QUALITY OBJECTIVES & KEY PERFORMANCE INDICATORS

Quality Procedure

Al Khobar Stockist Warehouse & Distribution Facility

DTE-QMS-KPI-02 | Revision 00 | Effective 01 January 2026

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Document Title	Quality Objectives & Key Performance Indicators	Effective Date	01 January 2026
Issued By	HSE & Compliance Function	Approved By	General Manager
Applicable To	Al Khobar Warehouse & Distribution Facility	Classification	Internal / Controlled

Quality Objectives & Key Performance Indicators

Diode Management establishes measurable quality objectives annually to drive continual improvement across the stockist and distribution operation, consistent with the plan-monitor-review approach reflected in internationally recognized quality management frameworks such as ISO 9001. Objectives are reviewed at Management Review meetings, and performance against each KPI is recorded and tracked over time using the Quality KPI Log maintained by the HSE & Compliance function.

Quality Objectives & Targets

KPI	Target	Review Frequency
On-Time Delivery (order dispatched within agreed lead time)	**≥ 95%**	Monthly
Order Accuracy (correct product, quantity, documentation)	**≥ 98%**	Monthly
Incoming Inspection Pass Rate (goods accepted without nonconformance)	**≥ 97%**	Monthly
Customer Complaint Rate (complaints per 100 orders dispatched)	**≤ 1.5**	Monthly
Customer Complaint Closure Time	**≤ 10 working days**	Per complaint
Approved Supplier Non-Conformance Rate	**≤ 3%**	Quarterly
Corrective Action Closure on Time	**≥ 90%**	Quarterly
Stock Inventory Accuracy (cycle count variance)	**≥ 98%**	Quarterly
Internal Audit / Self-Assessment Completion	**100% of planned audits**	Annual
Management Review Completion	**At least once per year**	Annual

How Targets Were Set

Targets are set to reflect a realistic first-year baseline for a stockist and distribution operation of Diode's size, informed by common industry benchmarks for order accuracy and on-time delivery in B2B distribution, and are intended to be tightened in subsequent annual cycles as performance data accumulates and processes mature.

Monitoring & Review

Actual performance against each KPI is captured in the Quality KPI Log at the stated review frequency. Where performance falls below target, the deviation is reviewed by Management, a root cause is identified, and corrective action is raised under the Corrective Action & Control of Nonconforming Product Procedure. Trends are reported at Management Review and used to inform the following year's objectives.

Escalation

A KPI that misses target for two consecutive review periods is escalated to a documented Management Review discussion outside the standard cycle, with a defined improvement plan and re-baseline date agreed and recorded.

Legal & Regulatory References

This procedure has been developed with regard to the following legal, regulatory, and industry reference points applicable to Diode's operations in the Kingdom of Saudi Arabia. Diode does not represent certification against any external standard referenced below unless separately stated; references are used to inform internal practice.

Reference	Relevance
ISO 9001 (Quality Management Systems)	Reference framework for objective-setting, monitoring, and continual improvement applied to these KPIs.

Records Retained

The following records evidence the operation of this procedure and are retained for a minimum of five (5) years unless a longer period is required by contract or law, and are made available to customers, principals, and appointed auditors upon reasonable request:

- Quality KPI Log
- Management Review minutes referencing KPI performance
- Improvement plans for escalated KPIs

Related Documents

- DTE-QMS-POL-01 Quality Policy Statement
- DTE-QMS-PRO-09 Corrective Action & Control of Nonconforming Product Procedure

AUTHORIZATION

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