Policy on Product and Technology Classification

Introduction

All regulators place a legal responsibility on companies to establish the export control classification (sometimes referred to as a 'rating') of their products against lists of export controlled items, which form part of national law on strategic export controls. As well as the finished article they require each and every part and component to be classified. This is because a part or component does not necessarily attract the same classification as the finished article. Similarly, companies are required to classify all technology: the 'know how' that defines design and manufacture, and software associated with those parts and components. Classification requires detailed analysis of the design origin, materials, performance and intended end-use of the item.

Some items may be subject to the export control laws of more than one jurisdiction by virtue of design content or being produced in other jurisdiction(s), in which case they must be assessed against the control lists of all jurisdictions that apply.

In some cases an item requires an export classification only because it is being re-exported from that jurisdiction, not because of any design or production content added there. Any classifications applied for that reason must be clearly identified, so that country of origin or other jurisdiction(s) are clear that they are not required to apply for a re-export authorisation.

Policy

1. Each Rolls-Royce business, whether wholly-owned or JV, and function classifies, records and manages export control classification data for all products and their associated parts, components, materials, machine tools and tooling, technology and software. Where the design intent, design origin or intellectual property of the item is owned by Rolls-Royce, the business or function must evaluate the properties of the item against the relevant control list(s) to determine the export classification, with assistance where necessary from an Export Controls Specialist or technical specialist who is able to interpret the technical properties of the items against the control list descriptions. Where available, classifications should be recorded in the relevant ERP systems. Where this is not available the Rolls-Royce COGNOS/Oracle database should be used or another system confirmed as acceptable for compliance purposes by the Export Control Function. Use of ERP or approved systems will enable linking with IT-based compliance systems as they are rolled out across the Group.

2. The global Oracle-based COGNOS database of classifications has been established. This report has been created to allow export control classification/rating information to be available for parts and components which have been through a classification/rating assessment and have an available Rolls-Royce part number. Before carrying out a classification/rating activity the report should be checked to determine whether an assessment has already been completed. When classifications are determined they should be added to the global database using one of the tools available for the purpose. The database is maintained so that changes in classification (e.g. when a civil type certificate is issued for a non-military manned aircraft) are reflected accurately and quickly. The database also provides a legal record of classifications and provides auditable evidence of Rolls-Royce performing its legal obligation to know how its products are controlled.

3. Where the design intent, design origin or intellectual property of the item is owned by an entity other than Rolls-Royce, the business or function must advise the owning entity of all actual or potential applications or end uses for which the item is to be used (e.g. military, nuclear or dual-use), design intent or parentage / origin of final product, and based upon this information must request and obtain the Export Classification(s) from the owning entity. In instances where the classification is not provided by the entity we may need to complete the determination as detailed in paragraph 1 above.