



## Modern Slavery Statement 2024

At the forefront of innovation, the Rolls-Royce Holdings Plc group of companies (“Rolls-Royce”, “Group” or “we”) sets the standard for engineering excellence, providing mission critical products and services to customers across the globe. We are committed to conducting business with integrity and creating a working environment where everyone can be at their best. This includes upholding global policies and processes to mitigate the risk of potential complicity in all forms of modern slavery, including forced labour, human trafficking and child labour, in our operations and supply chain.

Further details of our organisation and approach to human rights can be found in our 2024 Annual Report and at [rolls-royce.com/sustainability](https://rolls-royce.com/sustainability).

### (i) Our business structure, activities and supply chains

Rolls-Royce develops and delivers complex power and propulsion solutions for safety-critical applications in the air, at sea and on land in three core divisions and in New Markets:

- Civil Aerospace: We design, develop, manufacture and support high performance gas turbines for commercial aviation. We pioneered the industry’s adoption of long-term service agreements, a model that aligns our interests with those of our customers and rewards us for improving reliability, availability and reducing costs. We provide value to airlines through data driven insights, and we set the standard for customer service in business aviation.
- Power Systems: We design develop, manufacture and support high-performance reciprocating engines and broader system solutions for use at sea and on land. We invent once and use many times, developing products and product families that can be used in different applications across multiple markets, including maritime, rail and power generation.
- Defence: We design, develop, manufacture and support high performance aero and naval gas turbines and nuclear power and propulsion systems. We turn technology into differentiated products that provide customers with unique capabilities and stay in-service for decades.
- New Markets: Our early-stage businesses leverage our existing, in-depth engineering expertise and capabilities to develop sustainable products for new markets, focused on the energy transition, such as small modular nuclear reactors.

These business divisions are supported by corporate head office and our global business services (“GBS”) organisation. Our head office has responsibility for setting Group strategy, policy and governance, including those relating to human rights and modern slavery.



Headquartered in London, we have production sites and office locations in 48 countries globally, with our largest sites in the UK, Germany, US & Canada. In 2024, we had 42,400 employees worldwide, of which 20,900 were based in the UK and 700 were based in Canada.

The nature of the products and services we provide means we have long product development cycles and production lead times, and our workforce is therefore typically in permanent employment. Our revenue is primarily generated through the sale of highly complex original equipment supported by long term service agreements.

We rely on a global supply chain to design, develop and manufacture components of our product portfolios and to provide raw material for our own production activities, as well as to support our own operations, facilities and services network. We work directly with suppliers from more than 70 countries, primarily specialist engineering and manufacturing organisations, as well as service providers such as digital and communications agencies, business service support agencies, legal counsel and management consultancies.

The Board has ultimate accountability for managing the risk of modern slavery. The Nominations, Culture & Governance Committee, as a sub-committee of the Board, receives updates on our sustainability and ethics and compliance programmes from internal subject matter experts, including our General Counsel; Chief Compliance Officer – Group Strategy and Policy; Director of Risk & Internal audit; and Head of Sustainability. Our Human Rights Steering Group (“HRSG”), sponsored by the General Counsel, comprises representatives from our Ethics & Compliance, Sustainability, Procurement, Legal and Human Resources teams, and is responsible for managing human rights impacts, including determining whether any issue needs to be escalated to our Executive Team. The HRSG is supported and advised by business-level Human Rights Officers and other internal and external subject matter experts, as required.

Further details regarding our business activities and supply chain activities in Canada are set out in Appendix A to this statement.

## **(2) Our policies related to modern slavery**

Our commitment to protecting and preserving human rights, including our position on forced labour, involuntary labour, child labour and human trafficking, is outlined in our Group-wide, global Human Rights Policy, our Global Code of Conduct (“Our Code”), our Global Supplier Code of Conduct (“Supplier Code”), and other policies, such as our human resources related policies. Our Code and our policies can be viewed on our website (<https://ourcode.rolls-royce.com>).

