

Risk Risk Risk

Thales and its suppliers, subcontractors and distributors must be able to demonstrate that they have conducted the necessary due diligence when sourcing material and have taken care to prevent fraudulent and counterfeit material from entering our supply chain.

COUNTERFEIT



A Suspect part is a part in which there is an indication that it may have been misrepresented by the supplier or manufacturer and may meet the definition of a Fraudulent part or Counterfeit part provided below.



A Fraudulent part is any suspect part misrepresented to the customer as meeting the customer's requirements.



A Counterfeit part is a fraudulent part that has been confirmed to be a copy, imitation or substitute that has been represented, identified, or marked as genuine and/or altered by a source without legal right and with intent to mislead, deceive or defraud.

Counterfeit

Impact of counterfeit products in our supply chain:

Can cause devastating consequences to:

- > Thales
- > The public
- > The environment

Risks include:

- > Potential loss of life
- > Espionage
- > Product availability for our customers
- > Loss of profits
- > Reputational damage

Do you know what to do to:

- > Ensure the safety of our customers and end users
- > Maintain continued confidence in the Thales brand
- > Safeguard Thales revenue
- > Capitalise obsolescence management

Red Flag Risks:

- > Shorter lead times
- > Sudden availability of obsolete/hard to source items
- > Cheaper than expected prices



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COUNTERFEIT FRAUDULENT AND SUSPECT ITEMS (CFSI)

Questions

- Do you understand how complex your supply chain is?
- Do you recognise the risk for your products & projects?
- Have you read the Thales UK Counterfeit Avoidance Policy (83500097-GOV-GBR-EN) and Group Instruction: Avoidance, Detection & Control of Counterfeit Parts (87211991-PMD-GRP-EN)?
- Are you aware of obsolescence management?
- Do you know the product roadmaps of the items you are buying?
- Do you promote awareness of counterfeit avoidance with your project teams and suppliers – what are their processes, due diligence and assurances?
- Have you watched the Counterfeit Avoidance Video? (<http://intranet.uk.corp.thales/purchasing/pub/procurementawareness.cfm>)
- Have you completed the online training?
- Have we issued our suppliers with fully defined technical specifications, acceptance criteria and relevant key characteristics, critical items, special requirements and have they been flowed down to their suppliers?
- Are we engaging our suppliers early enough to ensure robust sourcing strategies and thorough due diligence is developed to reduce risk of CFSI entering our supply chain?

Questions

- Are we procuring from original manufacturers or reputable suppliers approved by the manufacturer (authorised distributor)?
- Can they prove authenticity and product integrity?
- Do we check that the goods received meet the technical specification, including documentation?
- Do we check for anything unusual on the packaging, labels and paperwork?
- Do not make assumptions or exceptions.



REMEMBER:
IF IT SOUNDS
TOO GOOD TO BE TRUE,
IT PROBABLY IS



Counterfeit

AS9100 (EN9100) definition of counterfeit:

An unauthorised copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorised manufacturer. Examples of a counterfeit part can include, but are not limited to, the false identification of marking or labelling, grade, serial number, date code, documentation, or performance characteristics.

What's the harm?

If it is manufactured, it can be copied – counterfeit is a global problem.

Substandard manufacturing processes will not meet national safety standards and counterfeit goods do not belong in our supply chain.

Is buying counterfeit goods a risk worth taking?

Ethical Harm: buying counterfeit goods directly supports poor working conditions, human trafficking and child labour exploitation, and funding organised crime. This goes against our stance on Modern Slavery:

“Thales UK considers that modern slavery and human trafficking is an abhorrent crime that inflicts unacceptable harm on vulnerable adults and children. It fully supports the principles of the UK Modern Slavery Act of 2015 (MSA) and is firmly committed to its implementation.”

<https://www.thalesgroup.com/en/global/presence/europe/united-kingdom/sustainability-uk/modern-slavery-act-statement>