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## 1 INTRODUCTION

Alde International Systems AB (ALDE) conducts development, efficient production and global sales of premium Heating systems for mobile living and recreation with the goal of generating profitable and sustainable growth.

ALDE's guidelines and requirements are based on:

- Customers specific requirements
- The latest version of ISO 9001, IATF 16949 and ISO 14001

These requirements and guidelines are integrated with and apply to ALDE's orders and enquiries. However, this document does not reduce or replace the specific requirements agreed upon for the product. It is an addition for our suppliers, to present and make our expectations understood.

The Supplier Manual is not to be seen as a **full** and complete description of guidelines and requirements, but as an indication of the lowest level Alde requires from the Suppliers.

The document terms and general regulatory framework underpinning ALDE's dealings with suppliers and for individual orders must be interpreted in accordance with Incoterms 2010 (international rules for interpretation of trade terms), issued by the international Chamber of Commerce. For questions not regulated in this manual, please refer to Orgalime S 2012.

### 1.1 Requirements

The purpose of this document is to outline ALDE's requirements to the supplier as our business partner, regarding deliveries of products, material and services.

The supplier is responsible for keeping up to date with the correct release of this document. The latest version is available for download at <https://en.alde.se/supplier-information/> The recent changes made in this document are shaded in gray.

ALDE hereby requires the SUPPLIER to:

- Deliver the ordered quantity of product with no quality issues by the requested date.
- ALDE requires SUPPLIER to adhere to the requirements listed in ALDE:s Code of Conduct document that is published on the website <https://en.alde.se/supplier-information/>
- Have a documented quality system of at least ISO 9001.
- Manufacturing suppliers of production materials that are certified according to ISO 14001 is preferred.
- If the supplier's certificate (ISO 9001, ISO14001) becomes invalid, ALDE must be notified immediately.
- Comply with Customer-specific requirements sent by mail (Specifications, drawings, test specifications or similar).
- Comply with all applicable laws and regulations.
- All items shall, when applicable, comply with RoHS, Reach and POPs and certificate of compliance is to be provided free of charge when requested.
- When applicable, a DoC (Declaration of Conformity) is to be provided free of charge.
- Immediately notify ALDE when delivery and/or quality issues arise.
- Delivery, forecast or deviations must be communicated in writing, preferably by e-mail to "[purchase@alde.se](mailto:purchase@alde.se)".

## 1.2 Contingency plan

Suppliers must have a contingency plan for potential catastrophes disrupting product flow to ALDE and advise ALDE at the earliest in the event of an actual disaster. In a catastrophe, suppliers shall provide ALDE access to all tools, machines, equipment and/or material that ALDE has fully paid and that the parties have agreed on, are fully owned by ALDE.

## 1.3 Alde property/Tooling and test equipment.

The Supplier shall be responsible for ensuring that all test equipment and tools owned by Alde are marked in such a way that it clearly shows it is Alde property.

Equipment and tools shall be handled and maintained in such a way that damages and production stoppages do not occur. The cost of normal maintenance for this equipment shall be met by the Supplier. Any problems with Alde's test equipment and tools (and the action taken by the Supplier to rectify the problems) shall be reported to Alde immediately. It is the Suppliers responsibility to inform Alde in due time before the tool's end of life.

Item specific equipment is 100% owned by Alde.

The supplier is not allowed to use Alde owned equipment for anyone except Alde.

The equipment cannot be transferred to any third party. Exceptions to this can be made if the equipment is used by the SUPPLIER's direct subsidiary and after ALDE's written approval.

The supplier is obliged to have valid insurance for item specific equipment owned by Alde.

## 1.4 Contact

For questions regarding ALDE's guidelines and requirements contact us through: "[purchase@alde.se](mailto:purchase@alde.se)"

## 2 SUPPLIER AUDITS

In line with ALDE's purchasing routines, supplier audits are performed on both existing and new suppliers.

Existing suppliers are monitored regularly with respect to delivery performance, quality performance and sustainability.

### 2.1 Follow-up/ Monitoring Suppliers

Follow-up is based on deviations and delivery performance.

ALDE adopts "ZERO error philosophy" and the supplier is expected to deliver with ZERO deviations and 100% delivery performance.

In case of a deviations that impacts ALDE's ability to deliver to its customer, escalation process will be initiated immediately.

The decision to escalate is based on the supplier's ability regarding:

- Deviation reports (i.e PPM)
- Delivery precision

The supplier can also be escalated based on disturbances that can't be directly linked to deviation reports and delivery precision.

ALDE has the right to initiate the escalation process which begins with ALDE contacting the supplier. Thereafter an action plan is drawn up.

## 3 ENQUIRY/ QUOTATION

### 3.1 Quotation

ALDE does not accept any additional costs at ramp up and ramp down. Quotations should always be according to the specifications detailed in the enquiry.

If there is to be any deviation from these specifications, these must be documented in writing in the response.

### 3.2 Product review

For each supplier quotation received, a product review should be enclosed.

If the quotation is without a product review, the supplier agrees that the item can be delivered completely according to the specifications.

## 4 INITIAL SAMPLES (ISA)

All requirements regarding the ordering and delivery of initial samples to ALDE are listed below.

### 4.1 Manufacturing of initial sample

Before products are transferred (delivered) to ALDE as initial samples, the supplier should perform their own tests to verify that ALDE's specified requirements are reached. This applies to both in-house manufactured as well as purchased products.

Initial samples shall be manufactured in production tools by the machines, as well as by the processing equipment and production technology that will be used in serial production. Potential deviation from this rule should be reported to ALDE before or at the time of delivery of the initial sample.

Initial samples must be measured by the SUPPLIER and protocols must be communicated to ALDE before or in connection with delivery of the initial samples.

