Counterfeit/Bogus Products/Materials

Glenair is very much aware of the risks and availability/opportunity for unscrupulous suppliers to supply products classed as either bogus or counterfeit to Glenair.

AS5553 and DEF STAN 05-135 are key standards used to prevent counterfeit, fraudulent, and suspect items from entering supply chains, particularly in aerospace and defence. AS5553 (SAE) focuses on electronic components, while DEF STAN 05-135 (UK MOD) requires a broader risk-based approach for all materials. Being an ISO9001 /AS 9100 accredited company AS5553 /DEF STAN 05-135 sits within our core process of procurement.

The products that Glenair market are, in the main (80%) from within group where full traceability back to the raw material is normal practice, and as such this issue does not arise.

Those products that are not produced within group (15%) are those associated with our business partners where we act as their primary distributors.

For other products/processes brought into the company which are an integral part of our product range, this is managed through our procurement requirements. These products are for example: wire & cable, second source for contacts, surface finishing, and flexi circuits all of which are purchased from respectable and Glenair approved sources.

All our suppliers sign up to our Quality Requirements for Suppliers, an extract from section 23 of this, and states:

As an approved supplier to Glenair we do not expect to receive any product that has originated from a suspect source. Your Purchasing controls are expected to identify all untraceable products/materials back to source with that source being an approved supplier to you.

Any bogus products/materials that have been found to be delivered to Glenair these will be Quarantined and we would assess the costs to our business and pass these on. They will be scrapped to remove the potential of others receiving them.

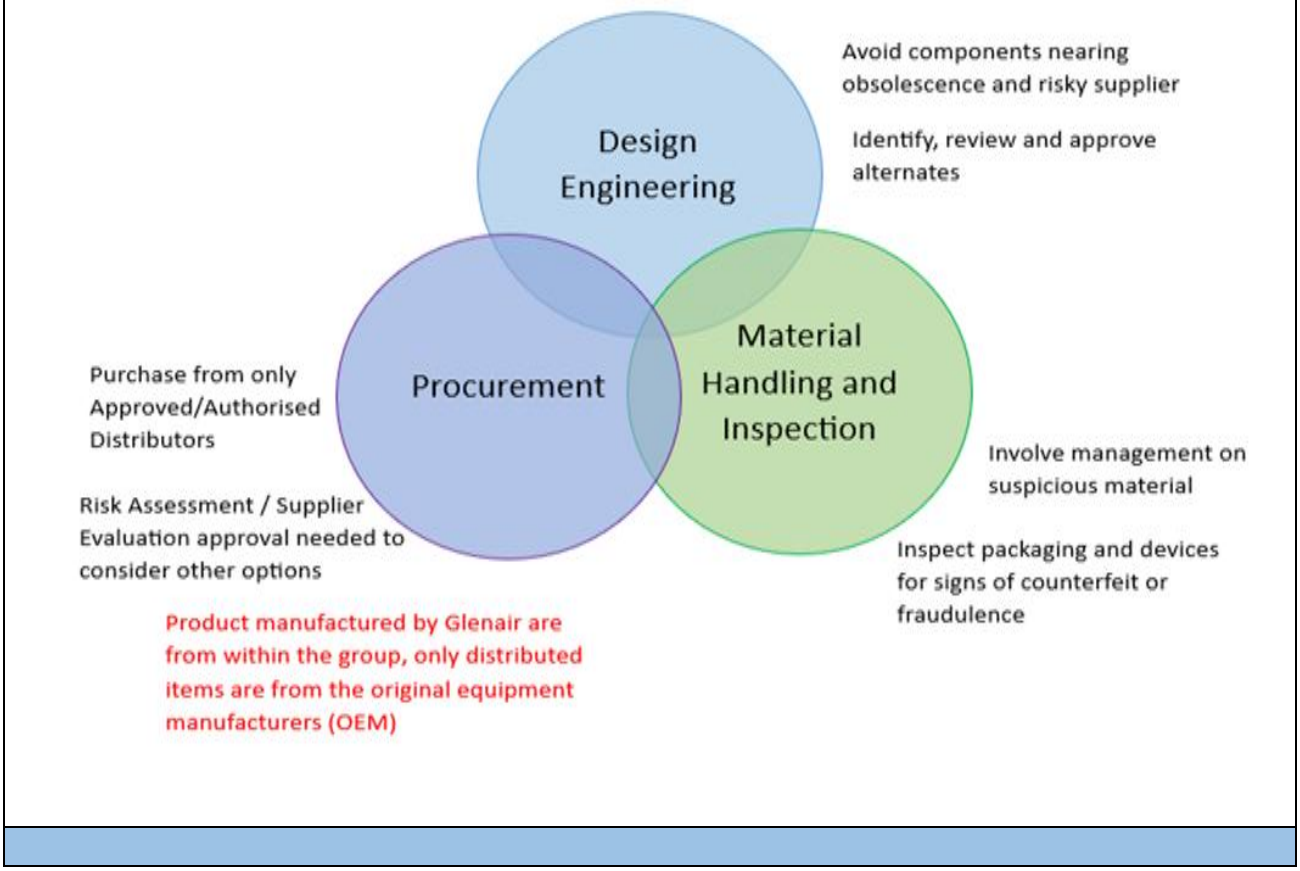
In addition your supplier status would be temporarily suspended pending the outcome as to why bogus product/materials were supplied.

