

Rolls-Royce – Submarines

Vulcan Business Operations Update: July 2020

Andy Maxwell has recently taken over as the Rolls-Royce General Manager of Vulcan NRTE. Andy has been in Rolls-Royce Submarines for over 25 years, spending his early years in nuclear container design and commissioning before moving on to various leadership roles in many areas across the business, most recently aligned to the Dreadnought Alliance developing and deploying their business operating model. He is very much looking forward to working with the Dounreay Stakeholder Group in the near future to confirm and develop the good relationship we have.

Safety Performance remains Rolls-Royce's number one priority and we are focussed on the safe delivery of our current contracted Vulcan Post-Operational Delivery (VPOD) operations on behalf of the Ministry of Defence.

Rolls-Royce is currently safely managing the significant impact and constraints caused by the COVID-19 pandemic across our Business, in line with UK and Scottish Government and Rolls-Royce and MoD guidelines and direction. We have deployed working practices to ensure we can support our customer as-far-as-possible with our key workers and have developed working practices which allows home working where at all possible.

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 PWR 1 and PWR2 Plant submarines, underpins the overall Submarines Business going forward in excess of 60 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 in particular in the overall services arena. Immediate tactical focus is on continued safe 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 personnel and nuclear skills in Caithness to 2022 and beyond. We are also continuing to proactively look at the potential of the Vulcan site decommissioning opportunity post-2022.

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 in line with demand from within our Rolls-Royce Defence Business and the UK's Nuclear Submarine Programme. It is appropriate to note this continues to be the case across the entire Submarines Business and Enterprise in the UK.

A total of 16 Rolls-Royce Apprentices continue in training at Vulcan at any one time . Four of these Apprentices have completed their apprenticeship and have secured employment with the Company at Vulcan. Despite the issues with COVID-19, we have just completed the process of recruiting 4 new Apprentices and have made offers to them. We expect them to join the Company at Vulcan later this year.