our customers and ultimately focusing on the contribution we can make to the global energy transition, whilst recognising the enabling landscape that must be in place for this to be realised: — decarbonising our operations, facilities and business activities; — enabling our customers to operate their products in a way that is compatible with low or net zero carbon emissions; — delivering new products and solutions that can accelerate the global energy transition; and — creating the necessary enabling environment, with public and policy support, to achieve our collective climate goals. The majority of our impact occurs in the use phase of our product lifecycle (Scope 3, category 11, use of sold products emissions).

We recognise Climate Change as a Group Principal risk since failure to transition from carbon-intensive products and services at pace could impact our ability to win future business; achieve operating results; attract and retain talent; secure access to funding; realise future growth opportunities; or force government intervention to limit emissions.

The Board has oversight of climate-related risks and opportunities impacting the Group, and all Board Committees have climate-related issues as part of their remit.



	<p>The Executive Team is responsible for managing climate-related risks and opportunities on a day-to-day basis and for delivering the roadmaps to achieve our decarbonisation strategy.</p> <p>The Independent environmental advisory committee comprises world-class external experts and academics in climate science, materials science and environmental policy, and provides input and independent critique of our sustainability and environment policy and strategy.</p> <p>We included sustainability metrics as part of our remuneration policy in 2023. The metrics combine short-term measures, which focus on in-year performance, with longer-term strategic measures. The sustainability metric is a longer-term measure with targets set at the start of 2021, which formed 5% of the 2023 Rolls-Royce Incentive Plan for 2023.</p> <p>Our <u>Climate Review</u> sets out details of our strategic response to climate change, including our assessment of climate-related risk and progress against our decarbonisation strategy. It also details our disclosures in line with the Taskforce on Climate-related Financial Disclosures (TCFD).</p> <p>Further information can be found in pages 33-42 in the Rolls-Royce Annual Report 2023,</p>
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Materials Sourcing	
<p>Description of the management of risks associated with the use of critical materials</p> <p>RT-AE-440a.1</p>	<p>Our Commitment to conflict minerals: we fully support the principles of regulations that promote socially responsible sourcing of minerals. Our management of these associated risks is integrated into our supplier risk management approach. Our</p>



	<p>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. Compliance with our Global Supplier Code of Conduct is mandated through our General Conditions of Purchase. Selected suppliers are contractually committed to adhere to this Supplier Code, or an agreed alternative. We request our suppliers to only provide us with raw materials, components and subassemblies that are derived from responsibly sourced minerals that can be certified in accordance with OECD guidelines. Suppliers must cascade these requirements through their own suppliers to ensure rigour throughout the supply chain. We prioritise suppliers for compliance assessment and monitoring in accordance with their risk profile. All our purchasing and supplier-facing employees are required to undertake training on the role and significance of our Global Supplier Code of Conduct. In addition, all new and existing suppliers, as well as customers, joint venture partners and other third parties, are subject to screening assessments through the Dow Jones Risk and Compliance Platform on sanctions, watch-lists and adverse media reports. We recognise that determination of the original source of many of the materials used in our supply chain will be a difficult and lengthy process. Despite these challenges, we are committed to working with our suppliers and industrial partners to take all practical steps to meet customer requirements and assure supply chain compliance. For more information on our approach, please see our website.</p>
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<p>Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade</p> <p>RT-AE-510a.1</p>	<p>Rolls-Royce considers this information to be confidential.</p>
<p>Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index</p> <p>RT-AE-510a.2</p>	<p>Rolls-Royce considers this information to be confidential.</p>
<p>Discussion of processes to manage business ethics risks throughout the value chain</p> <p>RT-AE-510a.3</p>	<p>We are committed to maintaining the highest ethical standards and have a suite of Group policies and processes in place to help us avoid any potential complicity in misconduct. Our Code of Conduct (Our Code) and associated policies set out the values and behaviours we expect everyone to demonstrate. They also provide guidance on how to apply these principles in our daily decisions. The full details of how we manage business ethics risk throughout the value chain including our governance, due diligence over risk in our operations, supply chain and over our business partners , our policies, training and speak up mechanisms can be found in our Sustaining a culture of integrity document.</p>

Appendix

Energy Consumption Historic Data *



Rolls-Royce Sustainability Accounting Standards Board (SASB) Disclosure 2023

	Units	2016	2017	2018	2019	2020	2021	2022	2023
Total Energy Consumption	gigajoules	6,398	6,502	6408.3204	6,431	5,786	5,427	5712.354	5,056
Grid Electricity Consumption	percentage	38%	26%	27%	27%	32%	34%	33%	23%
Renewable Energy Consumption	percentage	6%	5%	4%	10%	18%	19%	19%	34%

*Combined total compiled in accordance with the SASB RT-AE 2023 Standard.
For further information on how this metric is calculated please refer to our Basis of Reporting.

Hazardous Waste Historic Data *

	Units	2016	2017	2018	2019	2020	2021	2022	2023
Total Hazardous Waste Generated	tonnes	18182	16763	24056	15365	16844	17628	14907	21000
Percentage Recycled	percentage	43%	52%	37%	45%	40%	40%	44%	36%

*Combined total compiled in accordance with the SASB RT-AE 2023 Standard.
For further information on how this metric is calculated please refer to our Basis of Reporting.