If there is no satisfactory explanation then the approved supplier status would be removed. If product has been delivered to our customer then we shall have no choice but to recall the product/material and they in turn may seek remedial actions and flow down the costs which we would have to pass on.

A Counterfeit avoidance maturity model has been produced to highlight our position (Appendix A&B.)

Appendix A

Counterfeit Avoidance Model



Compliance Statement

Appendix B

Defence Standard 05-135 ISO 9001;2015 AS 9100 Rev D	Note: The maturity level highlighted is representative of the low-level risk to Glenair, from its suppliers and in turn our customers. The risk of counterfeit material being used or procured is extremely low as most products are of Glenair Design and manufacture. The shaded areas below reflect appropriate levels of understanding.			
Policy Statement				
How has Management Intent or Policy on Counterfeit Avoidance been defined?	Information has not been considered or defined.	Information has been considered, defined, and articulated at a draft level.	Information has been defined and published as a coherent document.	Evidence exists demonstrating that published information has improved over time, incorporating industry good practice.
How Management Intent or Policy is made available to customers upon request?	Information is not available.	Information is available but only when requested.	Information is freely available and easy to access (e.g. via website no request necessary).	Information is freely available, easy to access, with links to other relevant information and standards.
What controls are in place to manage the risk of counterfeit material in the supply chain?	The risk has not been recognised.	A simple risk assessment exists but it has not been clearly linked to internal or external supply chain arrangements.	Risk assessments have been used to influence internal policy only. The approach has not been fully extended to cover the whole supply chain.	Active management of the risk in the supply chain is proactively used to inform the periodic review of the supplier's policy including internal and external arrangements across the whole supply chain.
Roles and Responsibility				
How have Top Management ensured that Management Intent or Policy for the avoidance of counterfeit Material is available, communicated, understood and implemented by relevant staff at all levels?	Policy has not been articulated or communicated within the organisation at any level.	Policy has been articulated and communicated within the organisation.	Policy is understood within the organisation and is being implemented.	Policy implementation is supported by Top Management. For example, records of meetings, the appointment of a management representative, active risk management, allocation of funding to manage counterfeit, etc.
Management Representative. Has the supplier appointed a management representative, and do they have responsibility and authority within the organisation for managing the risk, reporting concerns internally and for promoting supply chain awareness?	No management representative has been appointed.	Management representative has been appointed but has yet to address the full range of responsibilities in Defence Standard 05-135, ISO or AS	Management representative is actively involved with reviewing internal arrangements to manage the risk of counterfeit material, reporting internal concerns to Top Management and working with the supply chain to raise awareness and understanding of the topic internally and externally.	Management representatives have a clear understanding of the multifunctional processes that constitute counterfeit avoidance arrangements, is aware of wider Supply Chain interactions and arrangements including performance metrics. Reports to Top Management reflecting wider Supply Chain concerns and actively participates and collaborates in supply chain activities including sharing of good practice and championing improvement.
Competence, training and awareness				
How has the supplier determined the awareness level requirements appropriate to each functional role, individual staff competence level, and how the training needs will be met?	The risk of counterfeit material has not been considered in the context of staff competence.	Basic training requirements and competence levels for specific staff related to their activities, functions and processes but have not implemented subsequent plans and actions.	Awareness levels appropriate for the organisation Requirements are reflected in a training and development plan.	Organisation has identified processes that contribute to the avoidance of counterfeit material and relevant staff within these functional areas are able to demonstrate appropriate levels of awareness and competence.

