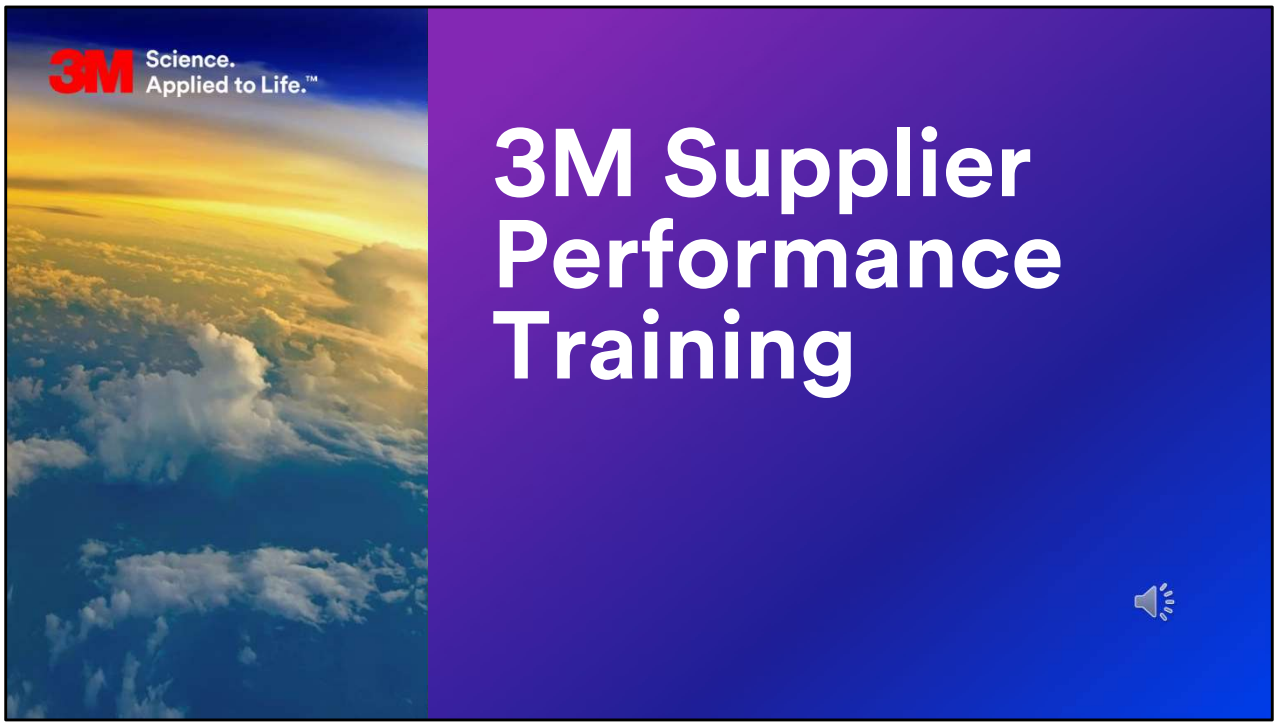

Welcome to the 3M Supplier Performance Training. In this training we will be reviewing 3M's supplier performance program along with 3M's expectations of our suppliers related to supplier corrective action requests. We will also review our new supplier quality corrective action tool and provide you training on how to navigate the tool.

3M Supplier Management

- 3M has a complex Global Supply Chain
- Suppliers provide materials and services that go into our products some of which sold into highly regulated industries
- 3M needed a platform capable of managing end-to-end Supplier Collaboration Processes
- 3M has invested in Compliance Quest (CQ) as the platform to manage this process
- Replacing ISM, CQ is a cloud-based system designed to manage Quality and Compliance
- CQ will be known as 3M SQMS – 3M Supplier Quality Management System

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3M Supplier Management

- 3M SQMS Rollout has begun and will continue throughout 2024 and into 2025
- There will be a period of time when you may see SCARs issued from some locations in 3M SQMS, while others who have not yet migrated may still issue them via the current ISM/SCAR database
- We have an aggressive plan to scale up the use of 3M SQMS globally as quickly as possible, but this will take time
- 3M expects a timely response related to acknowledgement, containment, root cause investigation and corrective actions in both systems

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What does this change mean to you?

- The 3M SQMS platform will be used within 3M to document and manage Supplier Corrective Action Requests (SCARs)
- We will conduct an internal investigation, if that investigation points to a supplier quality, service or any other supplier issue, a formal Supplier Corrective Action Request (SCAR) will be issued to your company.
- This SCAR will come to you via the new 3M SQMS platform. Later in this session, we will provide you with the training needed to respond to the SCAR in this new system.

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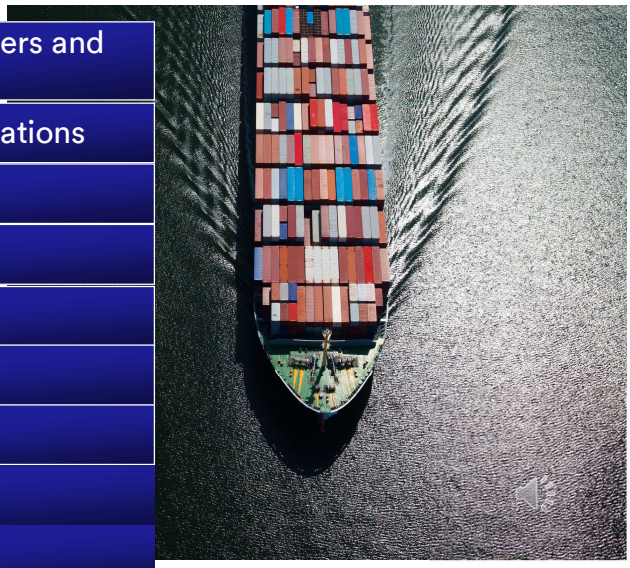
Business Impact of Poor Supplier Performance

