

SQP-SO-74-0004 – Supplier Quality Requirement

Appendix E – Supplier Escalation Procedure

Rev No: F

Issue Date: 11-Feb-2025

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1 SCOPE AND PURPOSE

This process is applicable if the Supplier fails to meet Strata Minimum Expectation of Grade "B" according to **SQP-SO-74-0004 Appendix A** for consecutive three months / three deliveries.

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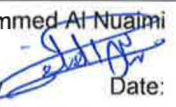
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3 LIST OF CHANGES

| Rev. | Issue Date | Page | Report |
|------|-------------|---------|--|
| A | 10-Nov-2015 | All | Initial release |
| B | 01-May-2018 | All | Updated entire document |
| C | 09-Dec-2018 | All | CAPA escalation process defined and Escalation stages redefined |
| D | 10-Jan-2019 | 2, 3, 4 | Removed reference to SQF-SO-74-0016 and correction of IP lead times |
| E | 01-Apr-2019 | All | Escalation stages revised and timelines clarified |
| F | 11-Feb-2025 | 2 & 3 | Section 6 updated to include reference to the Scorecard solution on Supplier Portal. |

4 INPUTS

Supplier Monthly Performance Rating

| | |
|--|---|
| Prepared by: John Paul  | Checked by: Marcin Lesicki  |
| Department: Supplier Quality Date: 11/2/25 | Department: Quality Date: 11.02.2025 |
| Checked by: Varunkumar Patel  | Approved by: Mohammed Al Nuaimi  |
| Department: Supply Chain Date: 11/2/25 | Department: Quality Date: 18/2/2025 |

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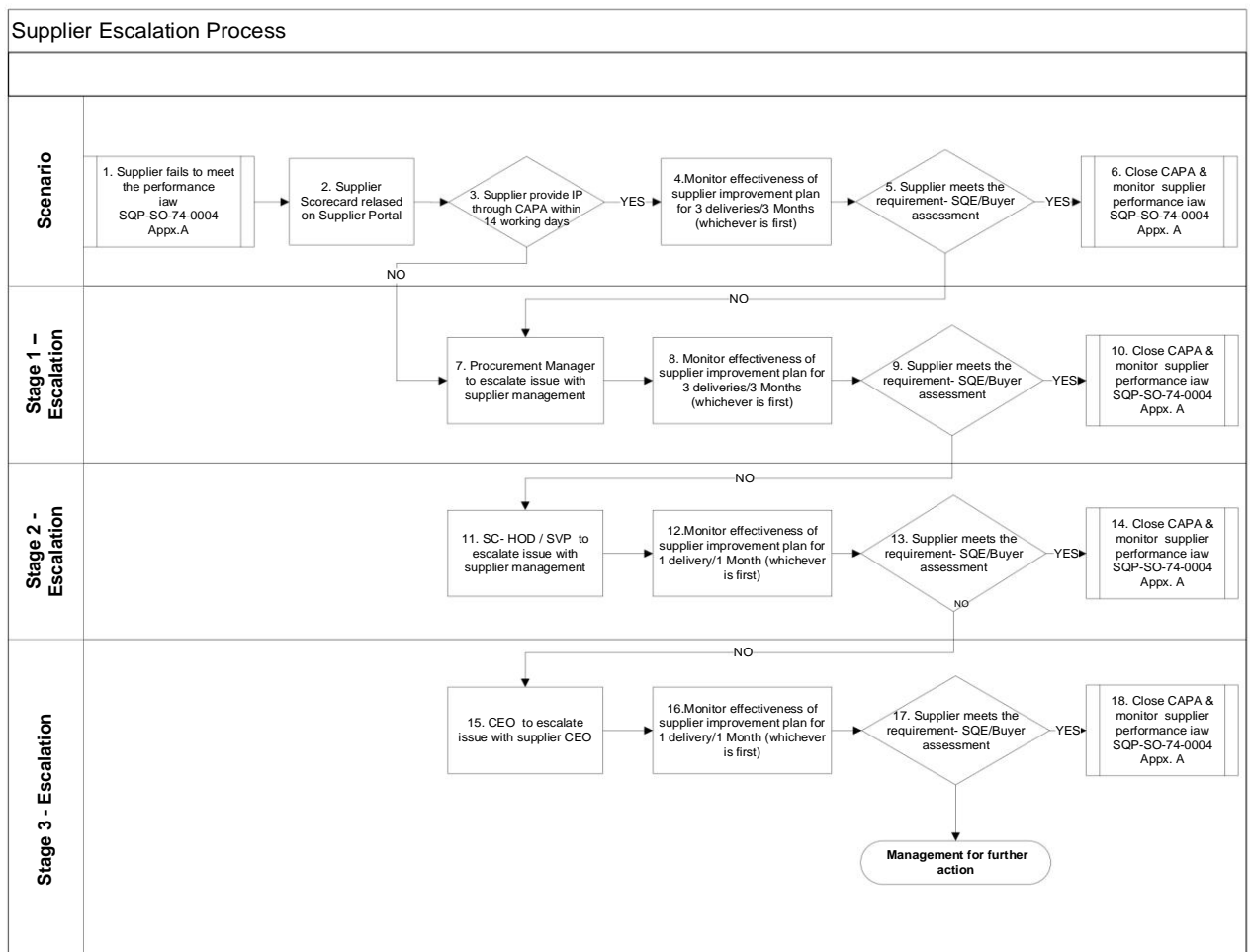
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5 DEFINITION / ABBREVIATIONS

