

Rolls-Royce Group Sustainability Policy

Company strategy

To live up to our brand promise of 'Trusted to Deliver Excellence' our company strategy is expressed as 'Customer, Innovation and Profitable Growth'.

Sustainability strategy

The UN defines corporate sustainability as "a company's effort to drive profitable growth while achieving a positive economic, social and environmental impact". Therefore, a sustainable business is one that works to manage its impact – not just the environment but also community, society and economy. It's about how a company leads and responds to the bigger global issues in order to survive and be competitive for the future.

In our fast-changing world, there are several key challenges that will increasingly impact our business and markets. The world's population is increasing and there is a growing demand for natural resources making them more expensive and scarcer. External factors, such as carbon taxes and the provision of robust local content are increasingly being priced into the cost of doing business. Customers, investors, NGO's and wider society are scrutinising businesses and demanding greater transparency.

Sustainability will help improve our reputation, generate new revenues and reduce costs and risks. This will help deliver competitive advantage and long-term value in financial, social, environmental and ethical terms, all of which is inherent to our corporate strategy.

Our plan to deliver

Our strategy must be to create a sustainable business, through our focus on customer, innovation and profitable growth. Our commitment is to continuously improve the environmental performance of our products and services. With the customer at its heart, our strategy will deliver Better Power, a Better Future and a Better Business.

- Better Power - Helping our customers do more using less.
- Better Future - We are committed to innovation: powering better, cleaner economic growth that creates value for customers, employees, investors, suppliers and wider society.
- Better Business - We invest in technology, people and ideas to improve all aspects of our performance and to drive profitable growth. Building on today's achievements to meet the business challenges of the future.

Sustainability principles

1. Sustainability will be a critical part of all we do, and considered in all major decisions.
2. Our goal is to be recognised as a leading sustainable business achieving gold in the Dow Jones Sustainability Index by 2020. This will show that sustainability is inherent to our company strategy and that we manage our business for the long-term addressing financial, social, environmental and ethical concerns.
3. We will set sustainability KPI's to which we can be held publicly accountable. These will be material to our business, achieve the greatest impact and create value to society. This will demonstrate integrity and promote trust in investors and the public.