- Disruptions in fulfillment of customer orders and commitments
- Lost customers or damaged customer relations
- Lost sales revenues and margins
- Poor product quality and/or rework
- Production plan and scheduling changes
- Increased lead times and cycle times
- Excess inventory and operational costs
- Delayed or limited growth programs
- Put's 3M's Brand Image at risk



This slide outlines from a high level what the business impact to 3M is when we see poor supplier quality performance. The biggest impact is the impact our customers feel either because non-conforming material reached them or because there are delays in shipments to them due to supplier quality issues. Each of these cost 3M money and it is imperative that we drive improvements with our suppliers to ensure we are able to provide our customers with superior products at the time they need them.

3M Supplier Quality Process

- Supplier Assessments
- Supplier Selection – Approved Supplier List
- Supplier Corrective Action Requests & Cost Recovery
- Supplier Performance & Feedback
- Supplier Audits

This slide outlines 3M's supplier quality activities that are key to ensuring we have selected the best suppliers to meet 3M's needs and expectations. Supplier Assessments are conducted when we are vetting out suppliers for our needs. If approved, you would become part of 3M's approved supplier list. Once you are an approved supplier, and we begin placing orders with you, you may receive corrective action requests from us. You may also be included in our formal supplier performance and feedback process or we may elect to conduct a supplier audit at your facility. Supplier audits may also be conducted prior to approving you as a supplier during the qualification process. In this training, we will focus on the 3rd bullet point Supplier Corrective Action Requests & Cost Recovery.

Goal of 3M's SQMS Program

The goal of 3M's supplier Quality Management Program is to drive continual improvement in supplier performance:

- Improve communications and align expectations between 3M and our suppliers
- Eliminate supplier issues impacting 3M customers
- When issues do arise; supplier is expected to quickly and effectively address performance issues.
- Ensure improvement actions are focused on root cause analysis, timely resolution and corrective actions that prevent future recurrence.

- The overall goal of our Supplier Quality Program Program is to drive continual improvement in supplier performance.
- We do that by improving communications and aligning our expectations related to supplier corrective actions.
- One of the key things we want to do is eliminate supplier issues that are impacting 3M customers.
- When issues do arise; we expect that our supplier is going to quickly and effectively address performance issues.
- We want to be sure improvement actions are focused on root cause analysis, timely resolution and corrective actions that prevent future recurrence.

What does 3M do with SCAR data?

- SCAR data is a key input to your quality and service score and may be used for current and future business considerations
- Suppliers are rated annually through a supplier risk prioritization process
- Key suppliers are identified to be included in 3M's Supplier Performance and Feedback Process – meetings held with supplier to work collaboratively to drive quality and service improvements
- Key suppliers may also be identified for potential supplier audits. SCAR data is one of the inputs considered.

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3M's Internal Quality Rejection Process

- 3M goes through a multiple step investigation PRIOR to submitting a SCAR request to suppliers
  - ➢Nonconforming material is identified at 3M or our Customer
  - ➢Internal Non-Conformance is issued in 3M SQMS
  - ➢Internal investigation is initiated to determine root cause and contributing factors of the non-conformance
- If identified as a supplier related issue, a Supplier Corrective Action Request (SCAR) is generated, and material appropriately dispositioned.

3M goes through a multiple step investigation PRIOR to submitting a SCAR request to suppliers

- ➢When Nonconforming material is identified either at 3M or by our Customer, an Internal Non-Conformance is issued in the SQMS platform
- ➢An Internal investigation is initiated to determine root cause and contributing factors of the non-conformance

If the investigation of the nonconformance points to a supplier related issue, a Supplier Corrective Action Request (SCAR) is generated, and material is appropriately dispositioned while awaiting a response from the supplier.

CQ Supplier Interface

- If not already provided, we will need one point of contact for your organization, so that we can issue a license to access the 3M Supplier Quality Management System (3MSQMS)
- Information needed for that point of contact includes:
  - Name
  - Title/Job Role
  - Email address
  - Mailing address
  - Phone number
- Recommend setting up a group email address that multiple people have access to

If you've not already provided one, we will need one point of contact for your organization so that we can issue a license to access the 3M Supplier Quality Management System (3MSQMS)

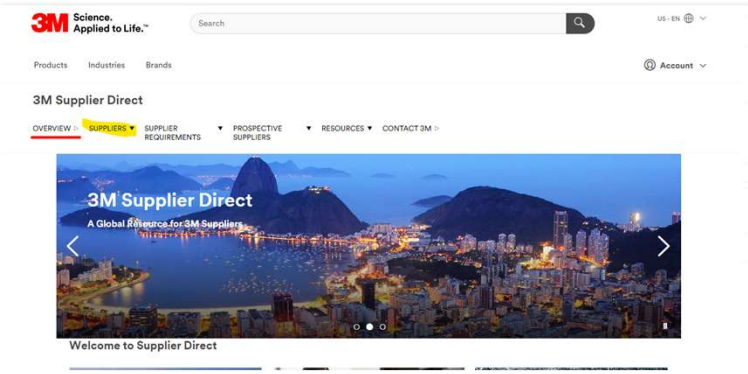
The information that we need for that point of contact includes:

- Their Name
- Title/Job Role
- An Email address
- A Physical Mailing address
- And a Phone number

