

Rolls-Royce Submarines
Vulcan Business Operations Update: October 2018

Current Rolls-Royce Business Operations at the Vulcan Site remain focussed on continuing to safely deliver our current Vulcan Post-Operational Delivery (VPOD) operations on the Pressurised Water Reactor (PWR)2 Plant and our submarines nuclear support programmes.

Safety Performance remains our key focus with a clear Vision of: Zero Harm. We continue to work at our safety vision through the Safety Performance Improvement Programme which is very much a key Business Operational focus for the Company and our People.

We are continuing to deliver the specific work and nuclear operations on site in the immediate/short term period: now until 2022. This aligns with the demands and requirements of the overall MoD UK submarine programme associated with the current Vulcan site, plant and operational delivery. We continue to work on Astute Class submarine new build and commissioning programmes in Barrow – deployed from Caithness.

The overall UK submarine programme with the Rolls-Royce design and manufactured Next Generation PWR3 reactor core and plant along with the continued support and appropriate development of current in-service operations with PWR2 Plant submarines underpins the overall submarines Business going forward in excess of 40 years. These programmes remain key to the specific Future Business planning for our Capability, Skills and Personnel currently at Vulcan and longer term in Caithness. Immediate tactical focus is on safe and accelerated delivery of the defuel and fuel movement programme – key to the overall site closure programme. We are continuing to progress at appropriate aligned pace our Business planning and development for utilisation and deployment of our nuclear skills in Caithness in 2022 and beyond. Our resource management activities at our Vulcan Business Unit including recruitment continue to align to our operational delivery requirements and demands in accordance with normal Business management and controls including transformation and structure. Fundamental to this planning is ongoing flexible and informed transitional alignment to the overall Rolls-Royce submarines Business demands from within our Rolls-Royce Defence Business and the UK's submarine and nuclear programmes. It is appropriate to note this continues to be the case across the entire submarines Business and Enterprise in the UK. Our Business planning in Caithness is also fully aligned to our developing Civil Nuclear programme in the UK and our civil nuclear market across the world through our Power Systems Business.

We have recruited 16 apprentices at our Vulcan Business Unit as part of the overall Company scheme over the last 4 years (intake 4 / year). A total of 16 Rolls-Royce apprentices continue in training at Vulcan at any one time. This continues and our 4 new apprentices joined and started careers with the Company at Vulcan in September 2018.

We continue to recommend our Website (www.Rolls-Royce.com/nuclear) which covers our Nuclear Business development, acquisitions, progress and position.