



Enabling
trusted
identities

Nexus Group Supplier Handbook – Identity tools

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1 About Nexus

Nexus is an independent manufacturer of standard products and comprehensive solutions for identity and management for physical and logical access. With 280 employees in 15 offices, among others in Germany, Sweden, France, Denmark and India, we serve our customers and partners worldwide. Our systems are standard-compliant, user-friendly and open for integration into customer environments.

1.1 Nexus's core values

Every day we make many decisions. Only a few of them are decided by group management. The rest are all tactical choices, priorities and concrete decisions taken locally, often close to our customers. That's the way we want it – short decision paths and straight answers.

To make this happen, we have created a common set of values and clear guiding principles, that allow us to follow our company compass and jointly strive for the same goal.

We are Nexus



1.1.1 We care

At Nexus, we want to be trustworthy. We are humble, act with a long-term perspective and take responsibility. Our ambition is to understand our customers and colleagues needs in order to help out in the best way. Caring builds trust and confidence for us as individuals and our company.

This is how we care:

- We always listen, trying to understand and being ready to help.
- We trust each other, show confidence and act with integrity.
- We have a genuine interest in people and respect everyone around us, both within and outside the company.
- We show empathy in all situations and in every relationship with our colleagues and customers.
- We strive to protect the environment and save the earth's resources.
- We aim to share joy as well as challenges and setbacks.

1.1.2 We innovate

We operate in a changing world, where technology development is extremely fast and where our customers are constantly experiencing new challenges. With this follows high demands and expectations for constant innovation. This matches our high ambitions to understand and keep up with existing needs. But we want more, we will challenge the conventional and already known. We will continue to deliver cutting edge technology and stay ahead of competition.

This is how we innovate:

- We are proactive and foresee future challenges to anticipate how technology will affect our customers' needs.
- We challenge existing ideas and ourselves in order to solve business needs in new innovative ways.
- We analyze and adopt new technology to innovate new products and solutions.
- We are open minded and dare to be creative.
- We are steadily striving to improve.
- We push ourselves in order to search for creative solutions to any problem.

1.1.3 We are committed

To meet and exceed expectations are important prerequisites when success is created. Therefore, we are always prepared to go the extra mile when required. For us, responsibility is inspiring and challenges are natural driving forces that gives us energy and fuel to continuous improvement and to the appreciated deliveries.

This is how we are committed:

- We take personal responsibility for our common success.
- We keep our promises.
- We are loyal and always there to do what needs to be done.
- We believe in what we do – in short and long term.
- We always deliver and reach our targets.
- With focus and passion, we manage beyond expectations

2 Requirements

2.1 Sourcing Guidelines

Nexus Group believes that openness and transparency in business transactions with suppliers is the best way to build trust with suppliers. We select our suppliers based on Nexus's well-established sourcing process. As Nexus operates in an international environment our corporate language is English. This is the language we use in our communication with suppliers in the sourcing process. All formal documents must be in English.

Nexus applies the Code of Conduct, which forms part of the rules of engagement for Nexus employees. The code is based upon the principle of "comply or explain". Part of the Nexus Code of Conduct, is the anti-bribery policy prohibits employees of the Nexus Group from making or approving any offer, promise, payment, or gift of anything of value to any individual, with an intent to improperly influence a decision by the individual.

Nexus place demands on ourselves as well as on our suppliers.

- We condemn all forms of corruption and fraud, and demand openness, integrity and honesty in all parts of our business operation in every country.
- We clearly repudiate child labor, forced labor and working conditions that can be viewed as harmful, abusive or directly hazardous.
- We look after the environment and the communities where we and our suppliers work, and we want to be an international role model in the mining sector when it comes to the environment, ethics, the working environment, equality and diversity.
- We will run a business that facilitates sustainable social development and generates wellbeing.

The supplier handbook can be used as a basis for various stakeholders, but is primarily targeted at the supplier's works management, who are responsible for carrying out systematic self-regulation to ensure that the assignment is carried out in accordance with applicable laws and regulations. It is also the duty of each employee to be aware of and to comply with these. There may be additional local regulations at each workplace, and these must also be complied with. The supplier is responsible for notifying Nexus Group of any subcontractors engaged in any element and must ensure that these comply with applicable laws and regulations. Failure to comply with applicable regulations can lead to sanctions and contract negotiations. Planners and other active parties must also consider other guiding documents and must request these from the appointed contact person within Nexus Group.

Nexus is committed to sourcing components and materials from companies that share our values regarding respect for human rights, integrity and environmental responsibility. Affected suppliers to Nexus Group will be required to be or commit to becoming "conflict-free" (which means that such supplier does not source conflict minerals that directly or indirectly finance or benefit armed groups in the DRC or adjoining countries).

Sustainability initiatives and environment friendliness are important parts of the Nexus sourcing process. From sourcing to recycling, sustainability considerations drive everything we do, because it's important for the environment, and it is vital for our business. The objective is to develop the relationship and enhance the level of sustainability performance

2.1.1 Sustainability governance and organization

The Nexus management team has the overall responsibility for identifying and managing existing and emerging risks. The executive team is responsible for sustainability risk management and decides on sustainability policy, Code of Conduct and strategy.

2.1.2 Non-Disclose Agreement (NDA)

Suppliers must sign an NDA before entering the supplier self-assessment process. The NDA secures the rights of Nexus and suppliers in terms of disclosure of classified information about both parties. It is considered mandatory and non-negotiable by Nexus. It is mandatory to fill in the NDA template and it must be available throughout the sourcing process.

2.2 General Terms and Conditions of Packaging and Delivery

2.2.1 Delivery Address and Delivery Date

Unless otherwise agreed with Nexus in a given case, the delivery address for delivery of all partial deliveries by the supplier shall be to a Nexus warehouse as stated on the purchase order. Nexus main warehouse is based in Dialoggatan 17-19, SE-126 26 Hägersten, Sweden.

Nexus shall determine the exact delivery address and the requested delivery date when sending an official purchase order to the supplier. Revised delivery plans and/or addresses may be requested by Nexus before shipment.

Unless the shipment contains for instance samples that should be inspected by a particular person, “attentions” on shipments should not be used. Unnecessary “attentions” on shipments may cause delays as the shipment may be received but not opened as the staff which the shipment was “attended” to was not available.

The supplier is expected to assist Nexus with recommendations regarding as effective logistics as possible by within reason and without adding unreasonable delays co-ship consignments.

2.2.2 Invoice Information

Electronic invoicing is mandatory, unless otherwise agreed. An invoice is required to feature the following information as a minimum. If this information is not provided, the invoice may be rejected. If so, Nexus will expect a new corrected invoice from the supplier. Issue date and due date for the new invoice must be altered to reflect the revised date of submission.

Supplier's information:

- Supplier's name and address
- Supplier's VAT number
- Supplier's unique payment information (IBAN, including BIC code / SWIFT, Post giro, bank account number etc.)
- Supplier's contact information – email address, phone number and postal address

Standard information per invoice:

- Invoice date
- Invoice number
- Delivery date
- Item description. All types of goods or services must have their own invoice line. All invoice lines must specify in separate fields: line item/product/service number, description, quantity, unit price, and total price
- Name of Consultant, if applicable
- Number and name of Cost Center in Nexus
- Total price
- Total VAT
- VAT per VAT rate
- Applied VAT rate
- Payment due date
- Terms of payment – minimum 30 days
- Credit notes must state a reference to the original invoice

2.2.3 Regulations for invoice information

- Only one currency per invoice
- One due date per invoice
- Only one order number per invoice
- Reference to only one subscription per invoice
- E-invoices must be sent to Nexus: supplier@nexusgroup.com

2.3 Shipping Documents

All deliveries to Nexus shall be made with delivery notes as they form the basis of invoicing and payment of supplier invoices. A set of delivery notes and all other shipping documents required for the transportation company and customs, are to be enclosed with each shipping order.

Minimum requirements on data and particularly on shipping documents are:

- Supplier name and address
- Supplier delivery note number
- Nexus purchase order number
- Nexus part number per order line
- Quantity delivered per part number
- Pallet or box number of the packing list per item line
- Weight of each respective pallet or box
- Summary Number of packages
- Summary Total weight

Delivery note and transportation data such as airway bill numbers and/or tracking number shall be transmitted to Nexus via email purchase.se@nexusgroup.com from delivery of the consignment to the forwarder. If a purchase order has been issued by another Nexus warehouse, the local purchase function email address should be used for communication.

2.3.1 Long-Term Supplier's Declaration

Long-term supplier's declarations serve as proof of origin for the mentioned partial deliveries the supplier delivers regularly to Nexus. Supplier's declarations shall be provided by December 31 of the previous year at the latest.

2.4 Packaging

The goods shall be delivered in specific packaging determined between supplier and Nexus. The supplier must in any case ensure that the goods reach their destination in good condition by using corresponding packaging and by load securing. When loading the goods, they must be secured in a way that the legal requirements and other valid rules and regulations are met.

In case of nonobservance of the defined packaging due to the fault of the supplier, Nexus reserves the right to charge the supplier's account with the accruing costs for handling and repacking.

The use of the agreed alternative packaging shall be allowed on consultation and approval by Nexus only.

2.4.1 Packaging levels

Inner box packaging is the material lowest level of packaging and the material that holds the product. This usually is the smallest unit of distribution.

Outer box packaging is outside the primary packaging and most likely contains several units of the primary packaging. Outer box packaging should have a maximum weight of 23kg.

Transportation packaging is used for bulk handling and/or warehouse storage and/or transport shipping. The most common form is palletized outer box packaging. In those cases that outer box packaging is used as transportation packaging the protection of the inner box packaging and products must be considered in the packaging design.

2.4.2 Goods Labels

The supplier shall be obliged to use goods labels specified by Nexus and agreed together with the supplier.

The package and delivery note numbers shall be serial and clearly identifiable.

2.4.3 Packaging

The overall responsibility for the packaging and their inlays lies with our suppliers (procurement, maintenance, control, capacity adjustment, etc.).

The packaging design different considerations are prioritized depending on the packaging level but the following considerations should apply when designing packaging:

- Protection, the packaging must ensure protection for the product and be produced of a suitable material.

- Dimension, size and volume of the packaging should be minimized to reduce transportation cost and stock shelf allocation and optimized to suit pallet dimensions.
- Cost, the packaging cost should be minimized. Depending on volume a standard packaging is normally most cost efficient.
- Environmentally friendly packaging should always be preferred and a slightly more costly packaging made from recyclable materials is preferred.
- Availability, a standard packaging provides normally best availability and reduces the risk of bottlenecks as sourcing issues with customized packaging.
- Handling friendly, the packaging must be safe and easy to handle and thus a simple construction and shape should be used.

2.4.4 Palletized packaging

Palletized packaging should utilize either EUR1- or EUR6-pallets depending on the dimensions and total weight. The total weight of an EUR6-pallet should not exceed 500 kg and for EUR1 the total weight should not exceed 1000 kg. For both EUR1 and EUR6 the maximum loading height must never exceed 150 cm.

2.4.5 Approval of Packaging

The supplier shall clarify the requirements of the packaging used for a component with Nexus. After that, the supplier submits his packaging proposal to Nexus, who agrees on the packaging proposal with the internal persons at Nexus responsible for the process.

2.5 Carrier

If there is no contractual agreement “ex works”, the supplier shall conclude the forwarding contract with a carrier of his choice. It is recommended to provide the carrier with the contents of this Supplier Manual.

Any additional expenditures due to nonobservance of delivery agreements by the carrier lie in the responsibility of the supplier.

When the contractual agreement is “ex works”, the supplier is expected to book and arrange collection of the shipment with carrier as appointed, either by Nexus based on individual order or general rules set forth by Nexus on what carrier to utilize based on the weight of the consignment.

2.6 Information Logistics

2.6.1 Information Behavior as to the Delivery Process

Inquiries/queries as to delivery dates shall be responded to by the supplier as soon as possible within a reasonable timeframe. Nexus recognizes that the queries may need some time to answer as it requires production planning and possible coordination with sub suppliers. The accuracy of the response is more important than a swift response time.

Each anticipated supply bottleneck which may lead to impairment of dates or quantities shall be communicated to the responsible purchase manager at Nexus without delay.

Information on deviation of quantities, reasons for deviation and immediately commenced corrective actions, impending bottlenecks shall, in individual cases, be informed to Nexus in writing.

If no information on bottlenecks is provided in due time, this will lead to downgrading of criterion "Communication" in the supplier rating.

For the delivery process, contact persons and their deputies who are able to make competent and reliable decisions, also outside business hours, shall be communicated to Nexus.

2.7 Production Logistics

2.7.1 Sufficient Production Capacity

The production capacities agreed with Nexus and based on for instance forecasts and agreed delivery times shall be kept available to a corresponding extent by the supplier.

The production capacities shall be regularly updated in the periodically meetings between the parties.

Foreseeable capacity bottlenecks due to increasing piece numbers, worn tools or the like shall be communicated to Nexus without delay, and appropriate measures shall be taken.

National public- or religious holidays and other periods of reduced capacity shall be reported to Nexus in due time so that Nexus can plan material purchases accordingly so that shipments can take place before such period of reduced capacity.

2.7.2 FIFO and Traceability

The supplier ensures that during the production, storage and delivery process, a strict First In First Out (FIFO) is adhered to. In this context, the supplier shall, on request by Nexus, be obliged to implement an appropriate system based on which lot sizes or batches can be traced back to the package. This implies that, for example, in case of a quality issue, the batches concerned can be defined and their delivery day, delivery note and range of package numbers be identified. As to electronic components, a connection from electronics to package must be ensured.

A defined package number on the label of the dispatch units enables accurate and reliable delivery in terms of traceability under the FIFO method.

2.8 Delivery Process

2.8.1 Forwarding Management

The supplier shall notify the carrier charged by Nexus of the consignment on the day before pickup of the consignment at the latest. Unauthorized advance delivery shall not be permitted.

2.8.2 Delivery Behavior in Case of Production Stop in the Plant of the Supplier

In case the supplier plans a production stop (e.g. at the turn of the year), he must ensure continued supply of Nexus according to the orders. Advance deliveries leading to excess delivery at Nexus must in beforehand be agreed with Nexus. In that case, the supplier shall inform Nexus in due time about the production stop and the measures to secure the supply of Nexus.

3 Qualitative Requirements

The quality of the supplied components and or products directly affects our products and/or solutions. This is why Nexus must make the demands described in this Supplier Handbook on the quality management system of the supplier.

3.1 Production Preparation and Serial Production

3.1.1 Supplier Quality Planning

Advanced Quality planning is a necessary process to ensure the planning required for product development and industrialization. Nexus requires the use of APQP or similar by Nexus approved process.

3.1.2 Sampling, production trail run and golden samples

Initial sampling of all serial components is expected to be produced according the drawings and/or product-specifications and delivered to Nexus for approval by product management. A production trail run may, depending on the products characteristics, be used for tool evaluation and for evaluation of the overall production chain. Date and number of pieces to be produced are agreed jointly.

When a product is approved, a “golden sample” will be stored at Nexus QA-department for comparison with future consignment and production batches. The supplier should also keep a, by Nexus signed, “golden sample” available for quality assurance purposes at their production site.

3.2 Complaint Management

3.2.1 Quality deviation measurement

Basis of the quality deviation measurement is all complaints referring to defects or deviations from the specifications directly on the part supplied (shape defects, color defects, malfunctions, quantities etc.) itself or its packaging.

Handling is done via individual return/processing or via accumulated scraps at Nexus. As to accumulated scraps, the parts are assigned based on the party responsible. If the party responsible cannot be determined without doubt, the costs shall be divided 50/50 between supplier and Nexus.

3.2.2 Processing Test Reports

Basically, all test reports shall be regarded as possibly relevant to the quality deviation measurement and answered within a reasonable period. The supplier is encouraged to maintain the information flow between the supplier and Nexus, in case of that the answer is delayed, at least a preliminary result with the scheduled final date of the final statement shall be sent to maintain the information flow.

The statement shall be made in written form and implementation of measures shall be noted on the statement.

3.2.3 Reworking in the Plant

Reworking shall be done in coordination with Nexus and based on reworking criteria clarified and determined beforehand only. Reworking shall be performed by instructed personnel familiar with the corresponding components only. Exceptions are to be agreed with Nexus beforehand.

3.2.4 Control Actions in the Plant

Should it be considered as necessary to perform control actions as to quality and quantity of components in the production plant, Nexus reserves the right to prompt this without prior agreement.

3.2.5 Self-Denunciation

When a supplier makes a self-denunciation (information to Nexus that an agreed specification on deliveries was not met), this shall have the following consequences:

- The incident is rated non-quality measurement deviation relevant, thus having no effect on supplier rating. Exception: when a customer of Nexus has already been affected, and the self-denunciation was too late for a response on behalf of Nexus.
- Moreover, a self-denunciation shall be handled as any other complaint and shall not release the parties concerned of responsibility or measures (reworking, replacement deliveries, extra tours, etc.) for elimination of the deficiency, or to process and document this deficiency in the context of complaint management. Costs accruing from such measures shall be at the expense of the party responsible.

4 Active Information Concept

For the consistent supply and product quality, the supplier is encouraged to conduct self-assessment and process evaluation in order to identify and understand implications of for instance unforeseen bottlenecks. This and two-way transparency around the possible bottlenecks is part of the Active Information Concept. Nexus expects immediate information on anticipated or current faults (e.g. technical defects or quality issues). The Active Information Concept also includes the following mandatory points on which the supplier is obliged to inform Nexus about and get consent before implementing intended measures:

- Relocation of production (production site)
- Changes in the production process
- Changes of suppliers and primary products
- When major maintenance work which may affect the production process, is performed
- Nonobservance of delivery quantities and/or dates, also in the medium-term range (capacity leveling)
- In case of scheduled production stops or unscheduled pending events

For the same reasons Nexus may inquire about the following points which at that point also should be made available from the Supplier

Documentation of the Maintenance process. The supplier shall undertake to maintain his and/or Nexus tools and operating resources in perfect condition. To ensure this, the supplier shall make repairs and take measures for preventive maintenance.