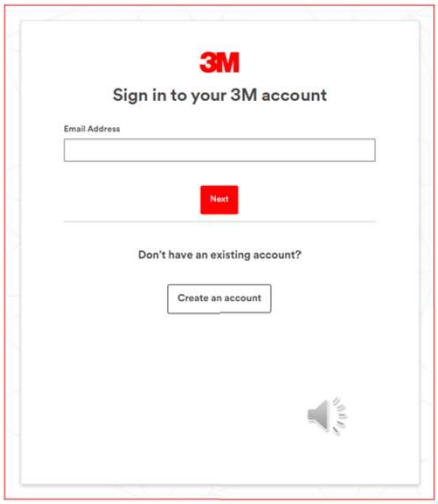
We do recommend setting up a group email address that multiple people have access to, so that if your primary contact happens to be out, others will have access the email and be able to respond to SCARs in a timely manner.

3M Supplier Portal Login

For Current & Prospective Suppliers | 3M Supplier Direct

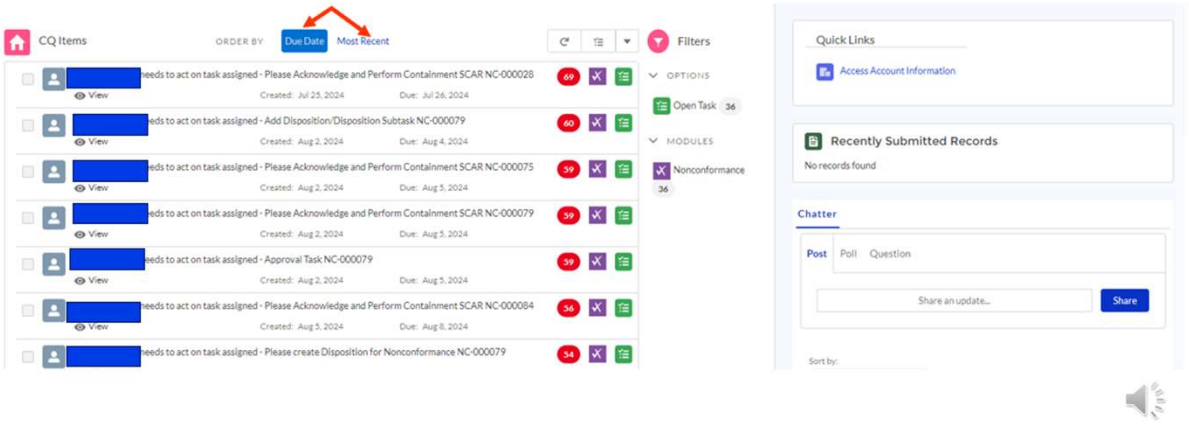


Click on the dropdown arrow under suppliers; click on 3M Supplier Quality Management System (3MSQMS) to access log in screen for your company



When you are assigned a SCAR, you'll receive an email with a link provided to access the nonconformance. However, if you don't have access to the email, you can get to the supplier log in for SQMS by accessing the direct link available on the 3M Supplier Direct webpage. Click on the dropdown titled Suppliers, then select 3M Supplier Quality Management System. The log in page will pop up as shown on the right side of this slide, you will enter your email address (the one set up as the primary contact email) and then it will prompt you to enter your password. Once in you should be able to see the list of open actions assigned to your company. (Shown on next slide)

Supplier Homepage View



Once you've logged into the system, the supplier's homepage defaults to a view by due date. You may also sort by most recent, by clicking that heading.

The Chatter section on the right side of the page is where you can communicate back and forth with the SCAR Owner at 3M. Please use this feature vs. sending emails outside of the system. Within Chatter, you can post a message for all to see, conduct a Poll or ask a question. This is where you would request additional time if needed. All communication in chatter becomes a part of the official record and will help to ensure we have all communication related to the SCAR in one location.

Supplier SCAR Expectations

These are the REQUIRED ACTIONS OF THE SUPPLIER:

- Acknowledge receipt of SCAR within 3 days of initiation UNLESS marked 24-hour acknowledgement required (to meet regulatory requirements)
- Provide immediate containment of all potential nonconforming material including but not limited to suspect material on supplier site, in transit, off-site or third-party warehouses.
- Notify 3M if any additional lots / loads are impacted by the identified quality issue.
- Request samples if needed and/or provide return material authorization (RMA) to return material to the vendor
- Provide a Root Cause Analysis (RCA) and Corrective Action Plan back to 3M within 10 working days from SCAR initiation or date samples received.
- Request additional time if needed. It is the supplier's responsibility to contact the SCAR owner to request additional time along with supporting documentation / justification to accompany the request.

This is an overview of the expectations 3M has of our suppliers related to responding to SCARs.

- 3M expects an acknowledgement for receipt of SCAR within 3 days of initiation UNLESS it is marked 24-hour acknowledgement required, this is so we can meet regulatory requirements
- Suppliers are also to provide immediate containment of all potential nonconforming material including but not limited to any additional suspect material the supplier may still have at their site, any material in transit, or any material that is off-site or at a third-party warehouse.
- 3M expects suppliers to notify us if there any additional lots or loads are impacted by the issue we have identified.
- It is the supplier's responsibility to request samples if needed and/or provide return material authorization (RMA) if material is expected to be returned.
- 3M's expectation is that a supplier provides a Root Cause Analysis (RCA) and Corrective Action Plan back to 3M within 10 working days from SCAR initiation or 10 working days from the date samples are received by the supplier.
- It is the supplier's responsibility to request additional time if needed. This is done by contacting the SCAR owner using the Chatter feature to request additional time.

