



## **Pickering Group Counterfeit Parts Prevention Programme (CPPP) Processes:**

### **1.0 Forward:**

In the context of this document “EEE” (Electrical, Electronic and Electromechanical) parts relates to Original Component Manufacturers (OCM’s), including those used by Sub-Contract Manufacturers, suppliers of subassemblies and Original Equipment Manufacturers (OEM’s).

### **2.0 Training:**

2.1 Employees who manage programs, projects, procure, conduct quality assurance, inspect EEE, receive EEE, manufacture and (re) design receive induction training as appropriate to their function, in the awareness, avoidance, detection, mitigation and disposition of suspect/fraudulent/counterfeit EEE parts.

2.2 Relevant employees receive annual refresher training.

2.3 As part of our AEO certification, all employees receive “AEO induction” and annual “AEO refresher” training with respect to maintaining a safe and secure supply chain. This includes but not limited to awareness of suspicious behaviour, suspect packaging and unsolicited offers of materials etc.

### **3.0 Continuous Improvement:**

3.1 The CPPP is periodically reviewed and updated as required :-

- To accommodate changes for how counterfeit EEE parts are reported
- Changes to Defence Federal Acquisition Regulation 252.246-7007 “Contractor Counterfeit Electronic Part Detection and Avoidance System.”
- Changes to Defence Federal Acquisition Regulation 252.246-7008 “Sources Of Electronic Parts”
- Changes to relevant to detection / test / mitigation methods, (annex A)
- To accommodate recommendations from internal audits

### **4.0 Purchasing, Information & Availability of EEE Parts:**

4.1 All EEE parts shall be authentic / originally designed and procured.

4.2 The following purchasing hierarchy is adopted :-

- Direct procurement from OEMS / OCM's as appropriate
- Procurement from the manufacturers authorised/franchised distributors
- Procurement from non-franchised distributors provided they are certified to AS6081 / AS6081A / AS6171.
- Procurement from non-franchised distributors but components are traceable to OCM's.
- Procurement from non-franchised distributors that are not traceable or certified to AS6081 / AS6081A / AS6171, Pickering will notify its relevant sales office and seek approval from the customer.

4.3 Pickering Group shall maintain an active list of approved suppliers for authorized franchised suppliers, OCM’s, accredited independent distributors and OEMs.



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4.4 A supplier is approved if it meets the requirements of a documented risk assessment, criteria and risk mitigation plan, other than from an OCM or authorized supplier.

4.5 Approved suppliers, other than an OEM, OCM or authorised supplier (Franchised Distributors, Authorized Distributors) are periodically risk assessed against documented criteria to determine the probability they could procure counterfeit EEE parts.

4.5.1 Pickering evaluates the need to carry out a risk assessment at purchase for the risk of counterfeit materials. This is achieved through maintaining an approved supplier list and reviewing the source of the parts, assessing the reliability of the supplier, and ensuring that the part is coming from an authorized distributor or trusted supply chain. In the event that the part is procured from a non-franchised distributor or from a non-trusted supply chain partner, a more stringent risk assessment shall be undertaken.

4.5.2 During the “onboarding” of new suppliers, (other than from an OCM or authorized supplier) Pickering shall carry out a risk assessment on suppliers that are not certified to AS6081 / AS6081A / AS6171. Pickering shall assess the supplier’s credibility, legitimacy, reliability, reputation and track record including past performance and any reports of counterfeit parts or poor-quality products.

4.6 Pickering specifies the flow down requirements of AS5553 to applicable sub-contractors.

4.7 Obsolescence increases the risk of acquiring fraudulent/counterfeit EEE parts. To mitigate Pickering proactively manages the life cycle of its products by continually reviewing its supply chain to check for planned obsolescence with all EEE suppliers.

4.8 In the event obsolescence affects our ability to continue to supply products, Pickering will update its website site as soon as possible to offer a last time and where possible an alternative.

## **5.0 Verification & Investigation Of EEE Parts:**

5.1 Periodic inspections / tests are carried out as required and according to risk to detect and verify suspect counterfeit EEE parts in accordance with industry standards, (annex A).

5.2 In the event counterfeit EEE parts being detected, a risk assessment is carried out to assessed human safety, product safety, reliability and customer ensued costs.

5.3 Commensurate corrective action is determined to resolve the issue.

5.4 Where appropriate containment action is taken for example, removing a supplier from our approval list, segregating / quarantining component bulk stock, issued component stock and WIP.

## **6.0 Traceability & Control of EEE Parts:**

6.1 Unique lot numbers are assigned upon receipt and are tracked through manufacturing works orders and sales orders.

6.2 An incoming goods inspection is carried out as required from “critical” suppliers.

6.3 Suspect EEE parts are segregated / quarantined and our MRP is updated accordingly.



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## **7.0 Reporting:**

7.1 Customers shall inform Pickering if they have detected counterfeit product.

7.2 Pickering is willing to accept the return of product proven to contain counterfeit EEE parts via our RMA (Return Material Authorisation) process.

7.3 Pickering shall ensure all EEE receipts are immediately segregated / quarantined to ensure there is no possibility they can re-enter the supply chain.

7.4 Our suppliers shall be notified using our SRN ("Supplier Return Notification") process if counterfeit EEE parts are detected.

7.5 Pickering shall not return suspect EEE parts to its suppliers unless absolutely necessary. On these occasions the EEE parts shall be permanently marked to ensure it cannot be re-used.

7.6 Suppliers shall notify Pickering immediately if they are not supplying EEE parts from an authorized source or proven to be counterfeit. If this occurs Pickering shall notify from its relevant sales office who in turn will notify their customer.

7.7 Pickering shall notify its appropriate authority having jurisdiction to conduct an independent criminal, civil and administrative investigation.

7.8 The appropriate authority used will depend upon where the counterfeit EEE parts were detected as we manufacture in the United Kingdom and Czech Republic. For all US sales GIDEP will be notified.

7.9 The US office shall review GIDEP alerts to help avoid the purchase and use of counterfeit parts then notify the relevant Pickering manufacturer who in turn shall notify its supplier(s).

## **8.0 Auditing:**

8.1 Pickering's Quality Management System is certified to ISO9001: therefore, periodic internal audits are conducted.

8.2 Pickering's planned audits schedule checks CPPP compliance, make sure relevant regulations and detection / test / mitigation methods are to the latest issue and any resultant changes are realised.

8.3 Periodic external audits of supplier's are carried out to check the effectiveness of their Quality Management System with respect to protecting Pickering from receiving counterfeit EEE parts.

8.4 External audit scope will range from a supplier completing a survey assessment to Pickering visiting their facility.

8.5 The external audit scope and frequency is commensurate with the assessed risk.



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**Annex A:**

**AS5553: “Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition”**

**AS6171: “Test Methods Standard; General Requirements, Suspect/Counterfeit, Electrical, Electronic and Electromechanical Parts”**

**AS6081: “ Counterfeit Electronic Parts”**

**CCAP-101: Certified Counterfeit Components Avoidance Program**

**IPC-A-600: Acceptability Of Printed Boards**

**IPC-A-610: Acceptability Of Electronic Assemblies**