Counterfeit Parts Prevention Policy

1. Overarching Policy.
   It is the policy of the Harwin group of companies to conduct all business activities in compliance with the rules and regulations applicable to our industry and the laws in the countries in which the company operates. In all cases, these business activities are conducted to the highest ethical standards. Harwin’s reputation is built on the integrity of our employees and their commitment to maintaining the highest standard of business practice.

2. Counterfeit products.
   There is increased evidence that the number of counterfeit electronic components in the market is rising. Counterfeit electronic components are defined as being those that are misrepresented in their origins or quality. Although we are not aware of any specific manufacturers producing counterfeit parts and selling them on as Harwin product, we understand the potential for this situation.

3. Prevention Policy.
   There are two main ways that manufacturers can help to guard against counterfeit goods entering the supply chain. These are marking the products and packaging with identifiable data and/or logo and protecting the supply chain.

   a. Harwin finished goods are almost all too small to add meaningful identifying marks, but the packaging shows clear data and logo. However, these marks can be copied and is therefore not a secure method of protection.

   b. The company’s Counterfeit Prevention Policy is based on having a secure supply chain. This is the most effective method of preventing counterfeit components entering the industry. Harwin are a manufacturer, and the finished goods are held in the Company’s secure warehouses. Harwin are compliant with the Aviation Security Act, which restricts access to these secure, bonded, warehouses. Harwin is regularly audited on the security of these warehouses. Harwin has a network of franchised distributors who also use secure warehouses; they are also similarly audited. Finished goods are shipped between warehouses using secure reputable couriers.

4. Suppliers.
   Harwin only use audited and proven suppliers for purchases of raw materials and components – Ref: Procedure PI-08. These materials are verified on receipt and held in secure warehouses. The company maintains a quality system accredited to AS/EN 9100.

5. Batch Traceability.
   Harwin products show batch codes on the packaging. The batch code enables the original component, and any sub-component, to be traced back to their origin.
When buyers are under pressure to meet deadlines and the genuine Harwin products are not available in the lead time required, there is a temptation to search the internet for any source of supply. This gray, or parallel, market is where goods are traded outside of the manufacturers’ authorised trading channels. Buying from this gray market, although not illegal, does carry risk. This is when counterfeit products are most likely to enter the supply chain with potentially catastrophic results.

Customers for Harwin components are advised against using the gray market for sourcing components. In doing so, there is a risk to the integrity of the customer’s end product, and the reputation of their company.

7. Obsolete products.
Excess, slow moving or discontinued line items are destroyed on-site. These products are never sold on to brokers or non-franchised distributors who specialise in redundant parts. Harwin does not support this type of gray market.

8. Encountering Counterfeit Products.
In the event that Harwin discovers counterfeit materials, those materials will be quarantined and an investigation will be undertaken to discover the source. Full details of the infringement will be reported to the appropriate government trading standards agency for criminal investigation.

In the event that a Harwin customer believes they may have discovered counterfeit materials they are to quarantine the goods, contact the source from which they obtained the products, and make their concerns known. The customer is advised to report the incident to the appropriate government trading standards agency, if appropriate.

To guard against receiving counterfeit components, customers are advised to only buy direct from Harwin or from a Harwin Franchised Distributor.