When requesting additional time, supporting documentation / justification for the request should be provided.

Acknowledge/Containment Email

Dear [redacted]

When 3M identifies an issue with a supplier's material or service, 3M sends a SCAR (Supplier Corrective Action Request) to the Supplier requesting containment where appropriate and a problem investigation in order to minimize risk for both 3M and the Supplier. Today, 3M is sending a SCAR to your company. Please follow these instructions to review and respond by the due dates identified in the SCAR.

Please review the SCAR and complete the following actions.

Acknowledge your initial review of the SCAR. (due date 8 de August de 2024)

Immediately contain any material affected, both material at your site as well as material in transit or at your SMI warehouse.

Investigate the Root (underlying) Cause of the problem.

Work with your team to determine a Corrective Action Plan.

Ensure that you and your team have investigated error-proofing actions that will prevent recurrence.

Where applicable, implement and document corrective action in other areas (other equipment or locations) to prevent occurrence.

If you are not the proper person in your organization to respond, please reassign the SCAR to the correct person inside the SCAR.

Thank you for your timely help.

LINK to the SCAR : NC-000093

Actions that must be completed by the supplier

Click on link to view the SCAR

This is an example of the email you will receive when a SCAR has been assigned to your company. You can see the actions that are required to be taken are included in the body of the email and a link to the SCAR is provided at the end.

24 hour Automotive/Aerospace/Safety Requirement

Dear [redacted]

When 3M identifies an issue with a supplier's material or service, 3M sends a SCAR (Supplier Corrective Action Request) to the Supplier requesting containment where appropriate and a problem investigation in order to minimize risk for both 3M and the Supplier. Today, 3M is sending a SCAR to your company. Please follow these instructions to review and respond by the due dates identified in the SCAR.

Please review the SCAR and complete the following actions.

Acknowledge your initial review of the SCAR. (due date August 8, 2024)

Immediately contain any material affected, both material at your site as well as material in transit or at your SMI warehouse.

Investigate the Root (underlying) Cause of the problem.

Work with your team to determine a Corrective Action Plan.

Ensure that you and your team have investigated error-proofing actions that will prevent recurrence.

Where applicable, implement and document corrective action in other areas (other equipment or locations) to prevent occurrence.

Be aware that you have been identified as an Automotive/Aerospace supplier for this SCAR. This SCAR requires urgent action, including a 24-hour acknowledgement of receipt and Containment of material related to this SCAR.

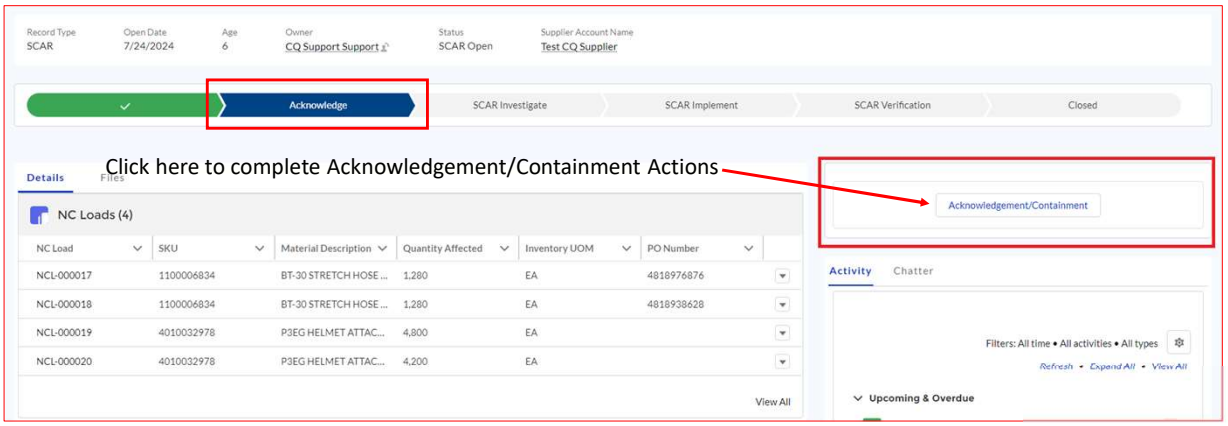
If you are not the proper person in your organization to respond, please reassign the SCAR to the correct person inside the SCAR.

Thank you for your timely help.

