



Global Supplier Expectations Manual - Supply Chain Global Supply Chain Standard

For External Distribution

Rev 1.0

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Revision	Release Date	Description of Changes	Prepared by
1.0	16-May-24	Initial Release	Katharine Rogers

1. INTRODUCTION & PURPOSE

3M strives to provide the highest value to our customers through innovation, quality, delivery, and cost competitiveness. A highly collaborative relationship with our suppliers is critical to the achievement of these objectives.

The purpose of this manual is to define the minimum global business expectations for 3M Suppliers, both new and existing so that we can continue to provide innovative, world class products that meet or exceed our customer expectations for cost, quality, and delivery. A highly effective extended supply chain results in success for both 3M and our suppliers.

2. SCOPE

The expectations set forth in this manual are applicable to existing and new suppliers of goods (raw materials, semi-finished goods, finished goods and packaging) and services to 3M.

3. RESPONSIBILITY

Suppliers shall comply with all requirements and expectations documented in the Global Supplier Supply Chain Management Expectations Manual. 3M provides updates and revisions to this manual, as necessary. Suppliers are expected to incorporate these updates and revisions into their business operations.

Suppliers are responsible for reviewing new and revised 3M requirements and determining the impact on their internal systems and promoting awareness of the supply chain manual.

4. SUPPLIER EXPECTATIONS AND REQUIREMENTS

4.1. Supply Chain Expectations General

The supply chain organization at 3M contributes to manufacturing excellence in quality, cost, and delivery to the customer. In particular, the supply chain function manages the on-time and in-full delivery of component material and shipment of finished goods while managing cost. Key to this effective and efficient supply chain are suppliers who are responsive and proactive in communication when there are potential issues in meeting demand requirements.

Continuous improvement in our global supply chain is and will continue to be a competitive advantage at 3M. We expect our suppliers to engage in continuous improvement by identifying and measuring key metrics that identify gaps in expectations versus performance and drive corrective actions to improve overall performance.



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4.2. Key Supply Chain Metrics

3M measures several metrics as it relates to supply chain performance. Those metrics are highlighted in the 3M Global Supplier Standards – Main. However, in the interest of continuous improvement as well as maintaining effective and efficient supply chain suppliers should be monitoring metrics including:

- Line On-Time/In-Full (OTIF): OTIF measures the ability to effectively deliver goods to 3M
 - On-Time is considered -3/+1 day from the due date
 - In full is +/- 10% of the ordered amount
- Lead-Time Adherence (LTA): LTA is the % of orders delivered within the agreed upon lead time
- Supply Chain Disruptions: 3M expects advance communication of significant supplier disruptions including tier 2 and tier 3 supply issues.

4.3. Planning and Execution: Supplier Managed Inventory

One option to improve the entire supply chain is via supplier collaboration through the sharing of our planning data to help suppliers better plan for their own resources. 3M begins by sharing netted forecast data for better long-term planning by the supplier. The next step is to enter a Supplier Managed Inventory (SMI) relationship where the Supplier assumes responsibility for deciding what to replenish and when based on min-max ranges or days of stock. 3M provides the gross forecast (current inventory position plus expected demand). 3M no longer generates purchase orders as the Supplier determines when to replenish. A scheduling release is used to set time frame and quantity parameters. SMI requires a more committed relationship and discipline between 3M and the supplier. Where appropriate, 3M may also invite a supplier to further develop the SMI relationship by migrating to consignment inventory.

If you are interested in leveraging planning data, discuss with your 3M Planner at the 3M plant or distribution center.



