



Global Counterfeit Avoidance Policy

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Approvals

Responsibility	Name	Position	Date
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Issue Amendment History

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03	Update wording / title change to Section 5.

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1. Introduction

JFD has its global procurement headquarters in the UK and provides the business support systems and structure for all worldwide operational and product development activities.

As part of our procurement and supply chain management framework this policy has been generated to protect JFD businesses and our Customers. This policy relates to all equipment, parts, components, products, raw materials, software or any other material related to deliverable products or services.

If not adequately addressed, counterfeit product has the potential to seriously compromise the safety, operational effectiveness, and integrity of our products. This in turn presents a significant cost risk to the business for the replacement of counterfeit parts and the associated revalidation exercises. Counterfeit parts within the working environment can cause the following:

- Personal injury
- Reduce the reliability of products
- Potential loss of contracts/business
- Negative cost/schedule impacts
- Penalties/fines at the company/individual level
- Damage to our corporate name/image.

2. Scope

This policy applies to JFD activities worldwide.

3. Definition of Counterfeit Goods

Suspect Part: A part in which there is an indication by visual inspection, testing, or other information, that it may have been misrepresented by the supplier/sub-supplier or manufacturer.

Counterfeit Part: A suspect part that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by a supplier/sub-supplier in the supply chain including the selling of used parts for new.

Material whose origin, age, composition, configuration, certification status or other characteristic (including whether or not the material has been used previously) has been falsely represented by:

- Misleading marking of the products and material, labelling or packaging;
- Misleading documentation or certification; or
- Any other means, including failing to disclose information;

The only exception is where it has been demonstrated that the misrepresentation was not the result of dishonesty by a Supplier or Sub-supplier within the JFD supply chain.

4. Supplier and Sub-supplier Responsibilities and Mitigation

Mitigation strategies need to be in place to mitigate the risk of counterfeit parts. Strategies may include avoidance, detection, mitigation, disposition and communication.

Raising awareness through Suppliers/Sub-supplier is critical to mitigating the risks and impacts of counterfeit parts infiltrating the Supply Chain.

Supply Chain Management includes the flowdown of counterfeit avoidance policies to our suppliers and sub-contractors.

Obsolescence Management includes processes of determining obsolescence issues in time to initiate actions such as lifetime buys or redesign efforts.

Processes are in place to quarantine suspect parts that require testing and verification until they are determined to be no risk.

5. Roles and Responsibilities

Role	Responsibilities
JFD Head of Supply Chain and Procurement	The JFD Head of Supply Chain and Procurement is the representative who, irrespective of other responsibilities, has responsibility and authority within JFD to: <ul style="list-style-type: none"><li data-bbox="587 1249 1358 1350">• Ensure that the arrangements required to manage the risk of counterfeit products and material in the supply chain are implemented and maintained;<li data-bbox="587 1357 1406 1458">• Report to top management any concerns regarding counterfeit products and material within the supplier organisation and supply chain;<li data-bbox="587 1464 1426 1532">• Promote awareness of the risk of counterfeit products and material in the supply chain.
All employees	All JFD employee's who, irrespective of other responsibilities, have responsibility and within JFD to: <ul style="list-style-type: none"><li data-bbox="587 1641 1442 1709">• Report to management any concerns regarding counterfeit products and material within the supplier organisation and supply chain.<li data-bbox="587 1715 1442 1805">• Adhere to this policy statement and ensure that within their daily roles and activities, do everything they can do to mitigate counterfeit products entering the supply chain.

6. Mitigation Strategies

6.1 Training and Awareness

JFD shall endeavor to ensure that all staff who handle material are aware of the contents of this policy and where relevant have had appropriate counterfeit awareness training.

6.2 Risk Management

JFD assesses the risk of procuring counterfeit products and material. This takes into account the criticality of the products and material in relation to performance and safety.

Where risk has been identified, JFD shall ensure that the requirements of this policy, or an appropriate industry Sector Scheme or Standard is flowed down the supply chain.

6.3 Supplier Assessment

Any potential new suppliers to JFD are sent a Supplier Assessment form, which includes questions on their counterfeit avoidance process. On this form, there is a section that specifically relates to counterfeit material and the detection and prevention of supply of counterfeit material to JFD. Each potential new supplier must confirm that they will adhere to the policy statement. Agreement and signing of the statement reduces the risk for potential new suppliers passing on counterfeit material either on purpose or accidentally into JFD supply chain.

Suppliers may also be subject to audit on a criticality/risk basis.

As part of the evaluation of sub-suppliers, where final product integrity is considered important due to the critical nature of performance and safety, JFD shall be able to trace the source of supply of the products and material through the supply chain to the manufacturer to reduce the risk of counterfeit products and material in the supply chain.

Where JFD does not procure products or material directly from, or cannot trace the source of supply of the material through the supply chain to the manufacturer, this shall constitute an additional risk that JFD shall manage. As a minimum JFD shall demonstrate that the products or material shall fulfil the acquirer's specified requirements. The products or material characteristics and level of information shall not degrade the safety and performance of the deliverable products or services.

6.4 JFD Testing and Verification

JFD shall determine the rigor of inspection and test requirements for the acceptance of products and material. This shall be commensurate with the risk of the material being counterfeit and the criticality of the products or material in relation to safety and performance.

If material is suspected of being counterfeit at any point in production or service provision then additional testing shall be considered to confirm whether or not it is counterfeit products or material.

7. Reporting

The supplier/sub supplier shall establish arrangements to ensure that occurrences of counterfeit material are reported to:

- The Customer; (should this be JFD);
- The Supplier of the products or material;
- The owner of the Intellectual Property Rights of the genuine product or material;
- The appropriate information / data gathering organisations and associations. Note: Occurrences of counterfeit material are to be reported to the relevant country government Trading Standards Office;
- The client/ end user of the product, so that appropriate product recall activities can be conducted.