



### Appendix 3: CEBI Escalation process rules

Code:	QUAL-APP-003
Version:	2.0
Date of version:	05/03/2024
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Language:	English
Applied to:	CEBI Group
Publish date:	06/03/2024
Files Stored on:	<a href="#">Quality   CEBI</a>

## Change history

Date	Version	Released by	Description of change
07/08/2023	1.0	Smaïn BOUCETTA	Document Creation
05/03/2024	2.0	Omaïma Naïme	Escalation process level detail+ detail in the required field in escalation table +specification to when we can use the action CSL.

## Escalation process

Definition: The CEBI escalation process is a structured series of steps designed to handle and resolve issues that need action beyond the initial level of responsibility. In simpler terms, it is a way to deal with more problems that are serious by involving higher levels of authority or expertise.

There are **2 types** of escalation process.

### **1. Escalation Process for relevant Quality and/or Logistic Issues:**

Level 1: When a supplier claim involves significant issues, such as defective parts within the supply chain, CEBI should intervene immediately.

Level 2: If the issue cannot be resolved at Level 1, it will be escalated to the Purchasing Manager to ensure appropriate measures are taken and coordination with the supplier.

Level 3: If the issue remains unresolved, it will be further escalated to the Management/Group level, potentially involving more serious actions like recalls. Additionally, if customers are affected, the issue should be communicated to them.

				Escalation levels		
				ES1 Escalation Level 1	ES2 Escalation Level 2	ES3 Escalation Level 3
Escalation process levels	<ul style="list-style-type: none"> <li>- Repeated occurrence of quality failures and/or delivery or response issues.</li> <li>- The 8D report is submitted with a delay of five workdays (refer to the 8D management in the Supplier manual) And Lack of analysis for the closure.</li> </ul>	<ul style="list-style-type: none"> <li>- Repeated occurrence of quality failures and/or delivery or response issues.</li> <li>- No improvement plan or submission of improvement plan to CEBI Group.</li> </ul>	<ul style="list-style-type: none"> <li>- Repeated occurrence of quality failures and/or delivery or response issues, impact able to stop production lines at CEBI or CEBI customers.</li> </ul>			
Required	Problem report	Periodical conference call or Physical meeting, audit (second or third party)	Physical meeting, Support/change of supplier (if applicable)			
Responsible at CEBI	Quality and/or Logistic department	Quality and/or Logistic department & Purchasing department	Management/Corporate & Purchasing Manager			
Responsible at the supplier	Quality and/or Logistic department	Quality and/or Logistic department	Sales Manager & Quality Manager & Supplier management			
Action	<ul style="list-style-type: none"> <li>- 100%-Check / Rework of the stock at CEBI</li> <li>- 100%-Check and identification mark of the subsequent deliveries.</li> <li>- 8D-ReportS</li> <li>- Others on request</li> </ul>	<ul style="list-style-type: none"> <li>- Process Audit based on VDA 6.3</li> <li>- Processing identified actions</li> <li>- CSL-Method</li> <li>- New business on hold</li> <li>- Others on request</li> </ul>	<ul style="list-style-type: none"> <li>- Change of supplier</li> <li>- Embed OEM with the support of CEBI.</li> <li>- Others on request</li> </ul>			

## 2. Escalation Process for decreased Supplier Performance Rating:

Level 1: For regular performance assessments, CEBI should periodically review supplier performance data, such as on-time delivery and quality scores. If supplier performance issues are confirmed, CEBI should communicate with the supplier, ensuring they understand the issues and encouraging them to take improvement measures.

Level 2: If supplier performance issues persist, the issue will be escalated to the Purchasing Manager to assess supplier suitability and consider adjustments to the collaboration. If the issue remains unresolved at Level 3, it will be escalated to the Management/Group level, where further considerations about terminating the partnership or implementing stricter measures will be made.

	ES1 Escalation Level 1	ES2 Escalation Level 2
Escalation process levels	<p>C Class during 3 consecutive months :</p> <ul style="list-style-type: none"> <li>- Suppliers who remain in C class for three consecutive months and actively cooperate with CEBI Group's improvement suggestions, submitting improvement plan reports on time each month, can be elevated from C class to B class.</li> </ul>	<ul style="list-style-type: none"> <li>- No improvement plan/response after audit, inability to perform audit, or lack of willingness to cooperate with CEBI. Supplier will be suspended for a period of 60 days.</li> <li>- The supplier can only resume participation in CEBI product projects after undergoing a re-evaluation, achieving at least a B Class rating, and clearly expressing a willingness to cooperate with CEBI.</li> </ul>
Required	Periodical conference call or Physical meeting, audit (second or third party)	Physical meeting, Support/change of supplier (if applicable)
Responsible at CEBI	Quality department & Purchasing department	Management / Corporate & Purchasing Manager
Responsible at the supplier	Quality Manager	Sales Manager & Quality Manager & Supplier management
Action	<ul style="list-style-type: none"> <li>- Process Audit based on VDA 6.3</li> <li>- Processing identified actions</li> <li>- CSL-Method (In case of non-conformity)</li> <li>- New business on hold</li> <li>- Others on request</li> </ul>	<ul style="list-style-type: none"> <li>- Change of supplier</li> <li>- Embed OEM with the support of CEBI</li> <li>- Others on request</li> </ul>