

Impact of Kobe Steel self-declaration of the Overwriting of the Inspection Reports for Delivered Parts

Originator: Paula Adkins

Job Title: Head of Quality Assurance and Supplier Quality

Business Unit: Rolls-Royce Plc

NTS Number: 413

Issue: 1

Date: 20th October 2017

For the Attention of the Quality Manager – Immediate Action Required

Dear Sir / Madam,

Scope / Applicability: All suppliers and partners who supply products to Rolls-Royce.

Introduction:

On the 8th October 2017, Kobe Steel Ltd issued a press release detailing the overwriting of data on material inspection certificates on some aluminium and copper products manufactured by them.

http://www.kobelco.co.jp/english/releases/1197808_15581.html

On the 9th October 2017, Rolls-Royce received a letter from Kobe Steel declaring that there had been an overwriting of data on material inspection certificates on parts delivered to Rolls-Royce.

Rolls-Royce identified and contained six individual parts that contained affected material and none of these parts left our manufacturing facilities.

While we believe our exposure to affected material to be minimal, we are working closely with our partners to undertake due diligence and will be following the guidance laid out in an EASA Safety Information Bulletin received on 17th October 2017 which recommends a thorough review of our Supply Chain in order to identify if, and when, Kobe Steel products have been used in our products.

As a result of this guidance we require our Suppliers to take immediate action as detailed below, with a deadline of **3rd November 2017**.

Action Required:

- 1) Review all product delivered to Rolls-Royce for the use of any material from Kobe Steel from your direct supply and that of your sub tiers :-
 - a. If no Kobe Steel material is used then confirm this to your Rolls-Royce Supplier Management Team Manager contact and take no further action;
 - b. If Kobe Steel material is used then confirm this to your Rolls-Royce Supplier Management Team Manager contact for the potential impact of this issue.
- 2) Engage with Kobe Steel to understand if the material used is impacted as a result of this issue :-
 - a. If there is no impact then confirm this to your Rolls-Royce Supplier Management Team Manager contact and take no further action;
 - b. If there is impact then immediate action is required.
- 3) You should inform your Rolls-Royce Supplier Management Team Manager contact of any impacted products you deliver to us.
- 4) Initiate immediate Containment Action to protect Rolls-Royce and its Customers including but not limited to :-
 - a. Understanding the timescale and volume of the products that have been delivered to Rolls-Royce including the serial numbers where these exist;
 - b. Prevent the use of any Kobe Steel material already purchased from being used in Rolls-Royce product until you can assure Rolls-Royce that it meets the appropriate material requirements in full;
 - c. Assure the quality of any further Kobe Steel material to be delivered which is intended to be used in Rolls-Royce product;
 - d. Maintain continuity of supply using alternative material sources if needed if they are available and approved.

If you have any questions, please contact your Rolls-Royce Supplier Management Team Manager contact.