

Rolls-Royce – Submarines **Vulcan Business Operations Update: November 2020**

As noted in the July update Andy Maxwell has now been Rolls-Royce General Manager of Vulcan NRTE for six months.

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 has carried out substantial planning and impact assessments to protect its workers and the local communities caused by the impact of the COVID-19 pandemic and continues to comply with UK & Scottish Government and Rolls-Royce and MoD guidelines and direction. We continue to develop and robustly deploy working practices designed 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.

As you will no doubt know, Rolls-Royce plc group has been hit incredibly hard by the impacts of the COVID pandemic, as a significant proportion of its revenue and profits come from the Aerospace gas turbine market which has been devastated by the travel restrictions and disruptions. There have been substantial job losses across the aerospace sector, and this has significantly impacted many Rolls-Royce sites across the UK, which we are trying to mitigate where at all possible.

Thankfully the critical programmes that we deliver on behalf of the Ministry of Defence remain key to the specific Future Business planning for our Capability, Skills and Personnel currently at Vulcan and longer-term in Caithness, particularly in the overall Submarine and Nuclear services arena. Immediate tactical plans remain resolutely focused on the continued safe delivery of the defuel and fuel movement programme – which is key to the overall site closure programme. At appropriate aligned pace, we are continuing to progress our Business planning, and development for utilisation and deployment of our personnel and nuclear skills, in Caithness to 2022 and beyond. The MoD have identified some operational support activities that can only be conducted at Vulcan and will likely extend beyond December 2022 and we are working with them to develop the solution. This will clearly be conducted alongside the Vulcan site decommissioning opportunity should Rolls-Royce be involved.

As stated in the last report 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 which include the five new apprentices taken on this year.