



Rolls-Royce

Aerospace Supply Chain

Monthly Supplier Scorecard: Update 2014

© 2014 Rolls-Royce plc

The information in this document is the property of Rolls-Royce plc and may not be copied or communicated to a third party, or used for any purpose other than that for which it is supplied without the express written consent of Rolls-Royce plc.

This information is given in good faith based upon the latest information available to Rolls-Royce plc, no warranty or representation is given concerning such information, which must not be taken as establishing any contractual or other commitment binding upon Rolls-Royce plc or any of its subsidiary or associated companies.



Rolls-Royce

Introduction

- ❑ New scorecard used to support monthly supplier performance reviews led by the Supplier Management Team (SMT).
- ❑ One Global Aerospace Supply Chain template issued monthly to all suppliers.
- ❑ Detailed scorecard explanation available from your SMT.

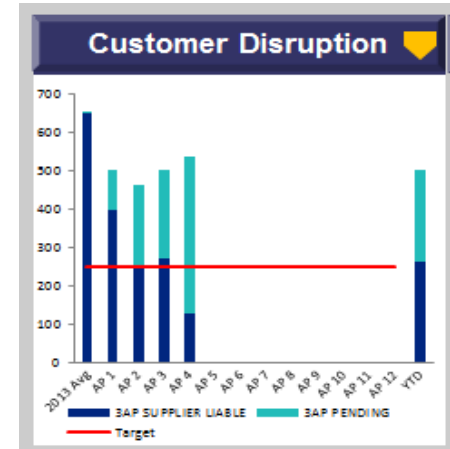
Changes

- ❑ Delivery metric changed to incorporate Delivery Rate.
- ❑ Disruption measure now includes all supplier-liable and pending issues, inclusive of a multiplier.
- ❑ Red Flag and SABRe Self-Assessment status added.
- ❑ All metrics (apart from Arrears) have been changed to be rolling 3 AP data.

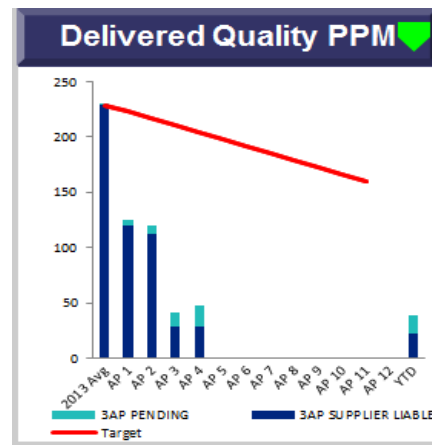


Quality Overview

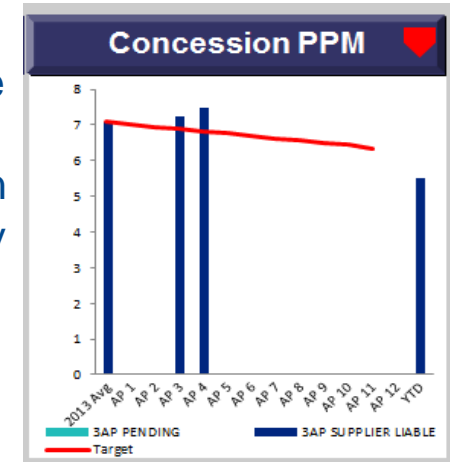
- Customer Disruption:** Sum of disruption level multiplied by area impacted over a 3 AP period. Disruption level based on impact to Customer (i.e., 25 = significant restriction of a Customer's operation). Area impacted includes Operator (x100), Integrator (x100) and Build (x10). Target set at 250 for all suppliers



- Delivered Quality:** Derived from the number of out of specification parts in an AP divided by quantities of material delivered. Shows pending and set liability quantities.