LINK to the SCAR : NC-000092

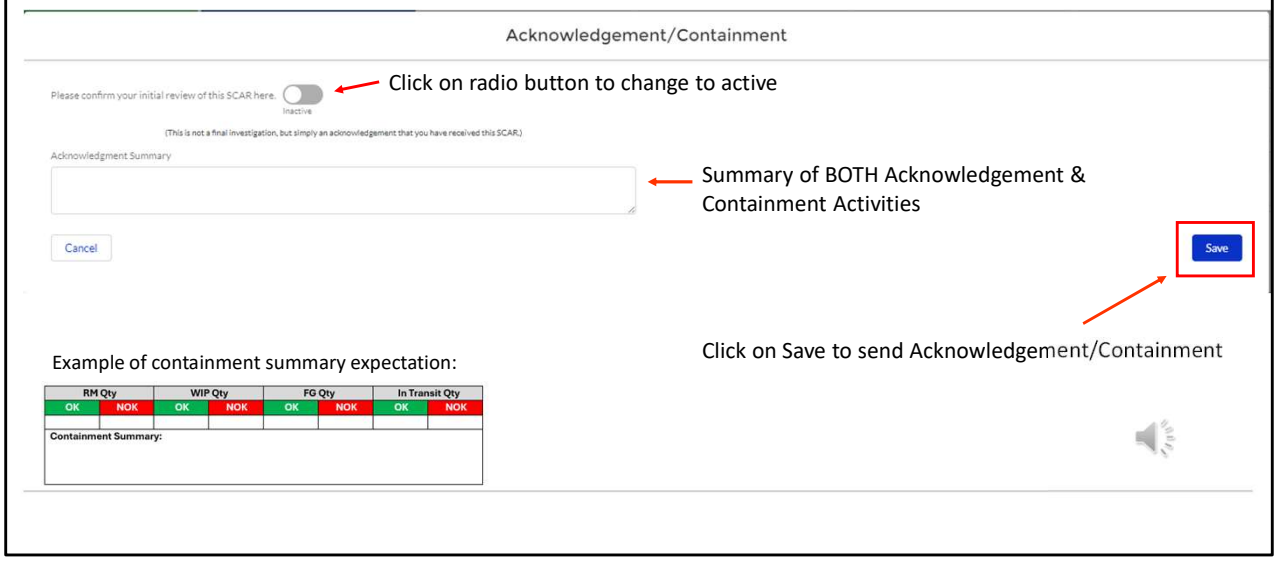
This is a very similar email to the previous slide however, this one also indicates that urgent action is required because it is connected to Automotive/Aerospace and/or it is Safety related – therefore requires a 24 hour acknowledgement and containment of material.

Acknowledgement/Containment



The first activity is to ensure proper containment takes place – from the acknowledge tab of the SCAR, click on the Acknowledgement/Containment Button.

Acknowledgement/Containment

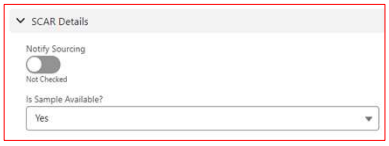


When you click on the Acknowledgement/Containment button this is the screen that will pop up if no samples are available.

- Click on the radio button to change to active and indicate that you acknowledge receipt and have done your initial review of the SCAR.
- In the acknowledgement summary box, list a summary of both acknowledgement and what containment activities have been completed. See the example we have provided in the lower left-hand corner of how we would expect to see a containment summary. This is not part of the form, but we would expect to see something similar to this to ensure that you've reviewed all Raw Materials, Work In Progress, Finished Goods and any In Transit material that you have reviewed and contained.
- Once you have completed the acknowledgement and containment summary, click on the blue save button.

Sample Request

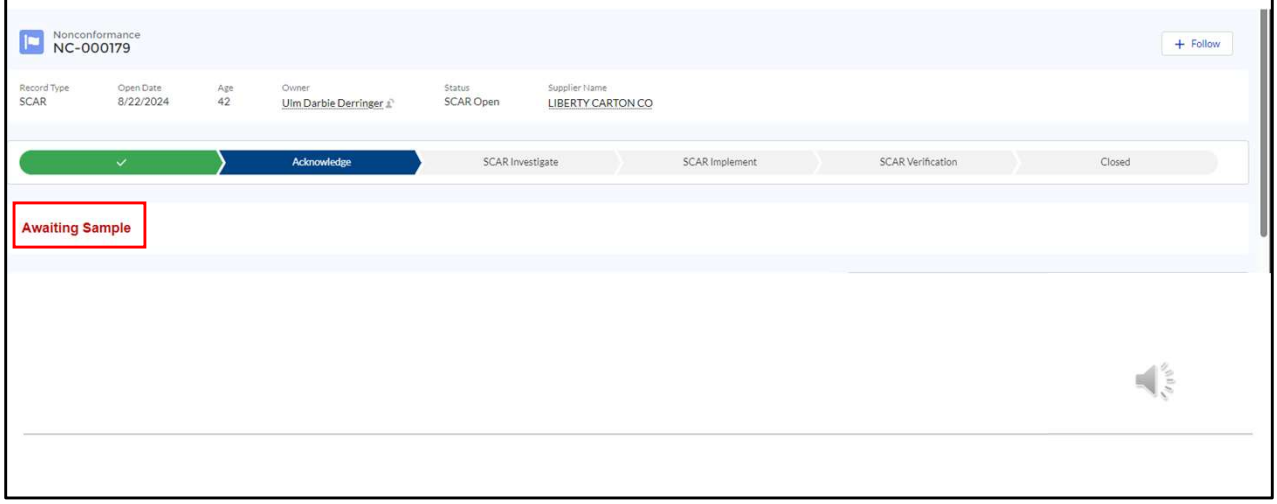
- If SCAR Owner has indicated that Sample is available for the SCAR, Supplier can **request for sample** while acknowledging SCAR.
- Supplier must provide **Address** where Sample is to be shipped.
- SCAR Owner will send the sample and provide estimated Sample Arrival Date
- Once Supplier receives the sample, they can begin investigation.



If material (beyond a sample) needs to be returned for the investigation; a Return Material Authorization (RMA) MUST be issued and credit processed. Any material returned to 3M will be done via a new PO Invoice

If samples are available, and you've indicated that Yes you request a sample, the screen that will pop up will look like this. You'll need to provide your acknowledgement and containment summary as outlined on the previous slide, but you'll also need to provide the address you want the samples sent to. If you would like the load returned, you'll need to issue a Return Material Authorization (RMA) and provide return shipping information. 3M will then return the material and process the credit for the return. If material is re-worked and can be sent back to 3M it will need to be done on a new PO Invoice. This is the process in line with 3M's Global Financial Standards.