### **Our Human Rights Policy**

Our Human Rights Policy sets out our principles relating to human rights and modern slavery, including:



- We are committed to protecting and preserving the rights of our employees, those employed in our supply chain, and those affected by our operations;
- We are committed to acting in a socially responsible manner, complying with applicable laws, and respecting the communities where we operate;
- We believe that all employment should be freely chosen and refrain from any form of forced or involuntary labour or human trafficking;
- We are opposed to the use of any form of child labour or practices that inhibit the development of children;
- We are alert to the risks vulnerable people may face and seek to ensure that this group is free from discrimination and exploitation; and
- We will only work with suppliers whose core values and commitment to ethical business conduct matches our own, and we require that their conduct always meets our standards.

## Our Code

Our Code underpins all that we do as a company by setting out our principles and how they apply to our business activities. It applies to all employees, our subsidiaries and controlled joint ventures, wherever they are located. We encourage our non-controlled joint ventures to adopt the principles of Our Code and will only work with partners who demonstrate the same commitment to high standards of ethical conduct.

Our Code is supported by our Group policies, which are embedded in Our Code (<https://ourcode.rolls-royce.com>). All employees are required to adhere to Our Code and Group policies, in addition to any specific local requirements. Our employee performance management processes include an assessment of how individuals embody our behaviours and ethical conduct.

Our Code and Group policies are made available to employees in English and our core business languages. These can be accessed externally through Our Code and Group policies dedicated microsite (<https://ourcode.rolls-royce.com>) and supporting mobile application, and internally through our employee intranet. Some specific elements of our Group policies, such as individual contact details or internal references, may be redacted from the externally published versions, primarily for security or privacy reasons. Our policies, Code and behaviours and business conduct expectations are a core part of our employee onboarding and induction experience, as well as employee learning and development activities.

### **(3) Our due diligence processes related to modern slavery**

We extend our sustainability expectations and ethical principles to our suppliers through our Supplier Code. In order to do business together, we expect all suppliers to be ethical, responsible and to fully comply with all applicable laws and regulations. Our Supplier Code sets out the behaviours, practices and standards we expect our suppliers to demonstrate and comply with, all of which are based on our own Rolls-Royce Code, policies and standards. Selected suppliers are contractually required to adhere to this or



a mutually agreed alternative. Our Supplier Code is publicly available in multiple languages to support our global supply chain, and is published on our company website, as well as on our dedicated supplier management and communication portals, including invoicing channels.

Partnering with a leading third-party provider, we conduct sustainability screening and assessments to understand the inherent sustainability risks within our supply chain and take appropriate mitigating actions where required. Prioritised suppliers are requested to complete a comprehensive assessment of their sustainability risk management. Where risks are identified, suppliers are asked to put in place improvement plans and offered support and resources to help with this via our third-party partner.

Our due diligence approach includes conducting external screening, internal checks on contracts for selected suppliers, certifications of the supplier, and specific examinations based on prioritised risks. In the event that an actual or potential human rights impact is identified, preventative, corrective or remedial measures may be assigned, as described further in section 4 below.

## **(4) Identifying, assessing, mitigating modern slavery risks**

We identify, assess and mitigate modern slavery risks in our operations and in our supply chain through our human rights risk assessment framework. That framework includes:

- Due diligence policies and processes for identifying, addressing and prohibiting the use of modern slavery including forced labour and child labour in our activities and supply chains;
- Implementation of Our Code, Supplier Code and Human Rights Policy;
- Processes, methods, and tools to regularly conduct risk analysis and mapping of our own operations and those of our suppliers;
- Speak Up channels for internal and external stakeholders to raise any concerns they may have about human rights issues;
- Preventive measures to minimise and mitigate modern slavery related risks;
- Processes and guidelines for specific corrective and remedial measures; and
- A governance structure to ensure accountability and processes for documentation and reporting.

### **In our business operations**

The process of identifying, assessing and mitigating human rights risks and impacts in our business operations is embedded in our management systems and processes. Our management teams are responsible for ensuring compliance with local laws and regulations, including those relating to human rights and modern slavery. Our functional teams work with the business leaders to ensure compliance with our Human Rights Policy and Our Code.

We have also established Human Rights Officers who are responsible for identifying and escalating human rights concerns to the Group Human Rights Steering Group.



Another way we manage modern slavery risks is through our Speak Up channels. We strive to create an environment where everyone feels valued and actively encouraged to speak up about questions or concerns without fear of negative consequences. This is a vital part of enhancing our culture of inclusion and belonging. Employees are encouraged to raise concerns or questions confidentially through 'Speak Up', an externally managed contact portal and phone line, operated in multiple languages, or to their local line management or leadership, our Ethics and Compliance teams and/or dedicated human rights officers. External parties, such as suppliers or customers, are also encouraged to raise concerns or questions via Speak Up, to their usual Rolls-Royce contacts or to a list of key roles whose contact details are made available via our website.

All concerns raised are reviewed by subject matter experts within our ethics and compliance function and/or relevant other internal experts or accountable persons, and we may also seek external counsel if required. The volume and nature of concerns raised is routinely monitored to understand and respond to potential emerging or actual trends, and are regularly discussed at the Nominations, Culture & Governance Committee. Key statistics are made available to all employees at regular intervals to encourage speaking up, and are also published externally via our website.

In 2024, no concerns related to modern slavery, forced labour, child labour or human trafficking were raised via any of the above-mentioned Speak Up channels.

We also engage with our people and their elected employee representatives, where appropriate, through consultative bodies such as European and National Works Councils and other formal and informal means in line with local best practice and legal frameworks.

We have considered the exposure of the Group to modern slavery risk in our operations, taking into account the nature of our business activities; the application of Group policies, particularly procurement and recruitment practices; and the markets and geographies we operate in. Taking guidance from the United Nations Guiding Principles on Business and Human Rights, in 2022 we carried out a specific human rights saliency assessment with the support of a specialist human rights consultancy; this did not identify modern slavery as a salient human rights related risk for our business.

Taking this into account, we consider the Group's exposure to modern slavery risk to be relatively low. We believe potential modern slavery related risk is concentrated in the lower tiers of our supply chain, most notably in relation to the supply of raw materials such as those recognised as 'conflict minerals', or in the end-use application of our sold products, with which we may or may not have a direct relationship or line of sight. The latter is particularly true of our Power Systems business, where products may have multiple potential end-uses across multiple sectors and are often sold through distributors.

## **In our supply chain**

Our Supplier Code is the foundation of our approach to managing modern slavery risk within our supply chain. Related principles in our Supplier Code include:



- Suppliers must not use any form of involuntary labour including, but not limited to, people who have been trafficked, forced, prison or debt-bonded labour;
- Suppliers must not employ anyone under the age of 15 years or, where it is higher, according to the applicable law, the mandatory national school leaving age;
- Suppliers must never use or support practices that inhibit the development of children in accordance with applicable ILO conventions; and
- Suppliers must ensure that all wages meet local minimum wage requirements as laid down by the applicable law and, in addition, as is determined in accordance with the regulations of the place of employment.

In addition, our Supplier Code contains requirements related to the responsible procurement of raw materials, an area we recognise as being at higher exposure of human rights risk. This requires suppliers to provide us with products and materials, including constituent minerals, that are sourced responsibly and verified as 'conflict free' in accordance with OECD guidelines.

Adherence with our Supplier Code is mandated for selected suppliers through our General Conditions of Purchase and precedent contractual terms. This is in addition to all applicable laws and regulations in the country or countries where our suppliers operate. In the event that our Supplier Code sets out a higher requirement than local regulation, suppliers are expected to adhere to that higher requirement. Our Supplier Code requires our direct suppliers to disseminate these requirements throughout their own supply chain.

If a supplier's practices are found unsatisfactory or non-conformant to our Supplier Code, the issue is investigated and escalated appropriately. We address these issues on a case by-case basis, seeking advice from subject matter experts and legal counsel where appropriate. In the event of significant non-conformance, we retain the right to terminate any contractual agreement with immediate effect.

We perform regular risk analysis to identify, prevent, mitigate and if required, remediate human rights risks, including modern slavery risk in our supply chain. In the event that a risk or violation is identified in our own operations or supply chain, the risk or violation is weighted and prioritised and appropriate steps taken to mitigate the risk or address the violation. Our risk analysis process has multiple steps, beginning with a categorisation of our suppliers and all main production and purchasing locations into different risk-categories according to the risk level (high, medium, low). For certain entities, this prioritisation is performed using an expert sustainability platform provider, EcoVadis. The categorisation is influenced by the risk level in countries where these companies operate, as expressed by recognised indices including modern slavery and human trafficking indices. Additional steps include external screening services and internal checks on contracts, certifications of the subsidiary or supplier, or specific examinations based on questionnaires. If necessary, we will perform in-depth evaluation of the situation locally and on the sites of subsidiaries or suppliers. In the event that an instance of modern slavery is identified, and corrective or remedial measures are required, we will work with



our suppliers to consider their appropriateness in light of the best interests and protection of these individuals or groups.

## **(5) How we measure the effectiveness of our processes**

We benchmark our approach to human rights and our policies and processes, both formally, such as through corporate ESG assessments and informally, such as through peer engagements, to help inform and continually develop our programme.

We work in partnership with customers and competitors in our industry and beyond to seek to share and implement best practice ethical business practices. We are steering committee members of the International Forum on Business Ethical Conduct for the Aerospace and Defence Industry; the ADS Business Ethics Network; and the Institute of Business Ethics, and our General Counsel is co-chair of the Bingham Centre's (British Institute of International & Comparative Law) Business Network.

We seek to take relevant legislation and the views of internal and external stakeholders into account in the development of any Group level policy. Any proposed new Group policy or revisions to an existing policy is subject to review and approval by the General Counsel, and where relevant the Board of Directors, as well as subject to review by elected employee representatives.

We also measure the effectiveness of, and compliance with, our policies and processes by reference to the number of modern slavery incidents identified in our own operations and in our supply chain, or concerns about modern slavery raised through our Speak Up channels each year. In 2024, there were no instances of modern slavery linked to Rolls-Royce products or services in our own operations or in our supply chain, and no modern slavery concerns were raised through Speak Up channels.

## **(6) Training our people**

We make clear to all employees the ethical standards we expect them to adhere to in Our Code and Group Policy Framework. We also deliver an annual Group-wide mandatory learning programme centred on our values and behaviours and our safety, security, and legal obligations. We track completion of this training as part of our all-employee performance metrics. Where appropriate, we provide additional training on the standards and principles referred to in our human rights policy to parts of our employee population more likely to be exposed to human rights related risks, such as Procurement.

## **Attestation Statement**

This statement has been made for the year ending 31 December 2024 in accordance with the reporting requirements of:



1. Section 54, Part 6 of the UK's Modern Slavery Act 2015; and
2. Section 11 of Canada's Fighting Against Forced Labour and Child Labour in Canadian Supply Chains Act 2023.

This is a joint statement made by Rolls-Royce plc on behalf of Rolls-Royce plc and the Group entities listed in Appendix A.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Acts, for the reporting year listed above.

Signed

A handwritten signature in black ink, appearing to read "Mark Gregory".

Mark Gregory  
Group General Counsel and Director of Rolls-Royce Plc



## Appendix A

### Group companies within scope of the UK's Modern Slavery Act 2015:

- Rolls-Royce plc ("RR plc");
- Rolls-Royce Leasing Limited ("RRL");
- Rolls-Royce Power Engineering Limited ("RRPE");
- Rolls-Royce Submarines Limited ("RRSL");
- Rolls-Royce Solutions UK Limited ("RRSUK");
- Rolls-Royce Deutschland Ltd & Co KG ("RRD"); and
- Rolls-Royce Power Systems AG ("RRPS").

RRD and RRPS are also in scope of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG), and the required Declaration of Principle is available on their respective websites.

### Group companies within scope of the Forced Labour and Child Labour in Canadian Supply Chains Act:

- **RR plc**, incorporated in the UK, exports business jet engine parts from the UK to Canada.
- **Rolls-Royce Canada Limited** ("RRC") is the only legal entity within Rolls-Royce plc which has a place of business in Canada. It is not listed on any Canadian stock exchange. RRC, located in Lachine (Quebec), is the Business Aviation Center of Excellence for MRO, providing services to the Civil Aerospace Division of RR plc. Its supply chain mainly operates in the United States, Germany, UK, France, Australia and Canada. RRC repairs a significant number of private corporate business jet engines every year and Commercial aircraft parts for other RR plc authorized entities located in the USA, in Western Europe and in Asia. RRC purchase repair services, engine parts, logistics services and employment recruitment services for placement services. In addition, RRC performs Development Testing activities, to test and build development engines in support of New Product Introduction programs for certification or demonstrate the Technical Readiness Level of new technologies; this includes the design, manufacture and procurement of Special to Project Test Equipment and Special to Project Measurement Equipment. RRC also has a Naval handling business division located in Peterborough (Ontario) that provides customers with state-of-the-art technology and capabilities, including end-to-end design, engineering, assembly, and testing to ensure that navies are equipped with the most cutting-edge naval and handling solutions. The Peterborough site supports Defence customers in Australia, Canada, Israel, Japan, Korea, Netherlands, Singapore, Taiwan, Turkey, United Kingdom and the United States. Most of its supply chain is located in Canada, although limited materials (some electronics, pumps and motors) are imported for assembly or consumption.



- **Rolls-Royce Solutions America Inc.** (“RRSA”) (a corporation organised under the laws of the State of Delaware USA) is registered to do business in the Provinces of British Columbia and Quebec as a foreign entity, but is not incorporated in Canada. The entity provides on-site repair and maintenance services for diesel powered generator sets, and energy storage systems, under long term service contracts. The services are performed by contractors which are not Rolls-Royce employees, but are engaged by Rolls-Royce to provide on-site, or on-demand, services at the third-party premises. As part of the service contracts, the entity is obligated to keep an inventory of repair components at the third-party site in order to facilitate maintenance and repair. RRSA imports and retains ownership of the repair components until they are used as part of the services. RRSA also sells loose engines, generator sets, and spare parts in Canada through Canadian based distributors. The Distributors are generally the importers of record for the goods entering Canada.
- **Rolls-Royce Corporation**, incorporated in the US, exports aircraft and naval parts from the US to Canada in addition to providing long term service aftermarket support to operators based in Canada.
- **Rolls-Royce Marine North America Inc.**, incorporated in the US, exports aircraft and naval parts from the US to Canada in addition to providing long term service aftermarket support to operators based in Canada.
- **RRD**, incorporated in Germany, supplies engines, lease engines and spare parts and performs repair maintenance where necessary on the engines for business jets. RRD has leased business jet engines located in Canada from entities outside of Canada. The entity imports spare parts into Canada from the UK and Germany and stores spare parts in Canada in third party premises. The entity sells spare parts to customers based in Canada and elsewhere and distributes engines from Canada to other locations in Canada and elsewhere (US, EU, Germany).
- **Omega Leasing (US) (No.4) LLC** (“Omega Leasing”), incorporated in the United States, has sold business jet engines while such engines were located in Canada to non-Canadian entities. Omega Leasing is indirectly owned (50% ownership) by Rolls-Royce Holdings plc. Omega Leasing makes use of a different set of screening tools for identifying human rights and forced labour in its supply chain than Rolls-Royce plc.
- **RRL**, incorporated in the UK, leases a small volume of aerospace engines to Canadian airlines.
- **RRPF Engine Leasing Limited**, incorporated in the UK, (i) has purchased business jet engines while such engines were located in Canada from non-Canadian entities, (ii) delivered business jet engines on lease to non-Canadian entities while such engines were located in Canada, (iii) leases a small volume of aerospace engines to Canadian airlines and (iv) has stored a small number of engines with and received maintenance services in respect of such engines from Rolls-Royce Canada, in Canada. RRPF Engine Leasing is indirectly owned (50% ownership) by Rolls-Royce Holdings plc. RRPF Engine Leasing makes use of a different set of screening tools for identifying human rights and forced labour in its supply chain than Rolls-Royce plc.