When initial samples are accepted (samples including documentation, approved and stored), ALDE will not accept any changes, modifications or adjustments to the item or process that may affect the form, fit, function or other characteristics of the item. Any changes to items or production processes must be communicated and agreed (in writing) with ALDE. In cases where characteristics are not covered by the specification, ALDE will refer to the initial sample and documentation.

As part of always developing and improving mutually, any positive or negative experience regarding design, process or documentation, when producing initial samples, must be communicated between the parties. This should promote mutual learning.

### 4.2 PPAP

ALDE expects PPAP with the presentation of related documents at level communicated via PSW, unless otherwise agreed. If necessary, ALDE can assist in the preparation of PPAP documentation.

### 4.3 Deliveries

No serial deliveries of new/changed parts to ALDE can take place before initial samples has been performed and approved. If ALDE wants physical initial samples these should be sent on a separate delivery note, separate from other deliveries.

All address labels and delivery notes should be marked "Initial sample, not allowed to be used in production". The relevant documents should always follow the goods.

Initial samples that are sent to ALDE without completed documentation will be considered as incomplete.

All orders regarding prototypes, as well as initial samples and serial deliveries should be confirmed and potential deviations reported immediately to the contact person at ALDE.

## 5 SERIAL DELIVERIES

### 5.1 Forecast/Purchase orders

ALDE will endeavour to provide the provider with forecasts for 12 months, with a frequency as agreed.

ALDE orders materials, components or services by sending purchase orders. These are normally sent via e-mail. The SUPPLIER shall confirm the purchase order promptly, no later than 5 working days after receipt of the order.

Confirmed purchase orders are binding and must be delivered in full, on time and with the right quality in accordance with the documentation and outcome tests.

### 5.2 Capacity and Flexibility

The supplier undertakes that, in addition to being able to follow and supply ALDE with materials/ parts according to the confirmed purchasing orders, they are also able to handle eventual volume fluctuations ( $\pm 10\%$ ).

This should not be achieved by having security stocks (unless agreed separately) but instead be secured by having a flexible production setup.

If the supplier keeps buffer stock for Alde's parts, FIFO must be followed.

In case of greater flexibility and capacity requirements, this is agreed separately between ALDE and Supplier.

### 5.3 Packaging and marking

All packages, delivery notes and invoices sent to ALDE should be marked as follows:

- ALDE's Part number
- ALDE's order number
- Quantity
- Miscellaneous agreed upon in the purchasing documents.

Labeling should be made with bar code (Code 128) and text. If this is not achievable, exceptions can, after agreement with ALDE, be accepted. Packaging should always be done according to agreement stated in the purchasing documents. If such agreement is not stated in purchasing documents, the goods should be packed and delivered in such way that the goods are not damaged nor exposed to risk of corrosion or other defects.

A delivery note must accompany the goods and must contain the CN number, weight and country of origin of all items sent.

### 5.4 Material

In general, for pipes and sheet metal, the material must be pickled and lightly oiled. All material delivered to ALDE must be free of oxide layers, oxide scale and corrosion, unless otherwise stated.

## 6 ECONOMY

### 6.1 Invoice

ALDE prefers electronic invoices (pdf) via e-mail: [levfakt@Alde.se](mailto:levfakt@Alde.se)

Purchase order numbers and reference must be detailed on each invoice.

Payment terms are 30 days net unless otherwise agreed.

### 6.2 Credit note

In case of a price difference, incorrectly delivered quantity or defective material (see 7.1), the supplier must issue a credit note upon request.

## 7 DEVIATIONS

### 7.1 Deviation handling

In case of a price difference, incorrectly delivered quantity or defective material (all to be considered as deviations), the following approach applies:

In case of a deviation listed above, a deviation report will be issued to the supplier. Defective material delivered to ALDE will be returned or scrapped according to agreement between the supplier and ALDE. ALDE shall be entitled to compensation from supplier.

In case of additional costs associated with a deviation, for example corrective actions or added value by ALDE the supplier will be charged for the cost of remedial action after agreement. The added expense for corrections is the current hourly cost at ALDE. Information of rate can be given by ALDE contact person.

If ALDE identifies a deviation in a delivered batch and ALDE has not have the resources to correct or sort the material, the supplier will be responsible for remedial action.

If the deviation is noticed during production or if the supplier is unable to correct the deviation, the material will be corrected by ALDE. The added expenses for corrections will be charged to the supplier according to agreement.

In the event of a deviation, at the request of Alde, 8D report must be filled in.

A supplier is to confirm receipt of a deviation report (8D) no later than the end of the next business day that follows the business day on which it was sent by ALDE.

The deviation report (8D) must be answered within 10 days.

The deviation must be investigated and closed within 30 days at the latest.

## 7.2 EFR approval

In order to receive an exception from requirement (EFR) approval, the supplier must contact the quality department at ALDE who will determine whether the EFR is acceptable or not. ALDE will notify the supplier that the EFR has been approved. In the case of the EFR not being approved, the quality manager will contact the supplier and inform them as such.

Copies of the EFR approval must be attached to every affected batch being delivered to ALDE.

## 8 SUSTAINABILITY

Our suppliers are expected to live up to our code of conduct and actively work with sustainability in their business. ALDE expects its suppliers to evaluate (advise of their) carbon footprint according to the CSRD-directive. A carbon footprint report for each item supplied by the supplier to ALDE shall be reported to ALDE upon request.

Carbon Border Adjustment Mechanism (CBAM) covers six different categories, including aluminum, iron and steel. We assume that you, as a supplier to ALDE, report data in accordance with the EU Directive.

The supplier must undertake that all used packaging complies with the PPWR Directive and that this can be substantiated by a report to ALDE if necessary.