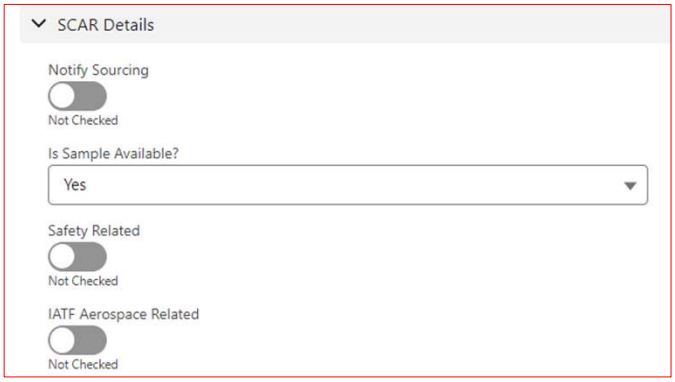
Awaiting Samples



When you request samples during the acknowledgement and containment step; the system will update to reflect you are awaiting samples. While awaiting samples, the system will not allow you to initiate the investigation documentation within the SQMS system; however that does not mean you can not go ahead with initial investigations internally using your defined corrective action process whether it be an 8D, 5 Why or other problem-solving method. The reason the system does not allow you to begin documentation is because 3M must provide you with shipping information for the samples to trigger the due date for your investigation.

Acknowledgement/Containment

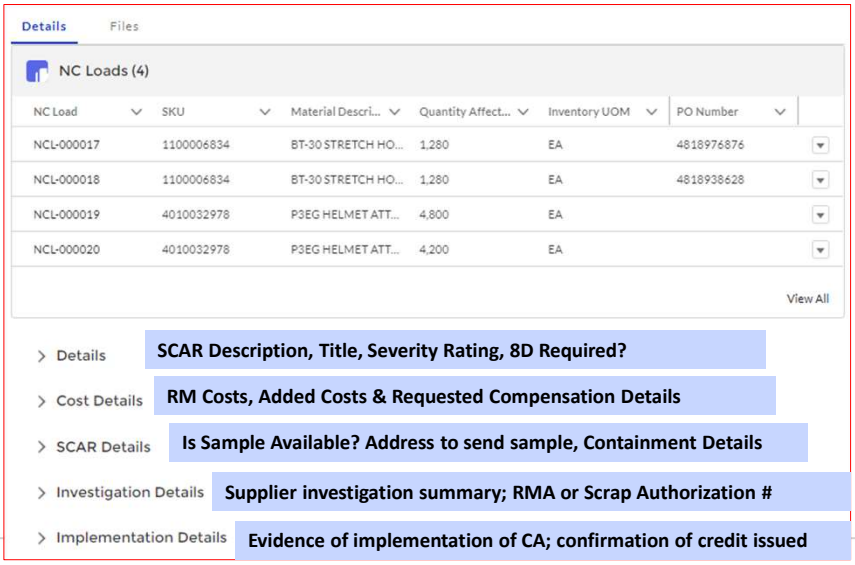
- Acknowledgment and Containment must be done **within 3 days** from the day when SCAR is sent to the supplier.
- **Automotive/Aerospace OR Safety related SCAR** requires urgent action, including a **24-hour** acknowledgement of receipt and Containment of material.



- **Reminder** email for overdue Acknowledgment/Containment is sent to the supplier **once in 2 days**.
- **Reminder** email for overdue **Automotive/Aerospace/Safety related** is sent to the supplier **daily**.

Reminder, acknowledgement and containment is required to be completed within 3 days – unless marked urgent – then it must be completed in 24 hours as previously reviewed. If this step does not occur within the expected timeframe, reminder emails will auto generate until completed. For urgent SCARs it will be daily for others it will be every 2 days. Please do not ignore these reminder emails and address the issues promptly.

SCAR Details Page



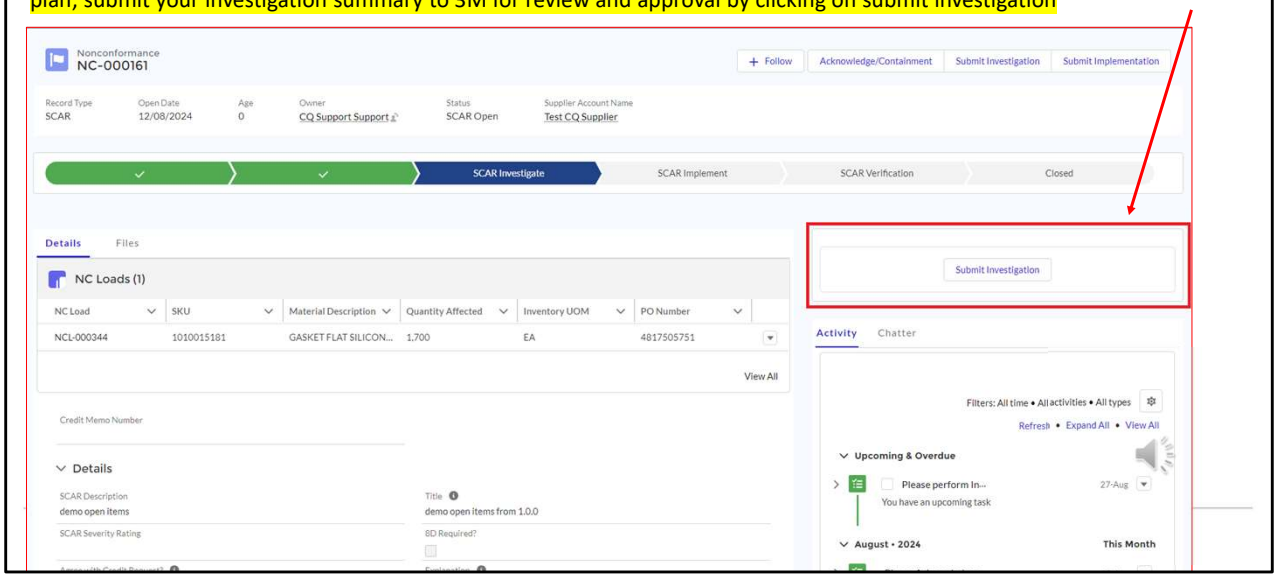
All NC Load(s) associated with the SCAR can be seen by the supplier.