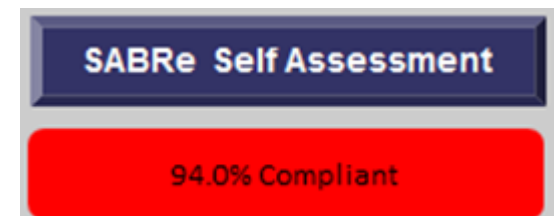
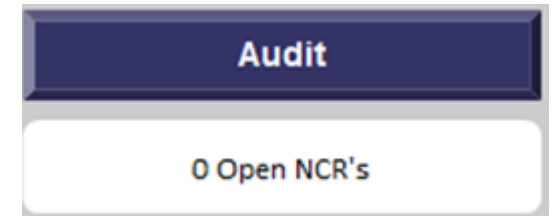
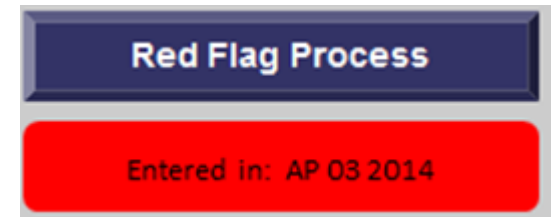
- Concessions:** Derived from the number of parts on concession in an AP divided by quantities of material delivered.



Rolls-Royce

Quality Overview (continued)

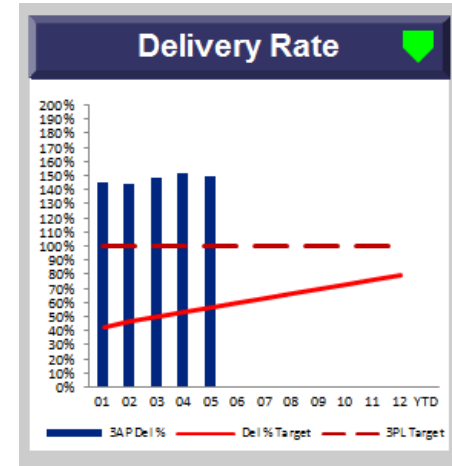
- ❑ **Red Flag Process:** Suppliers who have been entered into the new Red Flag process will have this highlighted along with the AP and year they were entered into the process.
- ❑ **Audit:** Shows data captured on suppliers who have had a SABRe Compliance Assessment (SCA) performed and still have open findings (NCRs).
- ❑ **SABRe Self-Assessment:** Captures percentage compliance against all the clauses within SABRe as indicated by a self-assessment completed by the supplier.



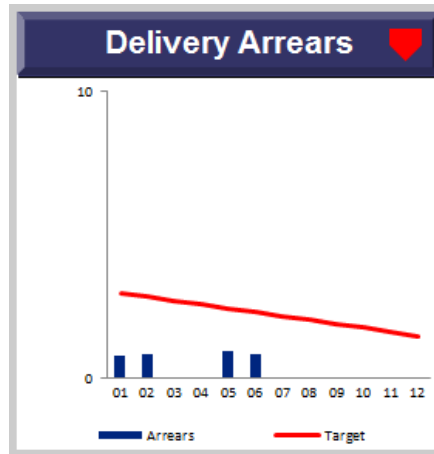
Rolls-Royce

Delivery Overview

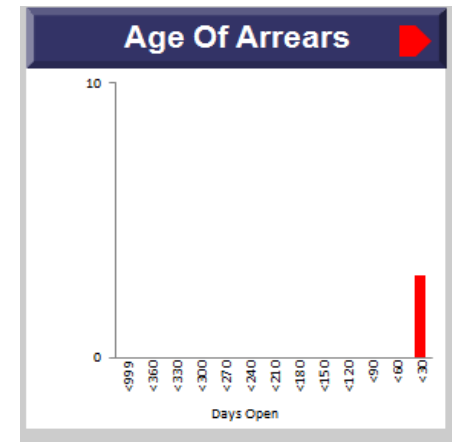
- Delivery rate:** Performance is calculated by quantity of all materials delivered in the AP divided by quantity of materials required. An 'On time' delivery is defined as a delivery which is made in the same week as the requirement. To smooth the effect of delivering large volumes of material against little or no demand, a cap of 200% is applied



- Delivery Arrears:** Number of unfulfilled (incomplete quantity) schedule lines with a statistical delivery date in the past, as of the end of AP.



- Age of Arrears:** The age of unfulfilled schedule lines presented as a pareto of number of schedule lines within a 30 day window.



Rolls-Royce