

CFSI: Counterfeit, Fraudulent, and Suspect Items

Dear Valued Supplier,

At GE Vernova, we are committed to the highest standards of safety, quality, and integrity. As part of our ongoing efforts to uphold these standards—and in preparation for upcoming audit requirements—we are reinforcing our controls regarding Counterfeit, Fraudulent, and Suspect Items (CFSI).

This communication serves to formally outline our expectations and your mandatory obligations regarding the prevention and management of CFSI.

What is CFSI?

CFSI includes: - **Counterfeit:** goods intentionally manufactured or altered to imitate original products without authorization; or services intentionally misrepresented as being performed by authorized or qualified personnel. - **Fraudulent:** goods or services intentionally misrepresented to deceive, including falsified certifications, test reports, and credentials. - **Suspect:** goods or services showing unusual characteristics or inconsistencies that raise doubt regarding their authenticity.

Why This Matters

The introduction of CFSI into our supply chain poses a severe risk to operational safety, technical reliability, and regulatory compliance. Our zero-tolerance policy is essential to protect our employees, our customers, and the integrity of the critical industrial infrastructure we support.

Regulatory Basis

Compliance with these requirements is not only a contractual obligation but also aligned with global industry standards. Our requirements are established to support adherence to: - **ISO 9001:2015** — Clause 8.4: Control of externally provided processes, products, and services - **ISO 19443:2018** — Quality management systems for the nuclear supply chain - **ASME NQA-1-2022** and **CSA N299:1:19** — Nuclear facility and supply chain QA requirements - **IAEA NP-T-3.26:2019** — Managing CFSI in the Nuclear Industry

Supplier Obligations

All Suppliers are required to implement the following within their operations:

1. **Technical Requirements:** For goods described using a manufacturer part number, a product description, and/or an applicable industry standard, the Supplier shall ensure that the goods supplied meet all requirements of the latest version of the applicable manufacturer data sheet, description, and/or industry standard.

2. **Service Standards:** For services, the Supplier shall ensure that all services are performed by qualified personnel, in accordance with applicable specifications, contractual requirements, and recognized industry practices.
3. **Sourcing:** If the Supplier is not the manufacturer of the goods or the original provider of the services, the Supplier shall make all reasonable efforts to ensure that the goods supplied or services performed under the purchaser order from GE Vernova (“Order”), or used to manufacture the goods covered in the Order, are made by the Original Equipment Manufacturer (OEM) or Original Service Provider (OSP) and meet the applicable manufacturer data sheet or industry standard. Should the Supplier wish to supply or use goods or services that may not meet the requirements of this paragraph, the Supplier shall notify GE Vernova of any exceptions and obtain GE Vernova’s written approval prior to service performance, shipment, or use of the replacement goods.
4. **Disposition:** If CFSI are furnished under the Order or are found in any of the deliverables hereunder, such items will be dispositioned by GE Vernova and may be returned to the Supplier or rejected. The Supplier shall promptly replace/reperform such CFSI with goods or services acceptable to GE Vernova and shall be liable for all costs.
5. **Quality Systems:** These provisions supplement the Terms of Purchase applicable to the Order and shall apply to all goods and/or services, including any deliverables and required documentation, provided to GE Vernova under the applicable Order.
6. **Authenticity & Sourcing:** Provide genuine, traceable items, prioritizing procurement from OEMs/OSPs.
7. **Documented Controls:** Maintain a quality management system that explicitly addresses the prevention, detection, and disposition of CFSI.
8. **Reporting:** Treat any suspected or confirmed CFSI as a nonconformity and notify GE Vernova immediately.
9. **Remediation:** In the event of a CFSI identification, the supplier shall be liable for the replacement of goods, re-performance of services, and all associated remediation costs.
10. **Prevention and Flow-Down:** The Supplier shall implement a documented process for the prevention, detection, and disposition of CFSI within its quality assurance program. If any CFSI are detected, the Supplier shall manage them as nonconformities and immediately notify GE Vernova and, where applicable, other relevant parties such as regulatory or governmental agencies. The Supplier shall flow down these requirements to sub-tier suppliers and monitor their compliance.
11. **Exception Management:** Any deviation requires prior written approval from GE Vernova.

We thank you for your continued partnership and your commitment to excellence in safety and quality. Should you have any questions, please contact your respective Sourcing or Quality representative.