How are records of training, skills and competence maintained?	There are no records of counterfeit Material training, skills or competence.	A draft training and awareness plan is in place but has not been implemented.	General counterfeit material awareness training is accessible online. No specific records are maintained as the need for special training (due to the low level of risk)	Records related to counterfeit material training, skills and competence levels for specific staff related to their activities, functions and processes are maintained and are actively used to match the right resource to deliver the requirement.
Purchasing				
How has the supplier assessed the risk of procuring counterfeit material considering the criticality of the material in relation to performance and safety?	The risk of counterfeit material is not specifically considered within the Purchasing process.	The risk of counterfeit material assessment is based on generic commodity type with no consideration to criticality or end-use.	The risk of counterfeit material assessment is based on counterfeit incidents of counterfeit material in the supply chain.	The risk of counterfeit material assessment is influenced by final use scenarios including potential working environments and extremes. In the context of final use, the risk assessment recognises criticality of the material, and this influences sourcing and verification activity accordingly.
Where risk has been identified, how has the supplier ensured that counterfeit avoidance requirements are flowed down the supply chain?	No evidence of counterfeit avoidance requirements being flowed down the supply chain e.g. on purchase order, contracts, or instructions.	Evidence that ad-hoc counterfeit avoidance requirements are flowing down the supply chain. Activity is reactive and is not established or documented.	Evidence that a process or procedure is in place to ensure that counterfeit avoidance requirements are flowing down the supply chain in a consistent repeatable manner.	Evidence that a systematic risk-based process is established with measures to ensure that proportional counterfeit avoidance requirements are being flowed down the supply chain in a consistent repeatable manner and are verified for effectiveness.
As part of the risk-based evaluation of sub suppliers where final product integrity is considered critical in relation to performance and safety, how does the supplier trace the source of supply of the material through the supply chain to the manufacturer?	Final product integrity and criticality requirements are not considered or recognised as a supply chain risk, and no traceability mechanisms exist.	Final product integrity and criticality requirements are recorded but not in the context of supply chain risk. Traceability mechanisms take a broad-brush approach not necessarily focusing on the traceability of critical components through the supply chain.	Final product integrity and criticality requirements are controlled via a risk-based supply chain management plan. Traceability mechanisms focus on the critical components requiring authentic documentation that identifies the provenance of the material through the supply chain to the manufacturer.	Final product integrity and criticality requirements across the supply chain are managed using a systematic risk-based process. Traceability mechanisms are measurable and proportionate to the risk. All critical components requiring authentic documentation that identifies the provenance of the material through the supply chain to the manufacturer are available to the customer upon request.
Where traceability of material cannot be established; how does the supplier demonstrate that the material fulfils the acquirer's specified requirements?	Traceability problems are not recognised as an additional risk, and additional material qualification testing is not considered during the purchasing process.	Traceability is not an issue, and additional material qualification testing is sometimes considered during the purchasing process.	Traceability problems are managed via a risk-based procedure with specific material qualification test requirements defined so that they are considered and used consistently during purchasing process.	Traceability problems are managed via a systematic risk-based process. Specific material qualification test requirements are defined and integrated to the extent that requirements and expectations are clearly identified up-front and are applied consistently during the purchasing process.
Test and Verification How does the supplier determine the rigour of inspection and test requirements for the acceptance of material?	Counterfeit material is not recognised as an issue. No supply chain intelligence is available to inform a risk assessment, and no enhanced on-receipt inspection methods are available.	Counterfeit material is recognised as an issue. Personnel have received counterfeit awareness training but the rigour of enhanced acceptance checks is limited to visual inspection of material and paperwork (e.g. certificate of conformity). Enhanced methods are ad-hoc and variable.	Counterfeit material recognised as a risk determined through supply chain intelligence. On-receipt procedures make use of reference information and are tailored to address the risk level determined. Personnel are trained to use an array of appropriate enhanced and repeatable methods.	Systems and processes use an array of joined up information to determine the counterfeit risk and test or verification assessment levels based on criticality of material and supply chain intelligence. Predetermined on-receipt inspection routines and verification processes are in place. Suitably qualified and experienced personnel are deployed and use enhanced repeatable methods (including in-house or external) appropriate to risk identified.
Control of Nonconforming Material. How is suspect or confirmed counterfeit material (including associated documentation / packaging) handled?	The standard company operating procedure for control of non-conforming material is used. There are no enhancements to address the counterfeit risk.	Controls are in place to quarantine suspected counterfeit material (including documentation and packaging). Procedure does not explain next steps such as return or disposal arrangements.	Procedure explains segregation and management of suspected and confirmed counterfeit material to prevent re-entry to the supply chain. This includes the management of returns to the sub-supplier for validation or testing purposes.	Systems and processes are joined up so that suspected or confirmed counterfeit material is dealt with using secure and reliable arrangements to prevent re-entry to the supply chain. **Suspected** material that is nonconforming is thoroughly investigated in a controlled environment using appropriate tests and experts to determine if it is counterfeit. **Confirmed** counterfeit material (including evidence, documentation, packaging etc.), is clearly identified and securely segregated. Disposal arrangements are unambiguous and linked to feedback from the counterfeit