Click on the > to expand the section and view details

This screen shows the details page. We have outlined the information that can be found in each of the sections if you expand it. Click on the carrot to the left of the section title to expand that section.

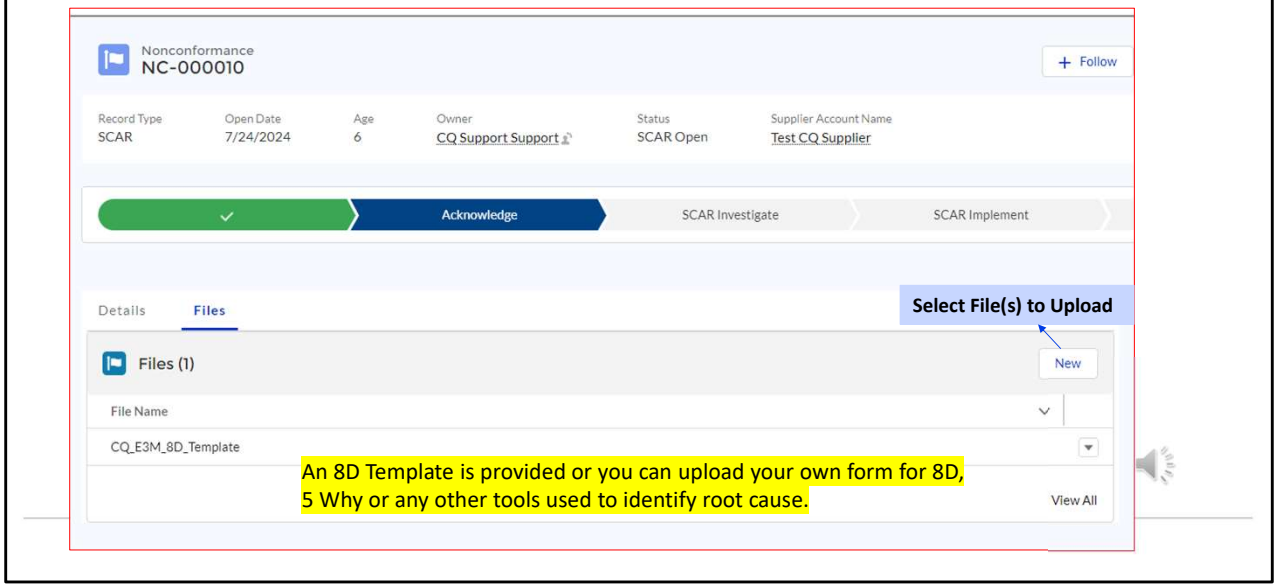
Submit Investigation

Once you have completed your root cause investigation for both occurrence & escape and have a proposed corrective action plan; submit your investigation summary to 3M for review and approval by clicking on submit investigation



Once you have completed your root cause investigation for both occurrence & escape and have a proposed corrective action plan; you'll need to submit your investigation summary to 3M for review and approval by clicking on submit investigation button.

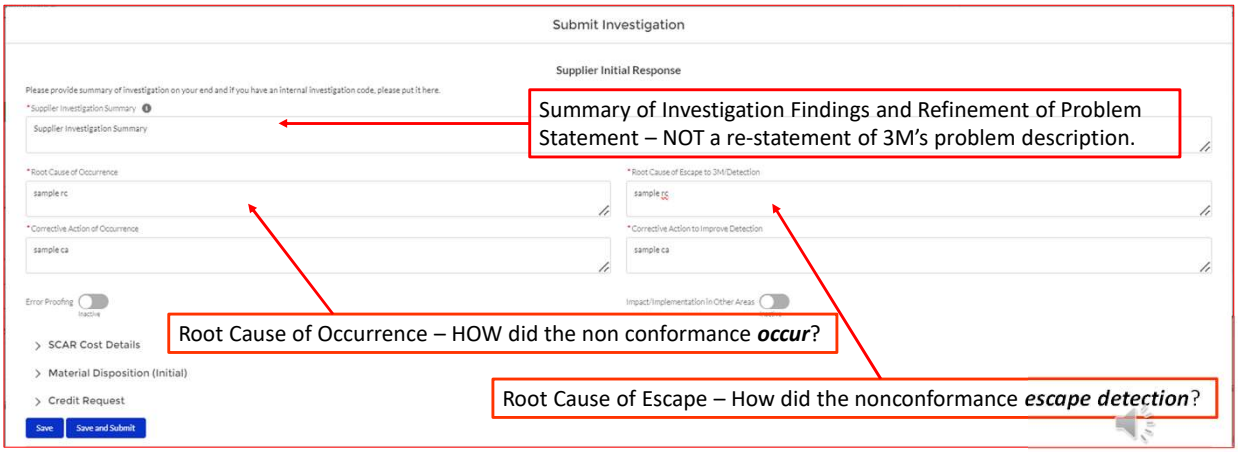
Upload Supporting Files



When you click on submit investigation you have the option of going to the files tab and uploading files as supporting documents to the SCAR investigation. Some SCARs require that an 8D be completed. In those instances, we have provided an 8D template – please open the template, complete it, save to your files and then upload it as a file by clicking New and attaching the file. If you have other documents you use internally that you'd like to submit, such as a 5 Why, cause map or other tools used to identify root cause, you can upload those here as well.

