



INVENTORY CONTROL & HOUSEKEEPING PROCEDURE

Quality Procedure

Al Khobar Stockist Warehouse & Distribution Facility

DTE-QMS-PRO-08 | Revision 00 | Effective 01 January 2026



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Applicable To	Al Khobar Warehouse & Distribution Facility	Classification	Internal / Controlled

Inventory Control & Housekeeping Procedure

Stock levels, locations, and status (available, quarantined, reserved) are maintained in Diode's inventory records, updated at the point of receipt, putaway, order allocation, and dispatch.

Cycle Counting

Periodic cycle counts are conducted across product categories on a rotating basis to verify system stock quantities against physical stock, with variances investigated and corrected, and recurring variance patterns reviewed for root cause (e.g., mis-picks, labelling errors, damage write-offs). High-value or fast-moving product lines are counted more frequently than slow-moving lines.

Housekeeping

Storage areas are maintained in a clean, organized condition following 5S principles (Sort, Set in order, Shine, Standardize, Sustain), with aisles kept clear, stock correctly located, and damaged or obsolete stock identified and dispositioned promptly rather than left in general storage.

Finished Goods Status

Finished/released product is clearly distinguished from quarantined or held stock through location segregation and status labelling, so that only conforming, released product is available for order allocation and dispatch. Quarantine locations are physically separated from saleable storage areas and clearly signed.

Slow-Moving & Obsolete Stock

Stock showing no movement over a defined review period is flagged for Management review to determine disposition (continued stocking, return to supplier, or write-off), preventing degradation of long-held material from going unnoticed.

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, Clause 8.5.4 (Preservation)	Reference point for maintaining stock condition and status control throughout storage.



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:

- Cycle count records and variance log
- Housekeeping walk-around log
- Slow-moving / obsolete stock review log

Related Documents

- DTE-HSE-STD-11 Warehouse Operational Safety Standards
- DTE-QMS-PRO-07 Warehouse Inspection, Product Release & Traceability Procedure

AUTHORIZATION

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