

Notice to Suppliers



Civil Operations Facilities Review

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Business Unit: Civil Aerospace

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For the attention of the Managing Director

Scope/Applicability:

All suppliers within the Rolls-Royce Civil Aerospace Supply Chain.

Dear Supply Partner,

Introduction:

The COVID-19 pandemic has created a historic shock in Civil aviation which will take several years to recover. Demand for our Civil Aerospace products and services have fallen significantly, and we've had to take difficult, but necessary decisions to position ourselves for the future.

In response to the impact of the COVID-19 crisis we have started to share proposals with our teams in Rolls-Royce in relation to our global facilities footprint. This is part of an ongoing strategic review of our sites announced in June.

As a company we need to consolidate activities in our supply chain to better balance the new load and capacity, drive greater efficiency and effective working.

To achieve this we are proposing to:

- Cease operations at our **Crosspointe** (Virginia, USA) facility by the end of Q2 2021 and to consolidate the manufacturing of discs and high-pressure turbine blades into their sister sites in the Washington and TBF/PMF facilities in the UK.
- Close our **Annesley** (UK) facility and consolidate blisk production into our Derby and Oberursel sites by the end of 2022.
- Reduce activities at the **Barnoldswick Bankfield** (UK) site. The manufacture of wide chord fan blades for our Trent engines will be consolidated into our Fan Blade Singapore facility by Autumn 2023. Trent 700 and JSF manufacturing will remain in Bankfield.
- Consolidate all widebody engine assembly and test activities in Derby from the **SATU** facility in Singapore and from RRD (already announced). The transition of volume from Singapore will commence in Q3 2021.

What does this mean for you?

There are no immediate changes to how you engage with our facilities today. At this stage these are only proposals which we will consult on with trade union and employee representatives. As plans develop, our Supplier Management Teams will keep you informed and will work with you to support any transition of activities.

In addition to this focus on consolidating our manufacturing footprint, we will continue to work very closely with all our partners and suppliers to optimise our cost-position and generate value through bundling of volume, supply chain consolidation and the formation of high-performing partnerships. Thank you for your ongoing support in these challenging times.

The severe impact of Covid-19 has meant we have had to make many of these tough choices to protect our business and position for long-term success. As you can imagine this news will be concerning for all our employees working in these facilities and our immediate priority is to support them through this uncertain period.

NTS Category:

General Information / Communication

Authorised by:

Sebastian Resch
Operations Director, Civil Aerospace