				material reporting process.
Reporting of **Counterfeit Material.** How are employees guided to report occurrences of counterfeit material?	No reporting arrangements are in place specific to counterfeit material.	Arrangements are ad-hoc and limited to internal, supplier, and customer communications and records.	Procedure explains the basic steps and reporting arrangements relevant to suspected and confirmed counterfeit material. (GIDEP) Reporting of confirmed counterfeit material meets the requirements of Defence Standard 05-135, ISO or AS	Systems and processes are joined up so that suspected or confirmed counterfeit material is reported appropriately (internally and externally). **Suspected** counterfeit material is reported internally to ensure early effective controls and appropriate actions are cascaded. **Confirmed** counterfeit material is reported internally and externally to all stakeholders and authorities including all those identified within Defence Standard 05- 135, ISO or AS
Additional Requirements for Suppliers who are **Manufacturers.** How do suppliers who are original manufacturers manage and implement measures to avoid the misrepresentation of their material by others?	Other than secure premises there are no additional arrangements in place.	Registered trademarks and designs are recorded on customs and law enforcement databases. There are no additional specific controls in place to manage the counterfeit risk within the manufacturing environment.	Based on the counterfeit risk in the marketplace, manufacturing processes including unauthorised production overruns, or subcontracted elements are strictly controlled and monitored to prevent the misappropriation of material. Controls and monitoring extend to proprietary specifications, tooling, software, components, test equipment etc. required for production. Substandard material, including any documentation and packaging, are destroyed securely in a controlled manner.	Based on the counterfeit risk in the marketplace, systematic processes and procedures are in place to manage all aspects of manufacturing and distribution. Where appropriate, measures may include the use of indelible, encrypted or covert marks on material, documentation and packaging. There are measures in place for active enforcement of trademark and design rights infringements against manufacturers and suppliers of counterfeit material.
Additionally Requirements for Obsolescence Management. Within the contract framework and counterfeit material criticality, how does a supplier address Obsolescence Management that reduce the risk of receiving counterfeit material?	Obsolescence management is addressed reactively and no linkage to counterfeit avoidance exists in the organisation. Customers are only made aware at time of placing order for additional item or repair order.	Obsolescence Management addressed and procurement decisions consider the threat of counterfeits particularly if buying from non-franchised suppliers. Customers only advised of obsolescence issue as communication of last time buy notice	Organisation proactively monitors external information sources for indications of pending obsolescence. Procurement decisions take account of counterfeit risk and increased incoming inspection tests are invoked to check component authenticity. Provides Obsolescence Management report to customers for their consideration.	A pro-active obsolescence management policy is effectively implemented throughout the organisation. Obsolescence management Preventative measures are used i.e. new design device / item selection takes device life into consideration during product design stages and is a critical element of aftermarket solutions. Original Component Manufacturer notifications are obtained on a regular basis through a variety of means. Obsolescence requirements are cascaded to sub tier suppliers as appropriate.