

NIBE

Supplier Manual



Requirements for our Suppliers

THIRD EDITION

Supplier Manual

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EDITION HISTORY, SUPPLIER MANUAL

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It is the responsibility of the supplier to stay updated of changes in Supplier Manual at www.nibe.eu/supply



Quality Manual

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Quality Manual

SIXTH EDITION

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1. Introduction

1.1 Purpose and definitions

Define NIBE's Quality demands on Suppliers. Define how NIBE is working with supplier assurance and deviations from suppliers. Describe NIBE demands on supplier routines.

Definition "Initial samples" is in this manual used for parts from serial production process, completely according to specifications from NIBE AB. Always followed by measurement protocol and reference drawing. Prototypes - are used to validate the product design. Initial samples - are used to validate production process.

To secure part and product quality NIBE uses "Production Part Evaluation Process" (PPEP).

1.2 Scope

One of NIBE's major focus areas is to limit the number of interruptions in the daily process. To achieve this, PPEP (Production Part Evaluation Process, for detailed instruction see chapter 6) process is mandatory for all new parts and changes (product- and process changes).

You find the Supplier Manual on our Supplier website:
<http://www.nibe.eu/supply>

1.3 Communication

Attaining the appropriate level of quality in terms of communication requires team work between NIBE and its suppliers. Open communication is essential to achieve the necessary team work.

Changes in the organization or position of the contact person(s) at the Supplier shall be communicated to the relevant person(s) in NIBE organization.

NIBE uses English as preferred language. Our suppliers should ensure that they have the adequate language communication skills for their business to meet NIBE demands.

The responsibility for sub suppliers and their performance is always, without exceptions, the NIBE supplier.

2. Semiannually assessment of performance for suppliers

NIBE AB is periodically doing an assessment of the performance of the suppliers based on quality, delivery performance, support and results from Questionnaire. This assessment is also base for selection of infocus suppliers. Infocus suppliers is always informed and an action plan is always required together with a follow up. The rating is made by A, B, C and D supplier performance.

3. Our values

“Our values” is documented in a folder. This folder is presented in its entirety on website www.nibe.eu/supply/

Ethical rules will be signed from supplier in contract process by signing Business Code for Suppliers. All NIBE suppliers shall sign NIBE Code of conduct (Supplier Manual) before starting deliveries.

User name and password for entering are sent out by e-mail, if supplier need new password, contact responsible purchaser.

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4. *Supplier Quality Assurance (SQA) process model*

This section describes NIBE's Supplier Quality Assurance (SQA) process model. It describes the overall process and how the different parts are linked together.

Before a commercial order the supplier will be evaluated by NIBE SQA and/or purchaser. NIBE "Questionnaire" is sent to supplier to be filled in. In most cases NIBE SQA/purchaser visits supplier to confirm answers. If deviations are found an action plan is established. Before commercial order, actions and time plan are commonly agreed upon between NIBE and supplier. NIBE regularly re-evaluates existing suppliers.

NIBE SQA process model is described in Figure 4.1. NIBE SQA is working with Supplier Evaluation, PPEP (Production Part Evaluation Process), and supplier performance.

The purpose of PPEP is to determine if all NIBE engineering design records and specification requirements are properly understood by the supplier organisation. PPEP is intended to verify that products made from production materials, tools and processes meet NIBE requirements and that the supplier production process has the potential to produce parts meeting the requirements during production run at the quoted production rate.

NIBE continuously measure supplier quality performance by:

- Number of deviation reports and PPM
- Delivery performance
- Lead time answering PPEP and deviation reports

4.1 System Requirements.

NIBE basic system demand is that the supplier is ISO 9001 and ISO 14001 certified. If supplier does not have certificates NIBE will perform an audit at the supplier's site.

4.2 SQA involvement in NIBE development process.

NIBE validation production should run on PPEP approved articles from suppliers. Initial samples are verified at receiving inspection at NIBE. All prototypes/samples are to be sent to NIBE Design/Innovation department. When prototypes are sent, NIBE demands a 3D cad solid and a drawing for the part. Initial samples must always be sent to Initial Sample Technician (at Quality department) and must be delivered on a purchase order.

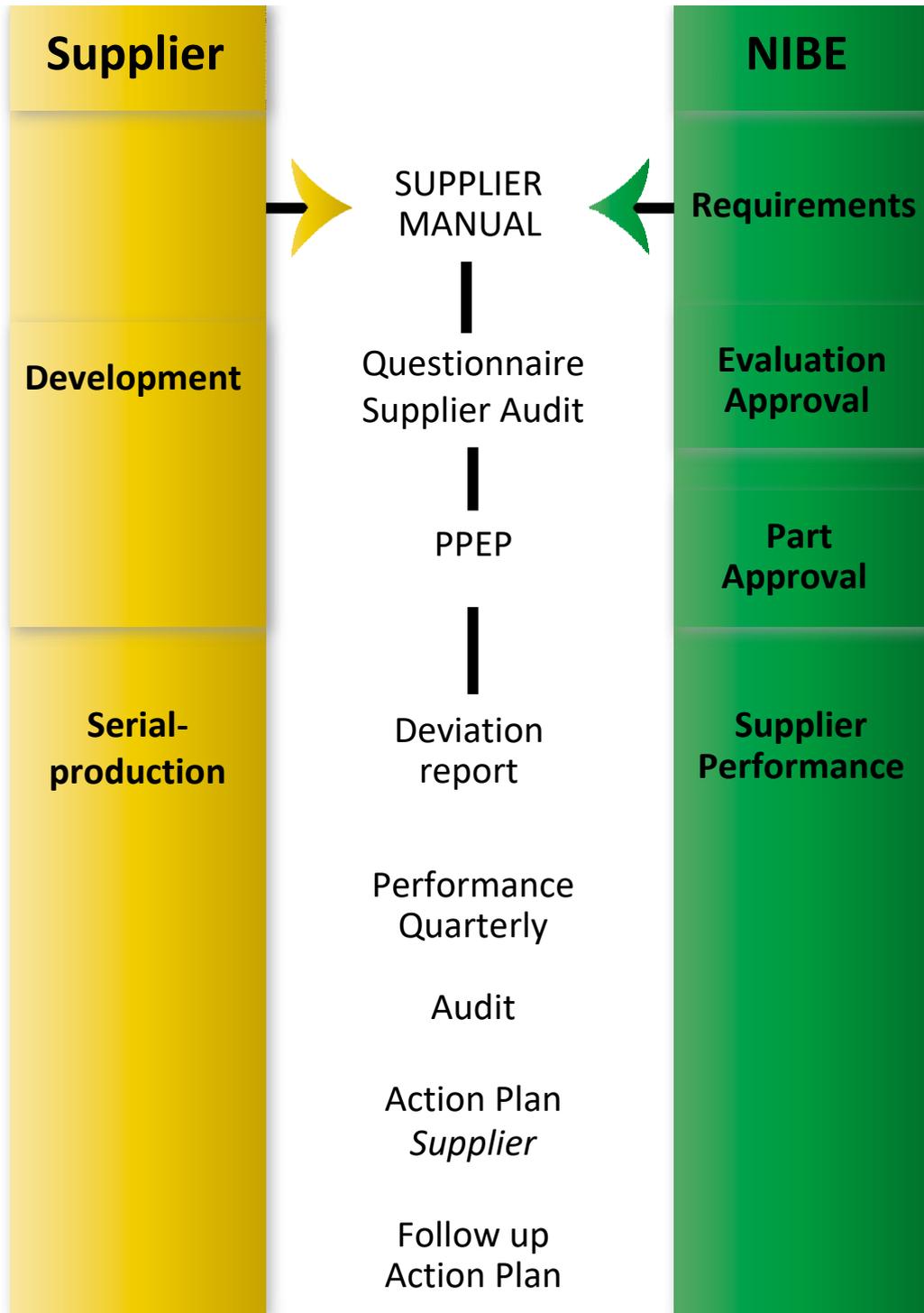


Figure 4:1

5. *Supplier evaluation (Questionnaire)*

Questionnaire is to be answered for new suppliers and then yearly updated for all suppliers. From 2015 Questionnaire is performed in a website [www. Worldfavor.com](http://www.Worldfavor.com). For login to worldfavor password contact responsible SQA. User manual is to be found in the website after login. The intention with this Questionnaire is to assure that NIBE always is updated about their suppliers, the Questionnaire consist of 8 parts; General questions, Environment, Social, Ethics, Health and safety, Quality, Risks, Purchase and Economics. This questionnaire may also be followed by a visit and audit at suppliers site.

6. *Production Part Evaluation Process (PPEP)*

This section describes NIBE expectations from suppliers on Quality planning and PPEP.

6.1 *NIBE Basic demands on PPEP*

The purpose of PPEP is to determine if all NIBE engineering design records and specification requirements are properly understood by the actual supplier organization. PPEP is intended to verify that products made from production materials, tools and processes meet NIBE requirements and that the supplier production process has the potential to produce parts meeting these requirements during an actual production run at the quoted production rate. PPEP shall be completed from a significant production run. PPEP documents are to be stored by supplier over the lifetime of an article.

PPEP is to be carried out:

- On new parts.
- On changed parts, governed by revision on drawing.
- Process changes at supplier. (Includes sub supplier processes). See SCR chapter 8.

All changes of product or processes shall be submitted to NIBE for approval (more info chapter 8) or rejection in written. No changes shall be done without NIBE SQA approval.

The supplier must inform NIBE regarding PPEP before process changes.

NIBE must be informed when:

- Changes in manufacturing process are planned, such as changes in manufacturing place or equipment/process in existing manufacturing place.
- Change of material or material supplier is planned.
- Change of sub supplier (for example heat treatment, surface treatment, etc) is planned.

6.2 PPEP guide

NIBE PPEP consists of activities to be performed according to NIBE demands.

The guide is an explanation to NIBE document "PPEP" in eQuality system Catavolt, to help suppliers answer and verify their quality assurance work according to NIBE specified criteria's in the documents. The criteria's to be verified by the supplier is shown in the view of actual PPEP. Website www.catavolt.net/nibe

For eQuality (Catavolt) problems and/or password/login contact responsible SQA.

6.2.1 Review of technical Specifications (RTS) (#1)

RTS is the starting point of PPEP is for both NIBE and the supplier to understand design records, drawing revisions, logistical requirements, delivery performance, engineering changes, change validation etc. Supplier must always review all actual specifications for actual part in a critical way and advise NIBE of findings and viewpoints, based on experience about the production process. The review is implemented to ensure that the requirements are fully understood and it also gives a chance to give any suggestions which may help to improve quality and reduce cost without affecting the performance, before serial production is introduced. Supplier may create internal drawings from NIBE specifications but are always responsible for compliance with NIBE specifications. NIBE always verify on NIBE specifications. RTS should always be the first PPEP activity to finish, before any initial samples can be ordered. This means that RTS should be finished within a few days after supplier has received PPEP.

6.2.2 Packaging Instruction Confirmation (#2)

PIC must be signed and sent to NIBE together with the RTS. Supplier must always have agreed about packaging conditions with NIBE before serial production starts.

6.2.3 Process Flow Charts (#3)

Flow chart shall describe the complete process flow of material/components starting from customer order to complete product. The organization shall have a process flow chart that clearly describes the production process steps and sequence and meets the specified customer needs, requirements and expectations. Process flow charts may be used in Process audits of a supplier. The actual manufacturing process shall always run according to PPEP approved process flow. If change of process flow is needed this must be preceded by a SCR (see chapter 8) to NIBE.

6.2.4 FMEA (Failure Mode Effect Analysis) (#4)

FMEA shall be used to assess and manage risk during product and process design. Suppliers shall design tools, die sets, equipment or machinery to satisfy NIBE Part design requirements. NIBE provide necessary information and knowledge on product and shares it to supplier. Process-FMEA must be a part of this verification.

6.2.5 Traceability (#5)

A procedure to be used by the supplier to record and control traceability must be present. This includes the ability to track a supply, back through the Supplier's processes/batches/shipments for at least 5 years of time. The procedure apply for e.g. traceability per batch, per shipment, per component.

6.2.6 Control Plan (#6)

Control Plan defines, for every single process step; control operations, methods, tools, inspection equipment, control frequency etc, to be used for process control.

6.2.7 Initial process studies (#7)

Initial process studies are a statistical evaluation of variation due to Supplier manufacturing process. Initial process studies are conducted during initial sample manufacturing or pre-production manufacturing. The level of initial process capability or performance shall be determined to be acceptable prior to submission for all special characteristics designated by NIBE or supplier. The supplier shall perform measurement system analysis to understand how measurement error affects the study measurements.

6.2.8 Dimensional results, initial samples (#8)

When a new part is going to be started up at supplier this part will always be assured through PPEP. Initial samples are always important and required. These shall always be measured by supplier and the result shall be documented and sent to NIBE together with the initial samples. Initial samples shall always be sent to attention: Initial sample Technician, clearly marked with initial sample label (to be found in PPEP doc). Measurement documentation (including reference drawing) shall also be sent to supplierquality@nibe.se

Supplier shall measure all dimensions and characteristics according to design record and present them to NIBE in the report "Dimensional result", for initial samples. Initial sample quantity according to NIBE order. Current drawing and design record shall be enclosed to verify revision. The Supplier shall have dimensional results for each unique manufacturing process, e.g. cells or production lines and all cavities, moulds, patterns or dies. No serial orders may be delivered before initial samples are approved.

6.2.9 Master sample (#9)

The supplier shall retain a master sample for the same period as part is produced or until a new master sample is produced for the same NIBE part number. The master sample shall be identified as such, and shall show NIBE approval date on the sample. Supplier shall retain a master sample for each position of a multiple cavity die, mould, tool or pattern, or production process unless otherwise is specified by NIBE.

6.2.10 Product functional evaluation (#10)

All functional evaluations necessary to verify that the product satisfies functional requirements.

6.2.11 Lifetime test (#11)

Mechanic products and moving parts shall be evaluated regarding endurance and fatigue.

6.2.12 Material certification (#12)

Supplier Statement of conformity that defines specific material(s) used for raw material, surface treatment type & thickness, etc. This certification is an output from the traceability system defined in item 5 in PPEP. Material certification may or may not be required to be included with each shipment/lot.

6.2.13 3rd Party Requirements (#13)

3rd Party quality and environmental system requirements shall consider legislative and legal requirements that the Supplier and NIBE subscribes to (LVD, TÜV, SP etc.). 3rd Party requirements are applicable to country where parts are manufactured and where the completed product will be used. 3rd Party requirements include Safety, Health and Environmental assessment per defined requirements and government (municipality) approvals.

6.2.14 Certificate of Conformance (#14)

Certificates which confirms compliance to the 3rd party requirements. Shall e.g. include certificate of conformance to RoHS requirements. Test certificate may be required for each shipment/lot.

6.2.15 Contingency plan (#15)

Contingency plan needed in case of a major break down and/or a major stop in production. Define fire cells (room for tools). Contingency plan includes other production facilities and time to start production in a new factory or a new process flow.

6.2.16 Final audit of product, 100% check (#16)

Special characteristics are, according to agreement, checked prior to delivery on first deliveries. How many deliveries and quantity per delivery is agreed prior to delivery.

6.2.17 Declaration of content (#17)

Table of contents for current product. Form to fill in is attached in the PPEP. For detailed information read the Environment part of Supplier Manual.

6.3 *Equipment owned by NIBE.*

Tools, gauges, patterns, fixtures, package material and machines supplied and/or paid for by NIBE are the property of NIBE. The equipment remains NIBE property and is to be marked with NIBE's inventory number, clearly, so that mix up with other tools is avoided. The equipment shall be maintained to always fulfil NIBE's requirements.

6.4 *Full run test*

During the significant production run the capability of the various machines and other operations are tested. Meaning that PPEP (initial process studies) is to be accomplished before the full run test. During the Full run test the complete production process is tested for production of conforming parts at production rate. The full run test shall normally be performed after the PPEP approval but before the production is ramped up to meet agreed levels.

Product specifications, drawings, flow chart, control plan, work and inspection instructions, FMEA, master samples shall be available at the Full run test. The duration of the test shall be sufficient to allow for the study of material supply, packing, transports, tool changes, planned maintenance etc.

The full run test shall verify/confirm that:

- The actual production conforms to flowchart and control plan.
- Parts are produced at production rate and that the produced quantity of approved parts is what has been agreed.
- That all occurring deviations will be identified by the use of the control plan and that all potential and identified mistakes are covered by the process FMEA.
- That procedures for packing and labelling eliminate all risks for errors in these operations and prevents goods from damage in transit

NIBE shall be notified before full run test is executed. All deviations shall be documented and corrective actions shall be taken. A full report on the result of the full run test shall be sent to NIBE within two weeks. NIBE will decide if the test can be approved or if actions needs to be taken. After full run test NIBE demands supplier to regularly perform product and article audits at a defined frequency. NIBE can at any time request to see result from latest audit. NIBE demands supplier to perform a comprehensive check that initial deliveries comply with specified requirements.

7. *How NIBE handles deviations from suppliers*

This section describes expectations by NIBE regarding suppliers when there is a potential quality deviation to a NIBE production unit.

7.1 *NIBE Escalation model*

NIBE escalation model describes how NIBE handle deviations caused by suppliers, see figure. All suspected supplier related quality deviations are reported with a Deviation Report (STEP 0) in NIBE Escalation model.

If NIBE does not receive an answer or receives an insufficient answer to a Deviation Report the case is escalated further in NIBE escalation model (STEP 1). This means that the supplier has been escalated in NIBE's escalation model. NIBE can also select to instant escalate critical or urgent matters to STEP 1.

When escalated further (STEP 2) Supplier has to present an action plan. NIBE can also choose to escalate further and visit supplier and "go and see" the process. When supplier is escalated to STEP 3 supplier receives an "Escalation letter" and is put "on hold" for new businesses. STEP 3 involves purchasing department and decisions for phasing out or develop supplier are taken.

Other reasons for escalation can be:

- Late answer on short term or long term actions
- Critical reports
- Potential production or delivery stop
- No trustworthy solution
- Re-occurring deviation.

7.2 *Deviation Reports*

NIBE's intention is to limit the number of interruptions in the daily process. To provide this NIBE has introduced a Web-based quality report system, eQuality, for reporting e.g deviations. eQuality is only accessible for NIBE's internal users and NIBE's established suppliers. The supplier representative receive an email as a signal from the eQuality system that a new deviation report has been issued. If supplier does not cope with NIBE demand they will get reminder(s). When deviation report is closed supplier will receive an email. The supplier representative is responsible to check for new deviation reports at least every 24 hour (working days). If representative is absent, he/she must ensure that someone else carries out this responsibility.

For eQuality (Catavolt) problems and/or password/login contact responsible SQA.

Supplier responsibilities on deviations (basic demands)

NIBE basic demands (STEP 0 in escalation model) on deviations caused by suppliers are listed below

- All communication/information is to be canalized through issued Inspection report deviation report. NO answers in e-mail, fax etc. All communication/information must be in actual deviation report.
- Ensure understanding of the deviation and determine suspect population. Take immediate and adequate actions to secure that NIBE does not receive parts with the actual failure mode.
- Return the short term action reply as required (in deviation report). Within 48 hours confirm that stock is sorted and 100% final inspection is introduced to ensure no more deviant parts are delivered to NIBE.
- Within 48h select actions on deviant parts. If no answer is received, the part may be scrapped at supplier's expense.
- Purge pipeline of suspected material (this can for example include sorting NIBE stock). If applicable, to be advised and arranged by supplier, parts in pipeline or at stock within any NIBE unit including spare parts, should be sorted out or replaced.
- Claimed items must not be sent back to NIBE. Items can only be sold back in future purchasing orders.
- Within 21 calendar days present the root cause of the deviation and a credible long term Corrective and Preventive Action (in deviation report).
- Update relevant PPEP documents.

7.3 *Sorting, Returning parts & Credit notes*

When a deviation report is issued supplier have the following options:

1. Scrap and send credit invoice. (Default option)
2. Return parts to supplier (supplier pays for transport) and send credit invoice.
3. Supplier adjusts deviant parts at NIBE.
4. NIBE adjusts parts and send invoice on performed activities.

NIBE will return goods with a, by supplier appointed, transport company. A credit invoice for returned parts will also be required from supplier. Credit invoices must be clearly marked with Nibe claim number as reference. Credit invoices are handled by NIBE purchase department and shall therefore be the reference person in all credit invoices, not the contact person at quality department. All rejected parts shall be removed from NIBE area within 5 working days. If not, NIBE will remove or store parts at supplier expense. NIBE can also, if necessary, hire a 3rd part company to sort parts at supplier expense.

7.4 *How to access eQuality?*

Follow the instruction at www.nibe.eu/supply/ (also sent in e-mail from NIBE)

8. *Supplier change request (SCR)*

Supplier change request (SCR) is used by NIBE to handle permanent changes requested from suppliers. It concerns changes related to both process and product (design) of delivered parts from external supplier.

NIBE does not allow any supplier to do changes, process or product related, without approval from NIBE. The SCR can be accepted only under the condition that a new PPEP is approved. It is important that supplier answer current questions in the SCR to enable proper handling.

Answer on SCR from NIBE

Send the SCR to the responsible purchaser/SQA by email. When the SCR is "under consideration" there is no possibility for the supplier to change any of the information in the report. If there is a need to change or add information when the SCR is under consideration, the purchaser and SQA must be contacted.

When NIBE has taken a final decision the decision will be filled in the concerned SCR report. The report will then be sent back to supplier with information.

9. *Deviation approval*

A deviation approval can be given after a request has been communicated to NIBE SQA. Deviation approval is required in case of any deviations from specifications of the article. The request shall describe the impact of the deviation, NIBE purchase order number and amount of articles affected to assure the NIBE decision will be correct. NIBE will, if approved, issue a deviation approval label to mark two opposite sides of the affected shipment. If NIBE request the Supplier to send parts outside specification, the Supplier should receive a deviation approval from NIBE before delivery and label the material with the deviation approval.

10. *REACH, RoHS, Conflict of minerals, Customer requirements, declaration of content*

To make sure that our suppliers follow and secure the compliance of REACH, RoHS and Conflict of minerals NIBE ask for the supplier's explanation of the process for this assurance in Questionnaire (described in separate chapter). Supplier is always responsible to inform NIBE if or when it comes to its knowledge that any SVHC is present in its product to NIBE.

For being able to secure that NIBE's products fulfill specified requirements, we also need a filled in declaration of content for the parts/products the supplier delivers to NIBE. For this declaration NIBE provides a form to fill in, this form is to be found in PPEP. (see 6.2.17)



Environmental Manual

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First Edition	First Edition	2014-03-25
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Environmental Manual

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1. Introduction

This section shortly summarizes NIBE's environmental requirements for suppliers. Further on in this document you can find an explanation and detailed information for each requirement subject.

1.1 System Requirements.

NIBE's basic system demand is that the supplier is ISO 14001 certified. If a supplier does not have certificates, NIBE will perform an audit at the supplier's site. Minimum requirement is compliance to ISO 14001.

1.2 Environmental requirement for a new supplier

The "Questionnaire" form is used as a first step in the evaluation process of a new supplier.

1.3 Environmental requirements for a new part/component

1.3.1 Declaration of Content

Supplier shall complete a Declaration of Content as a part of the PPEP.

1.3.2 FSC-PEFC

FSC or PEFC certificated packaging material is not a requirement. It might be considered in the supplier selection.

1.3.3 ISPM 15

Referring to Delivery manual.

1.3.4 Transports

Minimum environmental demands on transportation companies.

1.4 Reporting language

Reporting language is Swedish or English.

2. RoHS

This section describes NIBE requirements of how the suppliers compliance against RoHS.

2.1 Explanation

RoHS, Restriction of Hazardous Substances, entered into force in 2006. RoHS prohibits or restricts the use of certain heavy metals and flame retardants in electrical and electronic products in the market.

RoHS restricts the use of the following 10 substances: (2011/65/EU annex II and amendment 2015/863)

Substance	Chemical name	Max concentration by weight	Area of use
Mercury	Hg	0,1%	Batteries, point of contact switches relays, tilt switches, thermostats, reed contacts
Cadmium	Cd	0,01%	Batteries, surface stabilizer in plastics, pigments, point of contact switches relays etc.
Lead	Pb	0,1%	Solder, surface finish, PCB, lead glass, etc.
Hexavalent chromium	Cr6 +	0,1%	Coating
Polybrominated biphenyls	PBB	0,1%	Flame retardant in plastics
Polybrominated diphenyl ethers	PBDE	0,1%	Flame retardant in different plastic types, ABS, PC, PCB etc
Bis(2-ethylhexyl) phthalate	DEHP	0,1%	Plasticizer in PVC plastic. Occurs in colors, raw materials for plastics, rubber, adhesives and fillers.
Butyl benzyl phthalate	BBP	0,1%	Plasticizers in polymer products. Occurs in colors, raw materials for plastics, rubber, adhesives and fillers.
Dibutyl phthalate	DBP	0,1%	Plasticizers and solvent. Occurs in adhesives, plastics, rubber, joints, sealing and filling agents, paints, inks and binders.
Diisobutyl phthalate	DIBP	0,1%	Plasticizers and solvents in adhesives, sealants, inks for paper and packaging materials.

The concentration is calculated on each homogeneous material in a product. For example, a power cable must either protective plastic, insulation nor conductors exceed limits.

In 2013 and 2015 an updated version, 2011/65/EU (RoHS 2) and its amendment 2015/863/EU (RoHS 3), was released. RoHS 2 and 3 contains more stringent requirements regarding CE marked products and those compliance against RoHS. It also includes clearer demands according to supplier's obligation to provide reliable information of meeting the requirements.

Use of areas which are exceptions to the rules is specified in the Annex to the Directive. More information can be found at: <http://eur-lex.europa.eu/>

2.2 Requirements

The supplier is responsible to ensure that use of RoHS2 forbidden substances over the restricted value are not present in the parts they are supplying, even if the supplied item is not classified as an electronic component. The product NIBE uses the component in, is classified as an electronic product and must comply with RoHS.

If part includes substances over the restricted value the part will be stopped for use immediately, see process below. If there is any doubt about the reliability in the information NIBE can request for analyze of the material.

Supplier's compliance with the RoHS should be declared in the Declaration of Content, part of the PPEP.

3. REACH

This section describes NIBE requirements of how the supplier ensures the compliance against REACH. Supplier is always responsible to inform NIBE if or when it comes to its knowledge that any SVHC is present in its product to NIBE.

3.1 Explanation

REACH-directive, Registration, Evaluation, Authorization and restriction of Chemicals, 2006/1907/EC entered into force in June 2007. The main goal of the legislation is to protect human health and the environment from risks from substances and to increase the EU's chemical industries competitiveness and innovation.

REACH is based on the principle that it is for manufacturers, importers and downstream users to ensure to the substances they manufacture, place on market or use does not cause harmful effects on health or the environment.

Substances listed on REACH Candidate list is Substances of Very High Concern, SVHC. The substances are candidates to be on Annex XIV of REACH, which means that it might be required a permit to use them. If a part or sub-part include some substance, in concentrations 0,1 % weight in homogeneous materials, the supplier have to inform the customer about it (Article 33).

According to Swedish regulation the level of 0.1 percent is calculated as the percentage between the total weight and the weight of each homogeneous material.

3.2 Requirements

Minimum requirement is to report if item contain substance listed at REACH candidate list. Substances listed at candidate list shall be reported with weight percentage for each homogeneous material.

Information shall be reported in the Declaration of Content, part of the PPEP.

If supplier has substances on candidate list or NIBE have doubts about the reliability in the information NIBE will act.

If DoC is missing for older parts, NIBE can demand a DoC for an already approved part. It is necessary for NIBE to get as much information as possible due to the internal work with DoCs for NIBE end-products and to full-fill compliance against REACH.

4. Elimination list of substances and chemicals

This section summarizes a list of NIBE prohibited substances.

4.1 Explanation

List of substances, not included in candidate list, which NIBE intends to phase-out and avoid. By purchase and judgement of products shall it be investigated if any of the listed substances are included in the material safety data sheet. This document are a complement to the REACH and RoHS legislation and do not replace them.

4.2 Requirements

As much as possible in such a case should the product be avoided according to the substitution principal. Please note that this section is not mandatory to fulfil, it is meant to be a guideline. However, if a product contains any of the substances in this list, you will be asked to substitute the substance to a less hazardous one, or explain why this substance must be present. As a general rule, NIBE do not normally accept SVHC substances or chemicals that are classified as CMR, PBT and vP/vB.

CMR = carcinogenic, mutagenic and repro-toxic substances. PBT = persistent, bio accumulative and toxic substances. vP/vB = very persistent and very bio accumulative substances.

NIBEs elimination list of substances and chemicals:

<p>NIBE AB intends to phase-out and avoid these chemicals in its enterprise.</p> <p>By purchase and judgement of products shall it be investigated if any of the listed chemicals are included in the material safety data sheet. As much as possible in such a case should the product be avoided according to the substitution principal.</p> <p>Please note that this document is not mandatory to fulfill, it is meant to be a guideline. However, if a product contains any of the chemicals in this list, you will be asked to substitute the chemical to a less hazardous one, or explain why this chemical must be present.</p> <p>This document are a complement to the REACH and ROHS legislation and do not replace them. As a general rule, we do not normally accept SVHC chemicals that are stated in the REACH candidate-list, and other chemicals that are classified as CMR, PBT and vP/vB. CMR= carcinogenic, mutagenic and repro-toxic substances. PBT=persistent, bioaccumulative and toxic substances. vP/vB=very persistent and very bioaccumulative substances.</p>			
Phase-out list for Chemicals		Reg No NS 0347	Version 130906
Substance/Chemical	CAS-no	Occurrence	Grounds
Alkyl phenols and derivates			
Dodecylphenol	27193-86-8	Paints, adhesives	Persistent and bio accumulative
Brominated flame retardants			
Tetrabromobisphenol A	79-97-7		Persistent, bio accumulative and harmful for aquatic organisms. Liver damages, neurologic and immunologic effects on exposed animals and humans. May impair fertility, toxic and harmful for aquatic organisms.
Glycol ethers			
E.g. 2-butoxiethyle acetate	112-07-2	In water bases paints, detergents, in fire extinguishers, some spackles	Fertility impacts shown in animal experimentations. Some glycol ethers shows limited evidence of carcinogenic effects.
2-butoxyethanol	111-76-2		
2-butoxyethoxyethanol	112-34-5		
Propylene glycol monobutyl ether	29387-86-8		
Ethyleneglycol ethyl ether	110-80-5		
Ethoxyethyl Acetate	111-15-9		
2-Methoxyethanol	109-86-4		
2-Methoxyethyl acetate	110-49-6		
Thermosetting plastics, monomers			
Acrylates		Adhesives, polyurethane foam	Toxic, may cause asthma, allergy and in some cases cancer
Epoxy components (not the finished epoxy)			
Isocyanides, not prepolymerized			
Isotiazolinones			
E.g. 2-methyl-4-isothiazolin-3-one	2682-20-4	Detergents, paints, adhesives	Harmful to the environment, sensibilizing and allergy inducing.
5-chloro-2-methyl-4-isothiazolin-3-one	26172-55-4		
Chloroparaffines			
Metals, half metals and related compounds			
Tributyltin compounds		Catalysts, softeners and stabilizers in plastics.	Harmful to the environment.

5. Reporting instructions, DoC

Constituent materials/component: Products different materials / components. Can also be function of the part in the article indicated e.g. pigments, surface treatment. The level of analyze shall be as specified as possible. Packaging material is excluded.

5.1 Example of Material/Component groups:

- Different metals (steel, copper, brass, aluminium, cast iron etc.)
- Electronic parts (display, circuit board, compressor etc.)
- Plastic and rubber materials
- Pigments (varnish, powder paint etc.)
- Isolation materials
- Different stone material (ceramic, soap stone, concrete etc)
- Glass

5.2 Other relevant groups

- Special important Material / Component groups to report is:
- Electronic parts (display, circuit board, compressor etc.)
- Plastic and rubber materials

These 2 groups are identified as “high risk components” according to NIBEs risk analyze against REACH.

When a supplier is supplying an electronic item at least following sub-groups shall also be reported:

- Display
- Contacts
- Cable
- Transformer
- Condenser
- Inductors
- Resistors
- Diodes
- Integrated circuit
- Pattern card

Constituent substances: With the substances referred to substances in the material / component.

Classified substance:

Each constituent substance by weight shall be reported if it is equal to or exceeds the following reporting limits. (Limits according to EPD standard (Environmental Product Declaration standard))

Hazard class	Accounting limit
Very toxic	0,1 %
Toxic	0,1 %
Carcinogen category 1 & 2	0,1 %
Mutagenic category 1 & 2	0,1%
Toxic for reproduction category 1 & 2	0,1%
Harmful	1 %
Corrosive	1 %
Irritant	1 %
Sensitizing	1 %
Carcinogenic category 3	1 %
Mutagenic category 3	1 %
Toxic for reproduction category 3	1 %
Environment with danger symbol	0,1 %
Environmental hazardous with symbol and risk phrase R59	0,1 %
Environment without hazard symbol	1 %

Pure substances or compounds of cadmium (Cd)
and organic substances which PBT or vP/vB * 0,01 %

Substance that is ozone depleting (R59) or pure substances
or compounds of lead (Pb) and mercury (Hg) 0,1 %

PBT = persistent, bio accumulative and toxic substances.

vP/vB = very persistent and very bio accumulative substances.

REACH candidate list as mentioned in section 3.

NIBEs elimination list of chemicals and substances

Substances listed in NIBEs elimination list of chemicals and substances, section 6 in this document, is substances that NIBE have intense to avoid.

General Information

The following substances do not have to be recognized by classification:

Metals including alloys that are fixed in the construction product for its use in construction and when the composition is not classified as hazardous.

Minerals, ores, or other naturally substances and materials, unless they meet the criteria for classification as dangerous according to the classification rules.

A specific substance does not need to be disclosed if it might disclose patents or trade secrets. Information about the substance by weight percent, risk phrase and function shall be specified column "Constituent materials/component". "Confidential" shall be written in the column "Comments".

CAS no (or EG no): Enter primarily CAS-numbers. If CAS-number do not exist use EG-number.

CAS-number can be found at: <http://www.echemportal.org/>

For metals and alloys it is the material standard that provides information on the alloy chemical composition.

Weight % whole part: Weight percentage of whole part.

Following range below can be used when entering the concentration or concentration range.

< 1%

1 – 2,5 %

2,5 – 10 %

10 – 25 %

25 – 50 %

50 – 75 %

75 – 100 %

Weight % sub-part: Weight percentage of sub-part.

This column is used for reporting 0,1 weight% of substance, in a sub-part, included in REACHs candidate list.

Classification: Enter the classification of substances, if the substance is classified. Classification involves information about a substance all known health and environmental hazard. By interposing substance in a hazard category the substance is assigned a risk phrase.

Example: GHS09 – H411.
 GHS09 = Hazardous for the environment,
 H411 = Toxic to aquatic life with long lasting effects

Classification for substances can be found in CLP, *Classification, labelling and packaging of substances*, directive 2008/1272/EG.

Directive can be found at: <http://eur-lex.europa.eu/>

Comments: Other important information. Note if substance is listed on REACHs candidate list.

Weight of the product: Total weight of supplied item/part, in kg.

Substances listed in REACH candidate list: Yes/No question.

Candidate list can be found at: <http://echa.europa.eu/>

If “Yes”, specify substance and which sub-part it regards: Supplier has to specify which substance in the candidate list it is and in which sub-part it appear.

Example, Cable

2 Content (in compliance with the requirements in NIBEs Supplier Manual)

At the time of delivery, the product comprises the following parts/components, with the substance composition stated:				
Constituent substances	CAS-no (or EG no)	Weight % whole part	Weight % sub-part	Comments (Sub-Part)
Conductor, copper		62%		
Insulation, TPE		16%		
Filler, polypropylen		2%		
Sheath TPE		20%		
Other information:				

6. *FSC and PEFC certification*

This section describes short FSC and PEFC certification.

6.1 *Explanation*

FSC, Forest Stewardship Council, is an independent, international membership organization. FSC encourages environmentally appropriate, socially beneficial and economically viable management of the world's forests, through its certification FSC. Those who follow the rules and standard may label their products with the FSC's label.

PEFC, The Programme for the Endorsement of Forest Certification, is an international organization which promotes sustainable forest management. PEFC is similar to FSC by the different that they are focusing on small forest owners.

6.2 *Requirements*

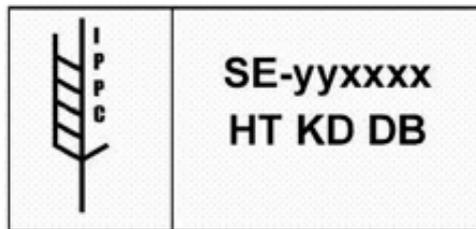
FSC Certificate or certificate of conformity from supplier of wood raw material needs to be sent to Nibe. FSC or PEFC certificated packaging material is not a requirement. It might be considered in the supplier selection.

7. ISPM 15

This section describes NIBE expectations of how the suppliers work with ISPM 15.

7.1 Explanation

ISPM 15 is an international standard for the treatment and marking of different types of wooden packaging material. It includes all wooden packaging material. According to the standard wooden packaging material should be treated by heating or fumigation to kill any harmful organisms. The label, which can be seen below, is a proof of the treatment according to ISPM 15. In some cases related to product environmental certifications fumigation can be forbidden, if questionable contact your responsible SQA.



SE	Country code
yy	County letter
xxxx	Number
HT	Heating treatment > 56 °C in 30 min
KD	KD is a voluntary supplement to HT. KD that the heat treatment has carried out in a drying plant and wood has an average moisture content of less than 20%.
DB	Made from debarked wood.

7.2 Requirements

If NIBE have a requirement of ISPM 15 certificated wooden packaging material appears on the drawing.

8. *Transports*

This section describes NIBE environmental requirements on transports and carriers.

8.1 *Explanation*

Transports are a major source of CO₂ emissions. To have a better control of transports we can contribute to a more sustainable environment.

8.2 *Requirements, contracting carriers*

NIBE do not, today, have any requirements on suppliers' carriers. Below are the requirements that NIBE has on their carriers. These requirements can be used by the supplier when they are contracting carriers.

NIBE requirements when contracting carriers:

Have an environmental policy

Be able to present emissions, particularly CO₂ for our transportation

Identify the fullness of the total number of shipments

Identify EURO classes for all vehicles

Identify the proportion of drivers who are trained in eco driving

Have agreed objectives and measures to achieve improvements in environmental

9. *Explanations*

This section shortly explains some common acronyms in this document.

Acronyms	Explanation
SQA	Supplier Quality Assurance
PPEP	Production Part Evaluation Process
DoC	Declaration of Content
REACH	Registration, Evaluation, Authorisation and Restrictions of Chemical substances. Regulation 2006/1907/EC
CAS-no	Chemical Abstract Service registration number. International applied index identifying chemical substances.
EG-no	Chemical number used on the EU market.
RoHS	Restriction of Hazardous Substances. Regulation 2002/95/EC
FSC	Forest Stewardship Council
PEFC	The Programme for the Endorsement of Forest Certification
ISPM 15	International Standards For Phytosanitary Measures No. 15



Delivery Manual

EDITION HISTORY

Edition	Change description	Date
First Edition	First Edition	2014-03-25
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Delivery Manual

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1. Introduction

1.1. Delivery note

a) For each delivery to NIBE AB, there must be a delivery note, including at least the following information, (example below):

- NIBE Purchase order number
- NIBE item number
- NIBE item description
- Quantity delivered, per load carrier & per item no.
- Total net weight (weighed) stating unit of measurement.
- Total gross weight stating unit of measurement.
- Delivery address (as defined in the order).
- Name and address of supplier including contact person(s) in case of queries.
- Invoice number
- Date of shipping
- Delivery term and shipping mode
- Supplementary information provided by NIBE AB (e.g. initial samples, test certificate).
- Special notes e.g: ESD Guidelines (for electronic goods); expiry/use-by date and date of manufacture for goods with limited life; reference to special arrangements.

Shipping Mark	Pallet no:	Article no:	Description of goods	Order ref	Pack-ages ctns	Quantity pcs/ctn	Quantity pcs, tot	G.w. kgs	N.w. kgs	Measurement Cbm
NIBE	1	224076	2" checkvalve	P249398	32	15	480	422	374	0,74
		524516	Venting hose	P259465	20	50	1000	127	97	0,46
	2	524517	Venting hose	P259465	5	100	500	44	37	0,12
		524518	Venting hose	P259465	5	100	500	48	40	0,12
Sub total	2				62		2480	641	548	1,44

b) A separate delivery note must be issued for each delivery address.

c) A copy of the delivery note must be securely attached to the outside of one of the load carriers/packages, suitably protected and in a clearly visible location.

1.2 FIFO (First In First Out)

If FIFO is not used by supplier this shall be communicated to NIBE SQA.

1.3. Freight documents

- a) The supplier must provide the forwarder with a consignment bill (CMR, waybill etc.) for each delivery address. Types and quantities of load-carriers/packages must be added up and stated.
- b) The delivery notes must be appended to the relevant consignment bill. Consignment bills, together with a copy of the delivery notes, must be issued to the forwarder separately.
- c) For suppliers outside EU a customs invoice and a delivery note shall always be attached to the freight documents.
- d) Sea shipping deliveries shall always be followed by invoice, delivery note, B/L (original Bill of Lading) and if appropriate also certificate of origin to be sent to actual material planner.

1.4. Other documents

For non-EU consignments, preferential documentation (Cert. of origin, EUR.1, A.TR. etc.) and a commercial or pro-forma invoice (stating realistic data on the value of the goods) must be provided in addition to the necessary delivery documents.

1.5. Language of documentation

By preference, all documents and markings should be issued in Swedish or English. Where legislation (e.g. customs regulations) requires a different language, a Swedish or English translation must be appended

2. Invoice

This section describes the requirements related to deliveries.

2.1 *General invoice requirements*

All invoices must include at least the following information

- Legal information about your company; company name, address, corporate number.
- European Union:
 - Statement if reverse charge of VAT is applicable
 - Both selling and buying company VAT-number
- Invoice date
- Invoice number
- Our reference person
- Delivery terms
- Country of origin
- Payment instructions; bankname, account nr (IBAN account nr if available), Bic/Swift address and if necessary fed wire
- Payment terms. Must be according to agreement with NIBE AB

2.2. *Requested information about the delivery*

- Dispatch number / Delivery note number (same number as on the delivered goods)
- Dispatch number if WSM (Webb supply manager) is used
- Delivery note number if WSM is not used
- NIBE purchase order number
- NIBE item number
- NIBE item description
- Quantity delivered
- Unit price
- Total amount, currency specified.
- VAT amount specified if applicable.

When the invoice contains more than one purchase order number, these must be separated line by line including necessary information mentioned above. Example:

Shipping	Pallet no:	Article no:	Description of goods	Order ref	Packages	Quantity	Quantity	G.w.	N.w.	Measurement
Mark					ctns	pcs/ctn	pcs, tot	kgs	kgs	Cbm
NIBE	1	224076	2" checkvalve	P249398	32	15	480	422	374	0,74
		524516	Venting hose	P259465	20	50	1000	127	97	0,46
NIBE	2	524517	Venting hose	P259465	5	100	500	44	37	0,12
		524518	Venting hose	P259465	5	100	500	48	40	0,12
Sub total	2				62		2480	641	548	1,44

Invoices cannot contain deliveries both with and without NIBE AB purchase order number. In that case two separate invoices must be sent. Only exception is if it is agreed to charge packaging costs and/or freight costs. These type of costs can be charged on the same invoice as those with NIBE purchase order number.

2.3. *Other required information*

- Customs tariff number
- Total net weight, kg
- Date of shipment
- Shipping mode (sea, air, lorry etc)

2.4. *Credit invoice / credit memo*

If the invoice is not according to terms of agreement, a credit invoice / credit memo must be issued.

- The credit invoice must refer to the original invoice number.
- A credit invoice must always only refer to only one debit invoice. This means that a credit invoice cannot refer to more than one debit invoice.

2.5. *Sending invoice*

Invoices shall be sent no later than when the goods are released into NIBE AB's possession. Invoices cannot only be sent with the goods or only with for e.g. customs papers. Invoices must not be sent with a personal attention in the invoice address. NIBE AB accepts invoices sent by e-mail and paper mail.

E-mail

E-mail address: invoice@nibe.se

- E-mail invoices must have PDF-format (also applies to credit notes)
- E-mail with PDF-invoice must not contain any other files or information, e.g. business information or greetings.
- One PDF-file (plus any attachments) must only contain 1 invoice, 1 file = 1 PDF-invoice.
- An e-mail can contain several files.
- In connection with the first PDF-invoice sent by e-mail a separate e-mail must also be sent to the following person to confirm receipt of the invoice; invoiceconfirm@nibe.se

Paper mail

Invoice address:

NIBE AB
Box 14
SE-285 21 Markaryd
Sweden

3. *Protection of goods*

3.1. *General protection*

In all cases, goods must be packaged in a manner which is suitable for the shipping mode to be used and which provides protection against:

- handling damages, i.e. bending, breakage, etc.
- corrosion
- contamination, such as mould
- damage (especially to working and sealing surfaces)
- static build-up (where appropriate)

Pallets and collars must have pallet lid and be strapped, so that collars are secured and pallets stackable.

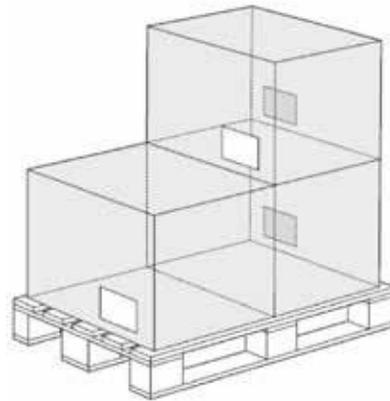
3.2. *Specific protection*

- Protective measures which exceed the general requirements are defined in the order or the item specific Packaging Instruction.
- Electronic modules and components must be packaged in accordance with ESD Guidelines.

4. Marking of goods

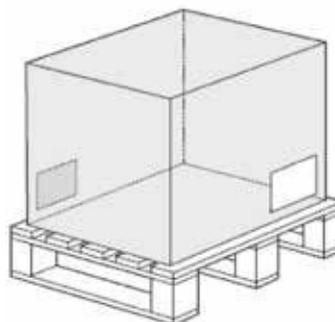
4.1. General

All markings must be clearly visible and pallets must have a label on both shortsides minimum (as in picture 1). The label shall be placed on the bottom right hand side.



Picture 1

In case of half pallet the label shall be placed as in picture 2.



Picture 2

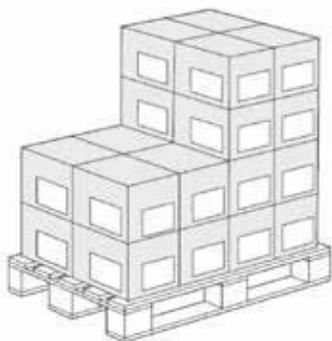
4.2. ID-Marking of load-carriers & packages

Load-carriers and packages must be marked individually, including the following information:

- NIBE item number (also as barcode, where possible)
- NIBE item description
- Quantity and package item number (e.g. "1 of 8")
- Quantity per package (minimum character size: 12 mm, also as barcode)
- Delivery note number alt. NIBE Purchase order number

4.3. Multi-package Containers

- If delivery is effected using a multi-package container, the individual material numbers contained must be clearly marked. See picture 3
- Multi-package containers must contain only packages destined for the same delivery address.
- Pallets must be clearly marked "Multi-Package".



Picture 3

4.4. Other

To prevent confusion, old markings, remains of old labels etc. must be removed from load carriers.

5. Handling of goods

- If wooden packaging is used for consignments from non-EU countries, the requirements laid down by the IPPC (“International Plant Protection Convention”) Standard ISPM (“International Standards for Phytosanitary Measures”) No. 15 must be complied with. Biocid treated or impregnated pallets are not allowed.
- Printed matter (e.g. newspapers etc.) must not be used as packaging material.
- For goods with limited life, items with different manufacturing or expiry dates, must not be contained in the same package.
- For transport, packages must be stacked securely on the shipping unit, and secured during shipment.
- Load carriers and packages weighing in excess of 25 kg must stand clear of the ground (min. 100 mm ground clearance). Sub-packages and small boxes must not exceed a maximum of 7 kg per load-carrier.

6. Disposal of packaging

- Where disposable packaging is used, its weight and volume should be kept to a minimum.
- Environmentally friendly and recyclable materials should be used for all packaging.
- Combinations of materials (e.g. metal staples, nails in timber) must be kept to a minimum and must be easily separable after use.
- The ID-markings used on packages must not inhibit their suitability for recycling (no PVC stickers on cartons).

7. Payment terms

For preferred and second source suppliers minimum 60 days net.

8. *E-business requirements*

NIBE currently use and is continually expanding the use of electronic business tools to facilitate day-to-day activities using electronic linkages between NIBE internal operations as well as with NIBE Suppliers and Customers. Delivery schedules, notification of product rejections, request for corrective actions, etc. may be transmitted to Suppliers electronically. NIBE expects that Suppliers adopt these tools to reduce errors and to improve efficiency.

8.1. *EDI/Web Supply Manager*

Purchase orders, delivery schedules, forecasts, dispatch advises, etc. between NIBE and the Supplier may be transmitted with either EDI or Web-EDI (Web Supply Manager, WSM). Suppliers who do not already use EDI must establish that or a WSM on a mutually agreed schedule with NIBE Supply representative. Contact your NIBE buyer for more information about EDI/WSM.

9. *Delivery performance*

Delivery Performance is referring to promised date at NIBE warehouse, i.e the first confirmed delivery date of the Supplier or the kanban/reorder point signal if applicable. How this KPI is calculated are stated below.

10. *General packaging instructions*

- All types of unnecessary packaging shall be avoided
- All other size of pallets but Euro-pallets must be approved by NIBE SQA person
- Height of pallet runners must be 100mm
- All material must be delivered in weather-proof packaging, if handled outside
- Packaging must ensure that tolerances is not affected during transportation
- Pallets must be adapted to the weight and withstand any stresses during transportation
- All risk of mechanical damages must be eliminated
- All pallets shall fulfill ISPM 15
- Max.height for stackable pallets and heavy goods: 1,0 m
- Max.height for single pallets and light goods: 2,0 m
- Max.weight per palletplace (ppl = 1200x800mm): 740 kgs

Following products have also additional requirements for packaging;

Electronic devices

Packaging must be ESD protected.

Isolated tubes

Must be packed without risk for insulation to be compacted during transport.

Casting iron

Must be packed in such way that risk for corrosion and dirt is eliminated.

Glass

Must be packed in such way that damages during transport are eliminated.

Metal sheets, discs and coils

Edges, corners and surfaces must be protected from any damages. Nibe is using a special tool while unloading coils, this tool requires that the eye of the coil is towards the opening side of the truck. If it is not possible for supplier to load the coil in this direction this must be communicated to Nibe SQA and another solution agreed with Nibe SQA. All cargo securing must follow Swedish regulations and requirements.

Vermiculite

Must be packed according to specification.

Compressors

Must be packed in such way that risk of tip or tilt is eliminated.

Heat exchangers

Must be delivered with protective material between each layer. Must also be filled with dry air or nitrogen to be protected from oxidation. Sealed.

Copper-tubes and coils for refrigerants

Must be filled with dry air or nitrogen to be protected from oxidation and always delivered sealed in all ends.

11. Escalation process for delivery issues

If delivery deviations appears and no satisfying answers/actions are presented by supplier the issue will be escalated as follows;

Step 1 escalation

Nibe planner will ask the supplier to complete a Delivery Action Report to establish root cause and also long term action to avoid future delivery deviations.

Step 2 escalation

If the Delivery Action Report is not completed or accepted it will be escalated to the strategic purchaser level. The supplier will also be listed as a high risk supplier that will be evaluated each week until the delivery deviations are eliminated.

Step 3 escalation

If the answers in the Delivery Action Report are not accepted despite reminders from the strategic purchaser, the issue will be escalated to the Purchase manager and Quality manager level.

12. Other

Deliveries which deviate from these General Instructions for Deliveries to NIBE AB must be approved in advance by NIBE Supply representative and must be identified as such by means of special markings on the delivery note and the package(s).



Social responsibility Manual

EDITION HISTORY

Edition	Change description	Date
First Edition	First Edition	2015-04-21

Social responsibility Manual

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1 Introduction

Nibe's values are an important part of our management philosophy and our corporate culture is deeply rooted in our long and proud tradition of responsible entrepreneurship. Our Code of Conduct, together with our Group policies, constitutes the framework for our business activities and applies to all company employees and directors, regardless of where in the world they may be working.

We realize that we cannot succeed in applying these principles on our own, but only in co-operation. That is why this Social Responsibility Manual applies to Nibe and to our Suppliers alike.

2 Human rights

The responsibility to respect human rights is a global standard of expected conduct for all business enterprises wherever they operate. And it exists over and above compliance with national laws and regulations protecting human rights.¹

2.1 Support and respect human rights

We believe that all members of society deserve to be treated with dignity and respect. Nibe avoid infringing on the human rights of others and address adverse human rights impacts with which we might get involved.

We expect our Suppliers to:

- Treat employees and members of society with dignity and respect in line with international humanitarian law and prohibit any physical abuse or discipline, the threat of physical abuse, sexual or other harassment or verbal abuse or other forms of intimidation.
- Act responsibly towards neighboring society, safeguard the rights of indigenous people and treat members of society with dignity and respect.

2.2 Do not complicit in human rights abuses²

We commit to a workplace free of harassment and abuse. We shall not threaten workers with, or subject them to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

We expect our Suppliers to:

- Not tolerate any direct or indirect support to non-state armed groups.
- Guarantee that existing international guidelines and standards for the use of force are respected, if security services are used to protect operations.³
- Prevent forcible displacement of individuals, groups or communities.
- Discontinue engagement with business partners who themselves, or through their upstream suppliers, have been identified as committing serious abuses towards human rights.

3 Decent Work⁴ and Labour Standards⁵

We support the Decent Work Agenda, formulated by the ILO, which aims to achieve decent work for all by promoting social dialogue, social protection and employment creation, as well as respect for international labour standards.

3.1 No forced or compulsory labours⁶

We shall ensure that all work is voluntary. We shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labour. Involuntary labour includes the transportation, harboring, recruitment, transfer, receipt, or employment of people by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

We expect our Suppliers to:

- Not use, be complicit in, or benefit from forced labour.
- Assure that salary, personal property or documents will not be withheld in order to forcing workers to continue any working condition.
- Not withhold workers' original government-issued identification and travel documents.
- Ensure that workers' contracts clearly convey the conditions of employment in a language understood by the workers.
- Not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities.
- Give the workers the right to leave the employment after reasonable notice.
- Under no circumstances use or encourage trafficking.
- Ensure that the third-party recruitment agencies it uses are compliant with the provisions of this Social responsibility manual and the law. Suppliers recruiting foreign contract workers either directly or through third party agencies shall be responsible for payment of all fees and expenses in excess of one month of the worker's anticipated net wages.

3.2 Uphold the freedom of association⁷

As legally permitted, we shall freely allow workers to join (or refrain from joining) organizations of their choice, and bargain collectively without interference. We shall ensure that workers have a mechanism to report grievances and promote open communication between management and workers.

We expect our Suppliers to:

- Enable workers to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law.
- Adopt an open attitude towards the activities of trade unions and their organizational activities.
- Ensure that workers representatives are not discriminated and have the opportunity to carry out their representative functions.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer does not hinder the development of parallel means for independent and free association and bargaining.

3.3 Provide good working conditions⁸

Worker health, safety, and well-being is important to Nibe. We shall provide and maintain a safe work environment and integrate sound health and safety management practices into our business. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

We also expect our Business Partners to:

- Have a systematic health and safety work, where hazardous conditions have been identified and minimized.⁹
- Have a system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports.
- Implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.
- Freely provide workers with appropriate workplace health and safety training in their primary language and personal safety equipment. Health and safety related information shall be clearly posted in the facility.
- Identify and assess potential emergency situations and implement emergency plans and response procedures that minimize harm to life, environment, and property.
- Identify, evaluate, and control worker exposure to tasks that pose ergonomic risk such as excessive force, improper lifting positions, or repetitiveness. Supplier shall integrate this process into the qualification of all new or modified production lines, equipment, tools, and workstations.
- Provide a safe and hygienic working environment with access to clean toilet facilities and access to drinking water.
- Where applicable, provide accommodation that is clean, safe, and meet the basic needs of the workers.

3.4 Work against harmful child labour¹⁰

We shall actively work against harmful child labour and employ only workers who are at least 15 years of age or the applicable minimum legal age, whichever is higher. We may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

We expect our Suppliers to:

- Assure that there is no recruitment of under age children.
- Not require juvenile workers to work overtime or perform night work.
- Assure that children under no circumstances shall be held in situations, within or outside a working area, which are dangerous or unsafe for their physical or mental health and development.
- Participate in and contribute to policies and programs which provide for the transition of any child found to be performing harmful child labour to enable her or him to attend and remain in quality education until no longer a child.
- Ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations.

3.5 Practice living wages and fair working hours¹¹

We shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

We expect our Suppliers to:

- Ensure that all workers receive at least the legally mandated minimum wages and benefits.
- Offer vacation time, leave periods, and time off for legally recognized holidays and fulfill approved laws or rules for working hours in the nation where the supplier operates.
- If national law is not applicable, workweek shall be restricted according to international agreements.
- Compensate workers for overtime hours at the legal premium rate.
- Offer recognized employment relationship established through national law and practice.
- Communicate pay structure and pay periods to all workers and pay accurate wages in a timely manner.
- Not use wage deductions as a disciplinary measure.

3.6 Do not tolerate any discrimination of workers¹²

We shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, HIV/AIDS status, or union membership, in hiring and other employment practices.

We also expect our Business Partners to:

- Ensure that no discrimination in hiring, compensation, access to training, promotion, termination or retirement, based on the factors mentioned above, exists.
- Not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety, and shall not improperly discriminate based on test results.

Supplier is encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input on, and participation in, health and safety issues in the workplace.

4 Anti-corruption¹³

The work against bribery and corruption is an important part of Nibe's corporate responsibility work and thus, we have high set standards both within our own organization and in relation to all our business partners.

Nibe has a zero tolerance of bribery and corruption. Nibe is of the firm opinion that any sort of bribery, corruption or improper payment is unacceptable in business dealings and transactions anywhere in the world.

4.1 Work against corruption in all forms

Nibe's Anti-Corruption Policy has been adopted as part of Nibe's anti-corruption program and is applicable to the board of directors and the employees of the Nibe group. The Anti-Corruption Policy is also applicable to companies and joint ventures in which Nibe has an interest, third parties acting for or on Nibe's behalf and any other third parties that have undertaken to comply with it.

Nibe and all such persons shall always act in accordance with the following:

- We do not, directly or indirectly, offer, promise or give financial or other advantages to customers, suppliers, other business partners or public officials that could be considered given to influence or reward disloyal or improper behavior or performance.
- We do not, directly or indirectly, request, agree to receive or accept any financial or other advantage that could be considered given to influence or reward disloyal or improper behavior or performance by the recipient or any other third party.
- We do not, directly or indirectly, make facilitation payments (usually cash paid to a public official to facilitate routine government action).
- We will never discipline or condone negative treatment of any employee or business partner who complies with this Anti-Corruption Policy, no matter the financial or other consequences for us.
- We will take appropriate action against any director or employee as well as against any business partner who do not comply with this Anti-Corruption Policy.

We expect our Suppliers to:

- Comply with this Anti-Corruption Policy as stated above.
- Demand from their business partners to act according to the same standards.
- Compliance with this policy may be subject to audit.

4.2 Ensure sound business ethics and transparency

We pride ourselves on matters such as honesty, decency, avoiding conflicts of interest, respecting competition law and striving to provide transparency.

We expect our Suppliers to:

- Ensure that all communication is honest and to observe the appropriate laws, rules and norms.
- Ensure that all legally required taxes and fees are paid to governments.
- Ensure that such payments are disclosed in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI) when applicable.

5 Compliance

Nibe shall make a reasonable effort to ensure that the requirements of this CR Manual are being met both internally and among the Suppliers.

5.1 Management system and Control

In order to comply with this manual, the Supplier need to maintain a management system with procedures for implementation and control. This system might be subject to audit.

We expect our Suppliers to:

- Be open for planned as well as non-planned assessments made by Nibe or a third party.
- Carry out and present results from self-assessments when required.
- Have a positive attitude towards working with continual improvements.
- Ensure traceability of material and processes back to origin.
- Have procedures to control that their suppliers act according to international norms of behavior.
- Be able to present records and needed permissions for activities performed by the supplier or the supplier's supplier.

(Endnotes)

- 1 UN Declaration of Human rights, UN Guiding Principles on Business and Human Rights
- 2 ETI (Ethical Trading Initiative): No harsh or inhumane treatment is allowed
- 3 UN Basic Principles on the Use of Force & Firearms by Law Enforcement Officials, UN Code of Conduct for Law Enforcement Officials, International Human Rights Standard for Law Enforcement, Voluntary Principles on Security and Human Rights, OSCE Handbook of Best Practice on Small Arms and Light Weapons
- 4 ILO Declaration on Social Justice for a Fair Globalization (2008)
- 5 ILO (International Labour Organisation) www.ilo.org
- 6 ILO C29, C105 and ETI (Ethical Trading Initiative): Employment is freely chosen
- 7 ILO C87, C98, C135, C143, C154 and ETI: Freedom of association
- 8 ILO C155, C164, C184 and ETI: Working conditions are safe and hygienic
- 9 OHSAS 18001
- 10 ILO C138, C182 and ETI: Child labour shall not be used
- 11 ILO C95, C131, C1, C30, C106, C14 and ETI: Living wages are paid, Working hours are not excessive, Regular employment is provided
- 12 ILO 100, 111 and ETI: No discrimination is practiced
- 13 UK Bribery Act
- 14 UK Modern Slavery Act 2015

World-class solutions in sustainable energy



NIBE is an international heating technology company with business operations organised in three separate business areas, NIBE Energy Systems, NIBE Element and NIBE Stoves. Our vision is to create world-class solutions in sustainable energy. Our mission is to offer energy technology products and solutions that combine high quality with innovation. This work builds on the NIBE Group's wide-ranging expertise in the fields of product development, manufacturing and marketing.

NIBE