Notice to Suppliers

Supplier-Initiated Source and Method Change

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Job Title: Chief of Manufacturing Engineering
Business Unit: Aerospace Procurement

NTS Number: 663
Issue: 1
Date: November 2026

For the attention of all Aerospace Suppliers

Scope/Applicability:

All suppliers who supply parts for aero engines

Dear Supply Partner,

Introduction:

Following approval of the baseline method, Rolls-Royce recognises that suppliers may occasionally need to propose changes to approved material sources, production processes or manufacturing methods. It is recognised that these changes may provide benefits to both Rolls-Royce and our suppliers or may be necessary to maintain business continuity. However, they require prior Rolls-Royce approval and can involve significant administrative and technical review to approve.

To ensure these requests are managed consistently and effectively, Rolls-Royce is introducing a structured framework for recovering the internal administrative costs associated with the review, approval and implementation of supplier-initiated source and method changes. This will operate alongside any commercial discussions relating to product cost.

The existing quality and approval requirements defined in SABRe and AS13100 will continue to apply. All requests must therefore meet the relevant milestones, validation requirements and timescales determined by Rolls-Royce.
To support this approach, we are making the following process updates:

Appendix 1 - Method Verification Approval Process

Appendix 2 – Supplier Initiated Source and Method Change Terms

Appendix 3 - Net Inspect Reason for FAIR

Appendix 4 – APQP Requirement Acknowledgement

Rolls-Royce operates under a **Safety-First Policy**; therefore, administrative cost recovery will not be applied to changes directly related to product safety issues. We require prompt resolution of all safety-related concerns, which will continue to be treated with the utmost priority.

Suppliers must not implement any source or method changes requiring Rolls-Royce approval until formal consent to proceed has been granted by Rolls-Royce. Until such approval is received, suppliers are required to maintain the existing approved supply chain to ensure continuity of product supply.

Due to the potential impact on the part supply, any unauthorised change will be a material breach of the supply contract, which may require the part to be requalified at supplier's expense. Rolls-Royce reserves its rights in respect of any unauthorised change.

Action Required:

Review and familiarise yourself with all changes per Appendices 1, 2, 3, & 4 and direct any questions to your Rolls-Royce interface.

Next Steps:

These changes have an immediate effect.

We appreciate your cooperation and continued partnership as we implement these changes.

NTS Category:

Engineering / Technical

Authorised by:

Alistair Williamson

SVP Manufacturing Engineering

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Appendix 1 – Method Verification Approval

Key Changes:
MVA Submission: As per the requirements set out or referenced in SABRe, MVAs will continue to be submitted through the existing channels at Section A. However, the MVA form has been updated and will also require additional supporting documentation, when the MVA is supplier-initiated, with each submission. (Suppliers must now provide two Component Cost Worksheets (CCWs) for pre- and post-change or a detailed quotation for the proposed change).

Guidance has been updated to reflect this per SABRe Forms & Guidance 8.5.1.7 Fixed Production Methods (Briefing Pack Method Verification Approval)

Section A
CCW Requirement: To support any MVA submission, Suppliers must now provide two Component Cost Worksheets (CCWs) for pre- and post-change or a detailed quotation for the proposed change.

Failure to submit this supporting documentation will result in the change request being rejected.

Section B
Rolls-Royce will determine the technical and business activities required to implement the proposed change. Rolls-Royce will then work with the Supplier to agree funding for the costs Rolls-Royce incurs in validating and approving the change and to agree on any unit cost change. Section B will not be signed off until agreement has been reached, and Rolls-Royce commercial endorsement is required for all supplier-initiated changes.

Rolls-Royce has determined a standardized schedule of charges for costs incurred. However, the actual amount charged to the supplier will be adjusted on a case-by-case basis. A list of indicative charges can be found in Appendix 2 of this document.

Section C
The remainder of the MVA process is unchanged and will continue as per current practice. Cost reduction requirements and adjustments to part pricing will still be governed by the supply contract between Rolls-Royce and supplier and will be cascaded following Technical Approval of Section C.

Appendix 2 – Supplier Initiated Change Terms

Cost GBP£	Tasks
2461	Processing of Production Method Verification Approval - ECA
1125	Processing of Production Method Verification Approval - PCA
2461	Processing of Supplier Initiated Source Change - BCA
1125	Processing of Supplier Initiated Source Change - LCA
703	Forging, Casting Method Review and Approval
4219	Produce Rolls-Royce Metallurgical Lab Evaluation & Report
1969	Process New Approval Request - NAR/AP
492	New or Data Card Revision
492	Disposition of Partial FAIR
984	Disposition of Full FAIR
2812	Disposition of PPAP Submission and Issue PSW for New Source
1055	Disposition of Delta PPAP
7031	Perform Supplier Capability Assessment (ESCCA)
Negotiated	Approve New Material or Facility Qualification
Negotiated	Implement drawing change via DAR
Negotiated	Implement component modification (part number change)
Negotiated	Obtain customer or regulatory approval (e.g. CS25 /Airbus etc.)
Negotiated	Part Family Lead Part and Similar
Negotiated	Others including other Rolls Royce material testing

Appendix 3 - Net Inspect Reason for FAIR

Net Inspect is being updated following this NTS with a revision to the Reason for FAIR.

Per this NTS and with immediate effect Rolls-Royce will flow charges for FAIR approval for Supplier Initiated Changes.

Name
01. New design or product
02. Rolls Royce-initiated: process change
03. Supplier-initiated: process change
04. Rolls Royce-initiated: revision change
05. Supplier-initiated: revision change
06. Correcting previous FAI
07. Rolls Royce-initiated: source change
08. Supplier-initiated: source change
09. Lapse in production
10. Rolls Royce-initiated: additional source added
11. Supplier-initiated: additional source added
12. Last Article Inspection Report (LAIR)
13. Other (see comments)

Appendix 4 - APQP Requirement Acknowledgement added to the MVA

Supplier to complete this section to acknowledge if APQP is required or not.

21. APQP Requirement Acknowledgment:	◯ Is required.	◯ Is not required, as stated by PO or RRMS.	◯ Is not required, as process change is negligible.