

FLO09/02	LOWEST RISK (Lower risk as you move ↑)
TRACEABLE – Manufacturer	
A company that designs and/or engineers a part and has the intellectual property rights to that part. Commonly referred to as Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM).	
TRACEABLE – Authorised/franchised distributor	
A supplier that has a contractual agreement with the manufacturer (distribution region, products or lines, warranty terms, etc.) and can provide new and original parts. Franchised distribution is considered synonymous with Authorised distribution.	
Note that some Authorised Distributors will provide other services that may not be authorised by an OCM. <u>Purchasing must ensure that the supplier is authorised for each manufacturer before placing an order.</u>	
Examples to evidence that a supplier is authorised may include, but are not limited to:	
<ul style="list-style-type: none"> • Link from manufacturer’s website stating that supplier is an authorised reseller, distributor or franchise. • Valid (not expired) letter or agreement from manufacturer stating that supplier is an authorised reseller, distributor or franchise. 	
TRACEABLE – Electronic component services (test house, tape & reeling, etc.)	
Companies that provide services that affect, improve or change the product (i.e. component testing, programming, re-balling, packaging, tape & reeling, etc.) but <u>cannot supply electronic products</u> .	
Minimum requirements: certified quality system to ISO 9001 or equivalent with relevant scope of supply, else to be approved by Quality.	
<i>Note: a Broker (commonly referred to as Independent Distributor) is a distributor that purchases parts with the intention to sell and re-distribute them back into the market. Purchases may be obtained from Original Equipment Manufacturers (OEMs), or from Contract Manufacturers (typically from excess inventories), or from authorised distributors, or from other brokers. Brokers do not normally have contractual agreements with OCMs.</i>	
TRUSTED – Independent & Authorised Distributor	
Suppliers that are authorised to distribute certain lines or manufacturers but also buy and sell components for which they are not an authorised supplier.	
TRUSTED - Agent	
Any independent distributor or freight forwarder buying direct from a franchised source or a manufacturer.	
Any supplier that can show a documented link with a Traceable – Authorised/Franchised distributor or Traceable - Manufacturer may be categorised as a Trusted – Agent without the need for the initial 10 purchase orders within a 12 month period. Known manufacturer links should be highlighted in the scope of supply.	
TRUSTED - Broker	
In order for a Trusted – Broker Increased Inspection supplier to become a Trusted - Broker at least 5 purchase orders must be completed since being upgraded or downgraded without any quality issues within the last 12 months.	
TRUSTED – Broker Increased Inspection	
Any Trusted – Broker with quality related RMAs within the last 12 months will be downgraded to Trusted – Broker Increased inspection.	
In order to upgrade from Prior Approval – Broker to Trusted – Broker Increased Inspection a supplier must have 10 completed purchase orders within a 12 month period without any quality related RMAs.	
PRIOR APPROVAL – Broker	
Any supplier that does not qualify as Trusted. E.g. A new vendor with less than 10 POs in the last 12 months, or quality related RMA’s within the last 12 months.	
PRIOR APPROVAL (Excess) – CRITICAL CUSTOMER	
Excess stock components purchased from Critical Customer will be identified as PRIOR APPROVAL	
PRIOR APPROVAL - BLACKLISTED	
Any supplier that has supplied confirmed counterfeit or reported on ERAI for supply of confirmed counterfeit.	
Authorisation from Board Directors must be obtained prior to submitting a Blacklisted Supplier Approval Form to be authorised by the Quality department.	
HIGHEST RISK (Higher risk as you move ↓)	



There may be occasions where **full traceability** can be achieved through suppliers other than Traceable vendors.

Documentation of all supply chain intermediaries is required and should be obtained in order to trace the product back to source.

Note that when obtaining traceable product through these channels the buyer assumes **high levels of risks** compared to a traceable source: components not handled, packaged or shipped according to JEDEC standards, possible remarked or refurbished parts, falsified documentation, etc.

In these circumstances **the buyer assumes unknown levels of risk regarding product authenticity** and should consider taking appropriate mitigation actions (e.g. testing parts).