

Rolls-Royce – Submarines

Vulcan Business Operations Update: October 2021

Safety Performance remains Rolls-Royce's number one priority and we remain focussed on the safe delivery of our current contracted Vulcan Post-Operational Delivery (VPOD) and fleet support operations on behalf of the Ministry of Defence. We are also in discussion with DSRL and we are planning to develop a joint programme of road safety improvement which we intend on delivering to all staff.

Clearly the implications and guidance around COVID remains a significant and key challenge as we continue to ensure that we comply with all rules/guidance from Scottish and UK Governments, Ministry of Defence (MoD) and Roll-Royce. Through the MoD we continue to supply on site Lateral Flow Testing (FLT) home testing kits options for all staff attending site to protect both our workers and the community at large.

At the time of this report we continue to apply a robust "work from home if possible" mantra which continues to be at around 50% of the pre-COVID site attendance numbers. We continue to discuss and engage with our DSRL neighbours to ensure best practice learning is shared, and this communication is going well. We are also planning a return to a new normal environment when the timing is correct, which we hope to inject more flexible working for staff where possible and appropriate.

We were very encouraged to receive the announcement from Director Nuclear Propulsion on the 26th July that Vulcan will remain operational until the end of 2025 in order to deliver the key defence programme after which time the site will focus on decommissioning. This is clearly good news for the medium term as we deliver these key programmes on behalf of the Ministry of Defence. Immediate tactical plans remain resolutely and absolutely focused on the continued safe delivery of the defuel and fuel movement programme, which again is key to the overall longer-term site closure programme.

With the announcement of the site extension we are clearly looking again at our long range opportunities and specific future business planning for our capability, skills and personnel currently at Vulcan for the longer-term in Caithness, particularly in the overall Submarine and Nuclear services arena. At appropriate aligned pace, we continue to progress our Business planning and development for utilisation and deployment of our personnel and nuclear skills, in Caithness to 2025 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.

Fundamental to this planning is ongoing flexibility 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.

I am very encouraged to continue to announce a healthy pipeline of Rolls-Royce apprentices with a total of 16 Rolls-Royce continuing in training at Vulcan which include the four new apprentices taken on this year.