

Notice to Suppliers



Risk Management – Our Collective Responsibility

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For the attention of Senior Level Operations & Management Executives

Scope/Applicability:

All Civil Aerospace Operations and Defence Operations suppliers

Dear Supply Partner,

Introduction:

At present, businesses across the globe are experiencing unprecedented levels of risk in their supply chains.

A series of major events – Brexit, a global health pandemic, the conflict between Russia and Ukraine – have occurred in quick succession. Each of these would be considered significant in isolation, but when compounded together they have an amplifying effect on the levels of supply risk and disruption across all major supply chains, including our own.

Action Required:

Risk management is our collective responsibility.

Nobody knows what the future holds, but it's safe to say that the extremely high levels of uncertainty we are currently seeing across a range of topics - geopolitical risk, energy cost and supply issues, skills and resource shortages, significant climate events - will continue. The need to focus on risk management is therefore more critical than ever.

If we are to protect our businesses and our customers, it's crucial that we are proactively taking the necessary steps to mitigate the risks around us. As a key supplier partner to Rolls-Royce these will include, but will not be limited to, some of the methods listed below.

- Supplier Risk Solutions (SRS) self-assessments are a vital first step towards managing business continuity risk. It is important that your business keeps up-to-date with these business continuity management (BCM) assessments; please check when your most recent BCM questionnaire was completed and conduct a new one if necessary to ensure your actual risk rating remains accurate. Additionally, please ensure that SRS have the correct contact details for your business – email bcmsupport@supplyrisk.com to confirm or update this. If you have any further questions on SRS, please contact your usual Rolls-Royce point of contact or reach out to our SRS Key User, Thorsten Nack (Thorsten.Nack@Rolls-Royce.com).
- It's critical that you review the robustness and effectiveness of your own risk identification and mitigation processes, including those within your own supply chain. Section 6 of SABRe 4 contains specific detail regarding the preventative risk management actions we expect our suppliers to take.

- As a minimum, your business continuity approach should cover disaster management, single point of failure, financial stability, material availability, fire risk, cyber-attack, equipment maintenance, process compliance, safety, and people/skills.
- We continue to see an unacceptably high number of risks develop due to issues in these areas; please read and understand the requirements in SABRe4, and ensure your business complies with them.
- Geopolitical risk is, and will continue to be, a significant concern. It is therefore critical that you clearly understand all export control restrictions that may apply to your business – what licenses are required, what licenses are in place, and when do they expire? Consider the key risks that may arise from any changes in this area; what mitigation plans do you have in place to protect against this? For further detail, we recommend you refer to NTS_529 and NTS_408, alongside the Export Control section of our Global Supplier Portal.

Navigating these turbulent times will continue to be a significant challenge for us all. However, the efforts we put into risk mitigation now will undoubtedly place us into the best possible position to face the future.

Thank you for your continued support.

NTS Category:

General Information / Communication

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