

Supplier Escalation Process & Policy Document

Overview

Introduction

At Freeway Medical, we value strong relationships with our suppliers and are committed to resolving any issues promptly and professionally. Our Supplier Escalation Process and Policy is designed to ensure that any issues relating to performance, quality, delivery, or communication with suppliers are addressed effectively. This process provides a clear framework for escalating concerns, ensuring accountability and prompt resolution.



Providing exceptional service and addressing Supplier issues promptly and effectively

Scope:

This policy applies to all suppliers, subcontractors, and service providers involved in the supply of raw materials, components, or services to Freeway Medical. It outlines the steps that will be taken when issues arise, including missed deadlines, quality concerns, or contract discrepancies.

Objectives:

The key objectives of this process are to:

- Ensure any issues with suppliers are identified early and addressed.
- Promote open and transparent communication between Freeway Medical and its suppliers.
- Minimise operational disruptions caused by supplier-related issues.
- Provide a clear escalation path for unresolved issues.

Escalation Triggers:

Escalation may be initiated when any of the following occur:

- Consistent failure to meet delivery schedules.
- Recurring issues with the quality of materials or services.
- Non-compliance with agreed contractual terms.
- Unresolved invoice or payment disputes.
- Lack of communication or response from the supplier.

Escalation Process

Escalation Levels:

The escalation process involves multiple levels depending on the severity of the issue and the supplier's response to initial attempts to resolve the problem.

•Level 1: Informal Resolution (Operational Level):

When an issue arises, the first step is direct communication between the relevant Freeway Medical team member (e.g., Procurement Manager) and the supplier's representative. This step focuses on resolving the problem informally through discussion and mutual agreement. The details of the issue and resolution attempt are documented.

•Level 2: Formal Escalation (Management Level):

If the issue is not resolved at the operational level or recurs, it is escalated to a formal level. A written notice is sent to the supplier, detailing the issue and the necessary corrective actions. This communication is directed to the supplier's management or account lead. A response timeline is provided, and Freeway Medical expects a formal action plan from the supplier.

•Level 3: Executive Review (Senior Management Level):

If the issue remains unresolved, it is escalated to Freeway Medical's senior management, who will engage with the supplier's senior leadership. At this stage, the discussion may involve potential contractual reviews, penalties, or termination of the agreement if the supplier fails to meet the required standards or corrective actions.

Supplier Performance Reviews:

Freeway Medical conducts regular supplier performance reviews, assessing areas such as delivery timelines, product quality, pricing, and responsiveness. Any underperforming suppliers are highlighted, and corrective action plans are discussed. Suppliers with consistent issues may be flagged for further review and potential escalation.

Corrective Actions:

Once an issue has been escalated, the supplier is required to develop and implement a corrective action plan. This plan must include:

- Root cause analysis of the issue.
- Specific actions to resolve the problem.
- Timelines for implementation.
- Monitoring and reporting processes to prevent recurrence.

Dispute Resolution:

Where a dispute cannot be resolved through the escalation process, Freeway Medical may consider the involvement of third-party mediators or legal counsel, depending on the nature of the dispute and the terms of the supplier contract.

Termination of Supplier Relationship:

In cases where a supplier consistently fails to meet contractual obligations or implement corrective actions, Freeway Medical reserves the right to terminate the relationship. This will be done in accordance with the terms of the supplier contract, with appropriate notice given.

Communication and Documentation:

All communications related to the escalation process will be documented and stored for future reference. This includes emails, formal letters, meeting minutes, and corrective action plans. Suppliers are expected to communicate promptly and openly throughout the escalation process.

Continuous Improvement:

Freeway Medical is committed to continuous improvement and encourages suppliers to participate in feedback sessions to identify areas for mutual development. The goal is to strengthen partnerships and ensure long-term success for both parties.

Contact Information

For any questions or concerns regarding the supplier escalation process, please contact Customer Services at 01635 866 717.

Approval and Acknowledgment

This Escalation Process Document has been approved by the management of Freeway Medical - Chromis UK. All employees and customers are required to acknowledge their understanding and compliance with this process.

Signed on behalf of Chromis UK Ltd.



Date: 4th September 2024