| | |
|------|---|
| 8D | 8 Discipline |
| CAPA | Corrective Action and Preventative Action |
| HOD | Head Of Department |
| IP | Improvement Plan |
| OEM | Original Equipment Manufacturer |
| SC | Supply Chain |
| SQA | Supplier Quality Assurance |
| SVP | Senior Vice President |

6 PROCESS ACTIVITIES AND DETAILS

6.1 PROCESS FLOW CHART



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6.2 PROCESS STEPS

Below steps are followed.

6.2.1 Scenario

1. In case the Supplier fails to meet the performance in accordance with SQP-SO-74-0004 the relevant communication shall be published to the Supplier via Scorecard available on Supplier Portal. CAPA to improve / resolve the gaps / issues identified shall also be requested from Supplier by relevant Buyer or Supplier Quality Engineer.
2. Supplier shall provide the below Improvement Plan (IP) to:
 - Buyer for Recovery plan, LOB for delivery issues
 - SQA for 8D related Quality issues
 within 14 working days. Failure to meet this requirement shall result in Escalation to the Stage 1.
3. Internal stakeholders (Procurement / SQA) will review the Supplier IP. Effectiveness of the IP will be monitored for three consecutive deliveries / months, whichever comes first.
4. If the IP is effective then the identified gap / issue shall be closed and supplier shall be monitored further in accordance with SQP-SO-74-0004 Appendix A. If the supplier does not meet the requirements in scenario defined, the issue will be escalated to **Stage 1**.

6.2.2 Stage 1

5. The **Strata Procurement Manager** shall escalate the issue to the **Supplier Management**, to ensure the supplier commitment to resolve the gaps/ Issue.
6. Monitor effectiveness of supplier IP for 3 deliveries / 3 months (whichever is first) after **Stage 1** escalation.
7. If the Supplier response/action to Strata Escalation is effective then the issues / gaps will be closed and supplier will be monitored in accordance with SQP-SO-74-0004 Appendix A. If the supplier does not meet the requirements in **Stage 1**, the issue will be escalated to **Stage 2**. In addition Strata may enforce the below;
 - a) Increased containment activities (i.e. 100% or 3rd party sorting)
 - b) Supplier visits and onsite audits
 - c) Weekly and/or daily phone conversations to resolve issues
 - d) Monthly follow-up and reporting activity.

6.2.3 Stage 2

8. The **Strata SC HOD/SVP** shall escalate the issue to the **Supplier Senior Management (CEO/Managing Director)**, to ensure the supplier commitment to resolve the gaps/ Issue.
9. Monitor effectiveness of supplier IP for 1 delivery / 1 month (whichever is first) after **Stage 2** escalation.
10. If the Supplier response/action to Strata Escalation Letter is effective then the issues / gaps will be closed and supplier will be monitored in accordance with SQP-SO-74-0004 Appendix A. If the supplier does not meet the requirements in **Stage 2**, the issue will be escalated to **Stage 3**. In addition Strata may enforce the below;
 - a) Re-evaluation of the Supplier / Scope of work.
 - b) Put current business on hold
 - c) Block the Supplier in accordance with SQF-SO-74-0020
 - d) Escalate to OEM (Ex: - Airbus, Boeing etc.).

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6.2.4 Stage 3

11. The **Strata CEO** shall escalate the issue to the **Supplier Senior Management (CEO)**, to ensure the supplier commitment to resolve the gaps/ Issue.
12. Monitor effectiveness of supplier IP for 1 delivery / 1 month (whichever is first) after **Stage 3** escalation.
13. If the Supplier response/action to Strata Escalation Letter is effective then the issues / gaps will be closed and supplier will be monitored in accordance with SQP-SO-74-0004 Appendix A. In case the issue is not resolved Strata Management may reinforce any of the below actions on the Supplier;
 - e) Re-evaluation of the Supplier / Scope of work.
 - f) Put current business on hold
 - g) Block the Supplier in accordance with SQF-SO-74-0020
 - h) Escalate to OEM (Ex: - Airbus, Boeing etc.)

7 RELATED DOCUMENTS

SQP-SO-74-0004 Appendix A – Supplier Rating and Monitoring System
SQF-SO-74-0020 STRATA Supplier Removal Document