Notice to Suppliers



Rolls-Royce Defence Supplier Update on COVID-19

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For the attention of all Rolls-Royce Defence Suppliers

Scope/Applicability:

All suppliers within the Rolls-Royce Defence Supply Chain

Dear supply partner,

As the Novel Coronavirus (COVID-19) outbreak continues, Rolls-Royce Defence is working to ensure its business continues to operate and deliver to meet the needs of our customers.

The Defence business demand is resilient and is not impacted by the COVID-19 crisis. In most cases, countries where our suppliers are located have designated Defence to be an essential or critical industry and our Defence suppliers are expected to operate unless there is a specific local or business health issue. In accordance with these directives, we are asking you to continue production and delivery of parts and services to us.

Local government orders to lock-down or shelter generally also recognize the national directives for the Defence supply chain to continue to operate. If your company is affected by one of these directives, please refer the local government to the national directive outlined for the US and UK below, in order to maintain operations unless there is a specific local or business health issue. The protection of your employees is paramount, and these guidelines are in no way intended to put safety at risk.

<u>US</u>

In the US, the Department of Homeland Security Cybersecurity and Infrastructure Security Agency (CISA) has issued guidance declaring the US Defense industry to be a critical infrastructure industry. The specific guidance can be found <u>here</u>. In addition to this, Ellen Lord, Under Secretary of Defense for Acquisition and Sustainment issued a memorandum to the Defense Industrial Base on March 20, 2020 reinforcing the guidelines: "If you work in a critical infrastructure industry, as defined by the Department of Homeland Security, you have a special responsibility to maintain your normal work schedule." The memorandum can be found <u>here</u>.

In both directives, the full supply chains of the aerospace and naval industries are recognized as critical and are expected to continue to operate as normally as possible. Everyone should follow guidelines from the Centers for Disease Control and Prevention and their state and local government officials regarding strategies to limit spread of infection.

<u>UK</u>

The UK Cabinet Office has issued guidance for continuance of education and childcare whilst reducing the spread of COVID-19. In this guidance, the Defence industry is recognized as a critical sector. Advice can be found <u>here</u>.

The UK Cabinet Office has also issued guidance for businesses and premises to close. Manufacturing facilities are not included in this guidance, which may be found <u>here</u>.

The UK Cabinet Office has also issued guidance regarding staying at home to fight coronavirus. In this guidance, the Cabinet Office clarifies that people are able to travel to work where they cannot work from home. This guidance also reinforces that the Government considers it important for business to carry on for any business that has not been ordered to close. This guidance may be found <u>here</u>.

Across our Defence business we are monitoring the situation and working diligently to ensure we deliver on schedule. We need your continued delivery and support in order to meet our customer needs. Be assured that we take the COVID-19 outbreak very seriously and will remain engaged with you our and our customers and employees through this challenging period. If there are any changes to the guidance we have set out, we will communicate with you directly.

Yours Sincerely

Timothy L Walton EVP – Defence Procurement

NTS Category:

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General Information / Communication

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