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4.4. Electronic Commerce:

4.4.1. Introduction

3M uses eCommerce supplier collaboration tools and actively works to increase our electronic trading relationships with suppliers. The use of eCommerce to transact business with 3M is expected.

eCommerce tools will enable suppliers to view and transact electronically:

- Purchase Orders (PO) – view, download or interface directly into a Supplier’s ERP system
- Purchase Order Acknowledgement (POA) – confirm and/or correct details of purchase orders
- Advanced Ship Notices (ASN) – confirm details of shipment quantities and dates prior to shipment
- Invoices – send electronic invoices that match Pos and actual shipments
- Electronic Funds Transfer – electronic payment of invoices via ACH or wire

The benefits to 3M and our suppliers include:

- Real time communication and visibility of purchasing data
- Early identification and correction of errors in purchasing data
- Reduction in paper, manual data processing and lost paperwork
- Reduction in receiving and invoice match exception errors
- Enable invoices to be paid on time
- Improvement in data processing accuracy and efficiency

4.4.2. Available eCommerce Options

We currently offer five different eCommerce Tools (eTools) that enable the electronic delivery and exchange of purchase orders, purchase order acknowledgements, advanced shipment notices and invoices between 3M and our suppliers. The current tools are:

- Corcentric
- Ariba
- Integrated EDI
- SNC
- eSupplier (US Legacy only)

The appropriate eTool will be determined based on type of activity and volumes. The transactions described in this document include the expectation of eCommerce enablement. If you have not been enabled on an eTool with 3M, refer to the eCommerce Supplier Collaboration topic found in the [Source to Pay section](#) of the [3M SupplierDirect website](#), visit the [Supplier Learning Academy](#), or connect with [3M’s Source To Pay eCommerce Support Team](#) to learn more about 3M’s eCommerce options.



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4.5. General Purchasing Requirements

4.5.1. Purchase Order (PO)

The 3M purchase order (PO) is a legally binding agreement between the supplier and 3M. Applicable 3M terms and conditions are referenced via URL on the PO and are linked below this document in the Source to Pay Transactions page within 3M Supplier Direct.

https://www.3m.com/3M/en_US/suppliers-direct/suppliers/source-to-pay/terms-and-conditions/

- 3M Global ERP: PO will be received by the supplier via eCommerce
- Legacy (US): PO will be received by the supplier via eCommerce or fax
- Legacy (Other): Reach out to your local buying team for specific requirements or questions

4.5.2. Delivery Date

The delivery date listed on the PO is the date 3M requires the material to be delivered at the “ship to” location listed on the PO. When acknowledging a delivery date on a PO, include the estimated transit time as part of calculating when the shipment will arrive at the requested destination. For US Legacy transactions, for a blanket order, releases may be requested for multiple delivery dates based on manufacturing need.

4.5.3. Purchase Order Acknowledgement (POA)

The POA is an acknowledgement of the order and agreement to the requested delivery date, quantity, and price. Where required, all POAs shall be returned to 3M within 2 business days of receiving a new PO or a change to an existing PO. Should the supplier disagree with details listed on the PO, the supplier shall submit to 3M a POA with the requested changes. Upon the 3M buyer's approval of the requested changes, a changed PO will be issued to the supplier. Should the supplier determine that they can no longer meet the acknowledged delivery date, the supplier shall send a new POA with the new expected delivery date. POAs with delivery dates in the past will not be accepted. If POAs are not utilized, disagreements on details listed in the PO, requested changes to POs and any adjustments to delivery dates shall be communicated to the buyer via phone call or email.

- 3M Global ERP: Supplier shall respond to the PO and all PO changes via eCommerce within 48 hours of receipt to acknowledge the details of the order.
- Legacy (US): PO acknowledgements shall be sent within 48 hours of receipt to acknowledge details of the purchase order. If you are eEnabled, the POA must be sent electronically. Otherwise, reach out to your local buying team to determine if POA details should be provided via a phone call or email.
- Legacy (Other): Reach out to your local buying team to determine specific requirements or questions



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4.5.4. Advanced Shipping Notice (ASN)

An ASN is the electronic transfer of shipment data from a supplier to a customer. The customer plant utilizes the information contained within the ASN to determine and confirm goods in transit and to verify the shipment as product is received.

Accuracy is imperative to maintain the integrity of information related to inventory records, MRP/supplier schedules, and invoice payments. ASN timeliness is critical to information accuracy and functionality.

- 3M Global ERP: The supplier shall send an ASN to 3M when the supplier is aware of the shipping arrangements and details for goods in the shipment. The ASN must include carrier name, quantity shipped, expected delivery date, and batch* information if required. 3M expects to receive the ASN at least 24 hours prior to the shipment arriving at the 3M “ship to” location listed on the PO. The supplier must send the ASN prior to submitting the associated invoice to 3M.
***Batch managed materials:** All batch managed material requires an ASN. Batch numbers must be included on the ASN along with either a date of manufacture or a shelf-life expiration date. Materials requiring batch information are identified on the PO.
- Legacy (US): ASNs are not consistently supplied.
- Legacy (Other): reach out to your local buying team to determine specific requirements or questions.

4.5.5. Invoicing

3M expects to receive invoices within 30 days of receiving goods or services. Any technical issues with submitting invoices should be addressed to your eCommerce provider. If resubmitting an invoice, use the original invoice date for prompt payment. If the invoice does not match the PO in all respects, do not submit the invoice. Contact the buyer listed on the PO for assistance with the necessary changes which must be made to the PO prior to invoicing.

- 3M Global ERP: Most invoices are sent electronically; paper invoices by exception only are sent to the “Send Invoice To:” address listed on the PO.
- Legacy (US): If you received the PO electronically, then the invoice must also be sent electronically. If the PO was received via fax, only then should the invoice be mailed to the address referenced on the PO.
- Legacy (Other): Reach out to your local buying team to determine specific requirements or questions.



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4.5.6. Credits

Before submitting a credit, check with 3M to determine the status of the related invoice or the specific part of the invoice.

If the invoice has not yet been paid, ask 3M to delete the invoice and provide confirmation of its deletion. When the invoice has been deleted/rejected from 3M's system, keep the adjustment/credit internal and rebill if necessary.

If 3M took the deduction on a remittance advice before you could send the credit, internally apply the deduction to the related invoice and not to the other invoices showing on the remittance advice. Do not send the credit to 3M, as it will cause a duplicate deduction.

If the invoice has been paid by 3M, a credit will need to be sent.

- 3M Global ERP: Credit memos are sent electronically.
- Legacy (US): If you received the PO electronically, then the credit must also be sent electronically. If the PO was received via email or fax, mail the credit to the address referenced on the PO.
- Legacy (Other): Reach out to your local buying team to determine specific requirements or questions.

If the credit is for taxes, regardless of system, reach out to your local buying team to determine specific requirements or questions. You can also visit the [3M Supplier Direct website](#), select your location, then click on the Tax Information hyperlink under the Suppliers section.

4.5.7. Supplier Information Changes

The supplier is responsible for informing the 3M buyer if their address, contact information, company name, or tax ID requires changes or corrections. If there are questions about purchase orders, invoices, or payments, the first point of contact is the buyer listed on the PO in question.

4.5.8. Additional Information

Additional Source to Pay Transactional information can be found on 3M Supplier Direct: [Source to Pay Transactions | 3M Supplier Direct](#)



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4.6. Shipping & Transportation

3M Supplier Direct contains a variety of guides and toolkits to answer questions related to the shipping and transportation of goods to 3M. As requirements change based on the ship-to Country, you should select the country you are shipping to in order to get the most relevant information.

The Shipping and Transportation section can be found at: [Shipping & Transportation Requirements | 3M Supplier Direct](#)

5. REFERENCES

3M Supplier Direct website: https://www.3m.com/3M/en_US/suppliers-direct/

3M Global and Division Specific Supplier Manuals: [3M Supplier Manuals | 3M Supplier Direct](#)

3M Tax Information: (*Change Supplier Direct Location as needed*)

https://www.3m.com/3M/en_US/suppliers-direct/suppliers/source-to-pay/tax-information/

Source to Pay Transactions: https://www.3m.com/3M/en_US/suppliers-direct/suppliers/source-to-pay/

US Domestic and International Transportation Routing Guides:

https://www.3m.com/3M/en_US/suppliers-direct/suppliers/shipping-transportation/

Supplier Learning Academy: https://www.3m.com/3M/en_US/suppliers-direct/resources/supplier-learning-academy/