



Guidance: Confidential Information

Title	Guidance – Confidential Information
Version	V2.0
Author	Ethics & Compliance Counsel
Process Owner	Director, Head Office Ethics & Compliance Team
Date	February 2022
Status	Non-Confidential

Introduction

Safeguarding Rolls-Royce Confidential Information and that of customers and suppliers is vital to our success. Inappropriate use or disclosure of Confidential Information can cause serious harm to Rolls-Royce and others. We keep Confidential Information confidential and never use information we should not have. Any defined terms in this document are defined in the Group Policy Manual unless indicated otherwise.

1. Roles and Responsibilities

All Employees must:

- protect Confidential Information and not use it other than as authorised or share it with any colleagues, Third Parties or Joint Ventures unless approved to do so;
- not seek or accept any Confidential Information if you are unsure whether you are permitted to receive it (either because Rolls-Royce is not permitted to receive it or because only certain individuals in Rolls-Royce are permitted to receive it);
- comply with this policy when gathering market and/or product related intelligence;
- keep all Confidential Information secure and protect it from unauthorised or accidental disclosure in accordance with the Rolls-Royce Information Security Policy;
- contact the Legal team before disclosing Rolls-Royce Confidential Information externally if you are unsure whether a non-disclosure or confidentiality agreement is needed;
- look out for Red Flags when seeking, accepting or using Confidential Information. Red Flags must be resolved and a record kept of the action taken; and
- follow applicable laws, regulations or rules relevant to Confidential Information, including export control regulations; the General Data Protection Regulation and German Federal Data Protection Act, intellectual property laws, government procurement regulations (such as the Defence and Security Public Contracts Regulations in the United Kingdom, the German Foreign Trade and Payments Act and the Federal Acquisition Regulation in the United States) and competition, anti-trust or antimonopoly laws.

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2. What is Confidential Information?

Confidential Information is information, in any form, that is not in the public domain and is intended to be protected from disclosure. Information may be confidential whether or not it is labelled “confidential” or “proprietary” and whether it is oral, written, drawn or stored electronically. Labelling information “confidential” or “proprietary” or other classification does not automatically make the information Confidential Information.

3. Common types of Confidential Information

3.1 Competitor Information

Any information relating to a competitor which is not in the public domain will be Confidential Information. You must not accept a competitor’s information without first seeking confirmation that the person offering you the information is authorised to disclose it to Rolls-Royce.

In addition to the requirements contained in the Confidential Information Policy, in relation to all competitor information received by Rolls-Royce, this must only be used in accordance with applicable competition laws. You should contact the Rolls-Royce Chief Counsel – Competition for further guidance.

It does not matter if the bidding process has come to an end; you must not accept or use information about a competitor’s bid that was confidential during the bidding process unless it has been publicly disclosed.

It does not matter that in the country in question, there is a widespread practice of sharing competitor information, such as pricing information as a negotiation tactic. In this situation, you must be proactive and tell the customer at the beginning of the process that Rolls-Royce cannot and will not accept another competitor’s Confidential Information without that competitor’s prior consent and they should not disclose our information to the other bidders.

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Where a person assures you that they are authorised to disclose the information to Rolls-Royce, provided that you are satisfied by the assurances given, you may accept and use the information. However, you should still be on your guard for Red Flags that the person is giving you information that they are not authorised to disclose. Therefore, you should seek their re-assurance (as often as you feel appropriate) and make a record of their response(s). If you are uncomfortable about either the information or the assurances given, then you should politely refuse the information and seek guidance in accordance with the Confidential Information Policy.

You must not exchange information with a competitor unless you have:

- considered whether the requested information is Rolls-Royce Confidential Information and whether you are authorised to share it;
- obtained confirmation that the competitor is authorised to provide you with the Confidential Information being offered;
- checked to see if there are any competition law issues. Sharing information with a competitor is normally prohibited under competition laws unless there is a very good reason, such as a valid teaming agreement. You should ask the Chief Counsel – Competition function if you have any concerns; and
- asked the Legal function to advise if a non-disclosure agreement or other device is required.

If the above steps have been completed, no issues have been identified and any conditions imposed have been complied with then, in the absence of any Red Flags, you can exchange the information. You should keep a record of the steps taken to confirm both your authorisation and the competitor's authorisation to exchange the information.

In relation to tenders/bids, where it is made clear by the customer in advance that it will share the proposals submitted with all of the bidders, any information obtained as part of the bid opening process will not be classed as Confidential Information and may be used by Rolls-Royce, but you should still be on the lookout for Red Flags.

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Competitor information could be provided during open forum discussions. There may be agreements or restrictions placed upon your further use or disclosure of the information. Further, open forum discussions cause serious competition law issues. You should consider seek advice from the Chief Counsel - Competition before using or circulating the information.

Parts from a competitor's product that are available for sale in the open market are in the public domain and therefore not confidential, so there are no restrictions on Rolls-Royce from purchasing them provided that no unethical or illegal means are used to acquire them. For example, misrepresenting your identity and/or the purpose for obtaining the parts would count as unethical means. There still may be intellectual property or patent law restrictions on what Rolls-Royce can do with the parts. You should ask the Intellectual Property team or Legal function for advice on this.

3.2 Customer Information

Customer information which is provided to Rolls-Royce must only be used in accordance with the limits of the authorisation provided.

If you ever have doubts or concerns about whether a person is authorised to provide customer information to Rolls-Royce and attempts to clarify with the customer are not satisfactory, you should consult with your Line Manager and seek guidance in accordance with the Confidential Information Policy.

Non-work email addresses must never be used to receive Confidential Information. It is not permitted by our Information Security policies and exposes you and Rolls-Royce to suspicion if the information is ever called into question. It does not matter if the provider tries to justify the request, such as the file being too large for normal IT systems. In this case you must request that the file size be reduced so that it can be emailed to your work address or obtain it through another official channel.

Information provided by a customer in relation to their experiences with a competitor's engines generally belongs to the customer and therefore Rolls-Royce may generally accept and use this information, but you should be on the lookout for Red Flags. If you are unsure

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whether the customer should be disclosing this information to you, then you should politely refuse to accept this information and seek guidance in accordance with the Confidential Information Policy.

3.3 Supplier Information

Any information relating to a supplier or provided by a supplier which is not in the public domain will be Confidential Information. For example, a pricing proposal provided by a proposed supplier as part of a confidential bidding process would be Confidential Information.

You must protect a supplier's Confidential Information in the same way as you would protect Rolls-Royce Confidential Information. In this situation, you must not share the supplier's pricing proposal with anyone outside of Rolls-Royce or use it as a negotiation tool to encourage other suppliers to submit lower bids.

Unless the supplier's Confidential Information is publicly disclosed as part of the tender process, such as at a public bid-opening ceremony, then the information will remain confidential at the end of the bid process. As such, in the above situation you are not permitted to disclose the successful pricing proposal to the unsuccessful bidders, unless you receive the prior written consent.

3.4 Use and Disclosure Restrictions

You must observe the restrictions that are placed on the use and distribution of Confidential Information. For example, where Confidential Information is provided and our access and use is restricted to a particular programme, it must only be used for that programme.

Joint ventures are separate legal entities. Where Confidential Information is provided to a Rolls-Royce joint venture solely for its own purposes for a particular project, this information must not be shared with Rolls-Royce. The joint venture must observe the use restrictions that are placed on Confidential Information which it receives. In this situation, the Rolls-Royce employees working for the joint venture must take extra care and seek

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guidance pursuant to the Confidential Information Policy if they are unsure about whom they can share the information with.

In relation to information marked “Classified”, the duplication and distribution of this information will be restricted. It is very important that you understand what those restrictions are before you do anything with the document(s). If you are unsure what the restrictions are you should seek to confirm them, and seek guidance as described in the Confidential Information Policy before distributing or copying

3.5 Information Held by Suppliers or Customers

When visiting a supplier or customer you may come into contact with, or have access to, competitor information which could contain Confidential Information, which Rolls-Royce has not been authorised to receive. You must not attempt to receive any Confidential Information by unethical or disreputable means, such as, attempting to read a document while the representative is out of the room. In this case, when the representative returns, you can ask him if you would be allowed to read the document, but you must make it clear that you are not asking for and cannot accept any Confidential Information which the representative is not authorised to share. You must make a record of your conversation with the representative.

Before accepting information from a supplier which could be Confidential Information, such as details of a competitor’s manufacturing process, you must ask the supplier whether they are authorised to share the information with you. If the supplier confirms they are allowed to discuss the process, then, in the absence of any Red Flags, you can receive and use the information. You must make a record of your discussion with the supplier and any confirmation they give you about their authorisation to share the information. There may still be intellectual property or patent law restrictions on what we can do with it. You should ask the Intellectual Property team and Legal function for advice on this.

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4. **Contacts**

If you are unsure if you have Confidential Information and how you should handle that information, please contact your local Ethics & Compliance team.

5. **Additional Reading**

To support your understanding of our approach to confidential information you should also read the following:

- Our Code; and
- Confidential Information Policy.

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