

Sustainability assurance statement

Independent assurance report

To the stakeholders of Rolls-Royce Holdings plc

1. Introduction and objectives of work

Bureau Veritas UK Limited (Bureau Veritas) has been engaged by Rolls-Royce Holdings plc (Rolls-Royce) to provide limited assurance of its selected sustainability performance indicators for inclusion in its 2023 Annual Report (the 'Report'). The objective is to provide assurance to Rolls-Royce and its stakeholders over the accuracy and reliability of the reported information and data.

2. Scope of work

The scope of our work was limited to assurance over the following information included within the Report for the period 1 January to 31 December 2023 (the 'Selected Information'):

- Total Energy Consumption;
- Total Scope 1 + 2 Greenhouse Gas (GHG) Emissions (market based): Operations and facility emissions (excluding product testing activities);
- Total Solid and Liquid Waste Generated;
- Recycling and Recovery Rate (%);
- Number of Total Reportable Injuries;
- Number of People Reached Through Science, Technology, Engineering and Mathematics (STEM) Education Outreach Programmes; and
- Employee Engagement Score – 'grand mean' and increase compared to 2022.

3. Reporting criteria

The Selected Information needs to be read and understood together with the Rolls-Royce 'Sustainability Data Basis of Reporting', a copy of which is set out at www.rollsroyce.com/sustainability/performance/reporting-approach.aspx. These internal definitions draw on externally available guidance, the Greenhouse Gas Protocol Corporate Accounting and Reporting standard (revised edition).

4. Limitations and exclusions

Excluded from the scope of our work is assurance of information relating to:

- activities outside the defined assurance period;
- positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions; and
- other information included in the Report other than the Selected Information, including but not limited to normalised figures, total reportable injury rate etc.

The following limitations should be noted:

- This limited assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance.
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.
- For the sites Solihull, Raynesway and Barnoldswick (collectively contributing approximately 7% of the total waste reported by Rolls-Royce) we received excel reports from the third-party waste management provider as evidence but additional waste documentation (waste transfer notes, consignment notes, invoices) were not provided for all the waste movements sampled within the timeframe.
- For Aiken site, we did not receive evidence for the liquid waste reported by the site, as the documentation was not available within the timeframe. The liquid waste from Aiken contributes approximately 1% of the total waste reported by Rolls-Royce.

5. Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Rolls-Royce.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the directors of Rolls-Royce.

6. Assessment standard

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

7. Summary of work performed

As part of our independent assurance our work included:

1. Conducting interviews with relevant personnel of Rolls-Royce, including the central corporate team and representatives from nine sites;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Rolls-Royce;
4. Agreeing a selection of the Selected Information to the corresponding source documentation;
5. Reviewing Rolls-Royce systems for quantitative data aggregation and analysis;
6. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information;
7. Carrying out six remote site visits to Aiken, USA; Friedrichshafen, Germany; Indianapolis, USA; Raynesway, UK; Solihull, UK; Tukang, Singapore, and three physical site visits Barnoldswick (Bankfield), UK; EMA, Italy; and Magdeburg, Germany selected on a risk-based basis following discussion with Bureau Veritas and Rolls Royce, with consideration of contribution to assured data, geographical contribution and type of operations;
8. Re-performing a selection of aggregation calculations of the Selected Information; and
9. Re-performing greenhouse gas emissions conversions calculations.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

8. Conclusion

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

9. Statement of independence, integrity and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified ¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2 ².

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA) ³, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code ⁴. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Rolls-Royce.



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London, 13 February 2024

¹ Certificate available on request

² International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2

³ International Federation of Inspection Agencies – Compliance Code – Third Edition

⁴ Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants