

Conflict Minerals 2018 / 2019 reporting

Originator: Philip Page
Job Title: Process Governance & Compliance Lead
Business Unit: Procurement

NTS Number: 447
Issue: 1
Date: 1st December 2018

For the attention of the Managing Director

Dear Sir or Madam,

Scope/Applicability:

All suppliers who supplied 'products' (in accordance with the definition below) to any Rolls-Royce business in 2018 and those 'products' contain **Tantalum, Tin, Tungsten** or **Gold**.

Definition of 'product' in the context of this NTS:

- Any item that forms part of the product that Rolls-Royce distributes or sells to its customers, or,
- Any consumable or item used in the production process that also forms part of the final Rolls-Royce product (for example: spray powders, paints, welding wire, solder, brazing foils etc).

Introduction:

Rolls-Royce is committed to the socially responsible sourcing of materials and requests our suppliers to only provide products made from materials, including constituent minerals, that are sourced responsibly and verified as '**conflict free**', in accordance with **OECD** (Organisation for Economic Cooperation and Development) guidelines.

Additionally, some Rolls-Royce customers require us to provide specific supply chain information to enable them to satisfy legislative requirements. For example, companies who file reports with the **SEC** (Securities and Exchange Commission) under the Exchange Act in the USA need this information as part of their legal obligation to report annual Conflict Mineral data in accordance with **Section 1502** of the **Dodd-Frank act**.

As a result, we are conducting annual due diligence to ascertain and report the exact source and chain of custody of **Tantalum, Tin, Tungsten** and **Gold**.

To enable Rolls-Royce to manage this activity, we have partnered with **Assent Compliance Inc. (Assent)** who will collect Conflict Minerals data from Rolls-Royce suppliers on our behalf. They will send requests for information directly to suppliers that Rolls-Royce have identified that, to the best of our knowledge, meet the scope above. These requests will be issued by Assent in early December 2018.

Action Required:

If you receive a request from **Assent** to send them a **CMRT** (Conflict Minerals Reporting Template) please complete this by following their instructions (this will be via an email sent directly to you by Assent).

(Note, by exception, if you do not receive a request to provide a CMRT from Assent but you have provided 'products' (in accordance with the scope above) to Rolls-Royce during 2018, and those 'products' contain **Tantalum, Tin, Tungsten** or **Gold**, then please complete a **CMRT version 5.11** (which can be downloaded from the **Responsible Minerals Initiative** website www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/) and send this direct to Rolls-Royce at ConflictMinerals@Rolls-Royce.com).

We strongly encourage that you avoid providing 'indeterminable' responses within the CMRT.

Please note that the reporting and recording of Conflict Minerals data is required annually, therefore you are required to submit a new CMRT each calendar year. CMRT's submitted for previous years are not applicable for the 2018 reporting year.

It is important you complete this request by submitting your CMRT to **Assent** no later than **Thursday 28th February 2019**.

Rolls-Royce appreciate your support and ask for your cooperation with this request for information.

NTS Category:

Regulatory / Legislation

Authorised by:

Gordon Tytler

Director of Procurement, Rolls-Royce plc