Submit Investigation

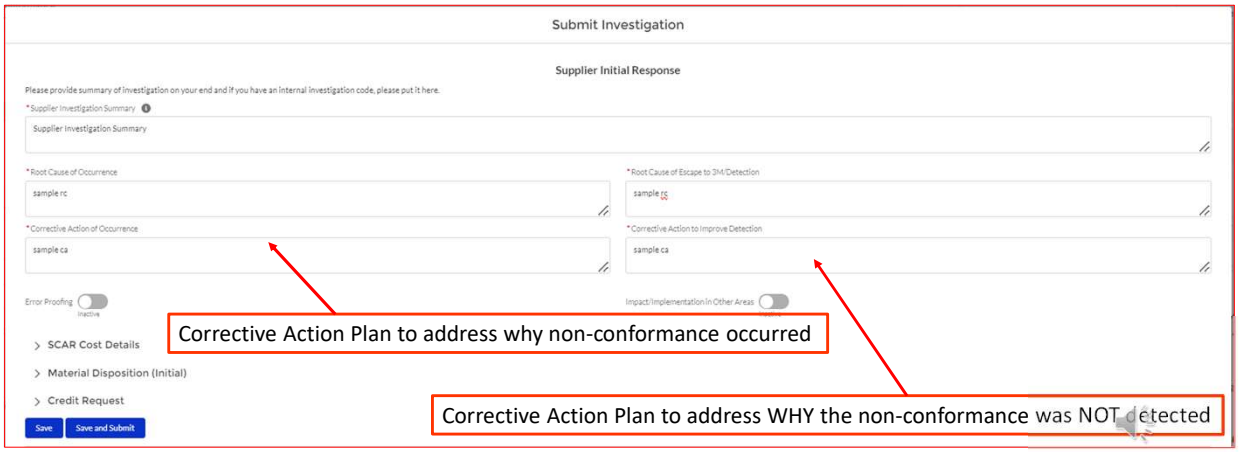
- Supplier must submit investigation within **10 working days from the date when SCAR was sent to supplier** OR **10 working days** from the day sample was received (estimated sample arrival date) if sample was requested.



It is 3M's expectation that the supplier submit their investigation to us within 10 working days from the receipt of the SCAR or 10 working days from the receipt of samples if they were requested. This may seem like a quick turn around time, but many times the issue is impacting our customers, and we are held to these same tight timelines and must require our suppliers to do the same. First, provide a summary of your investigation findings and provide a refinement of the problem statement – keep in mind, this is NOT simply a re-statement of 3M's problem description. Next, please be sure you investigate the root cause of both the occurrence – or How or What allowed the non-conformance to OCCUR and the root cause of the escape - how or what allowed the nonconformance escape detection?

Submit Investigation

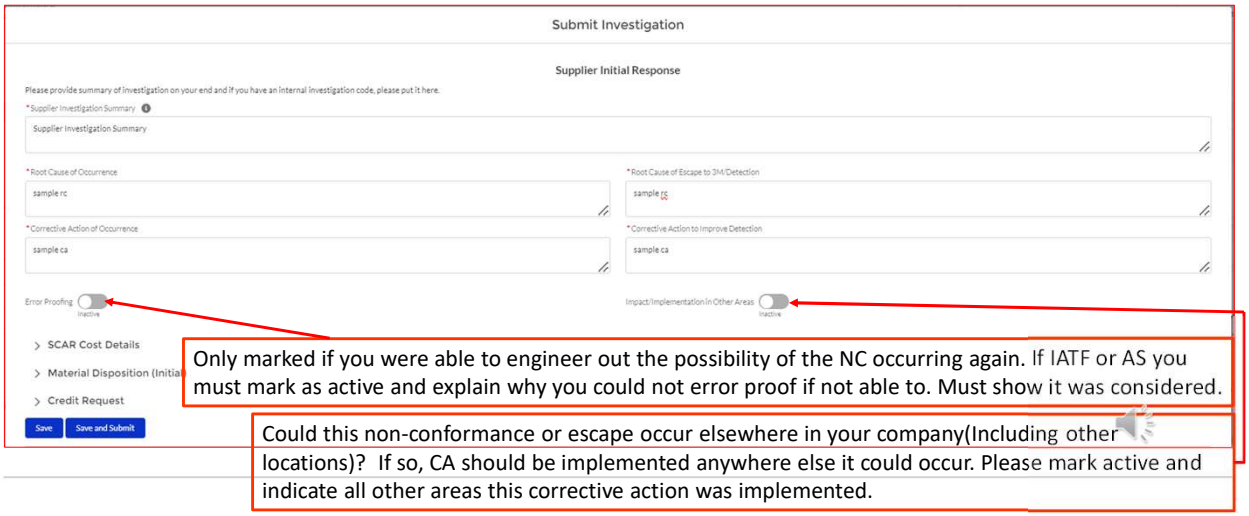
- Supplier must submit investigation within **10 working days from the date when SCAR was sent to supplier** OR **10 working days** from the day sample was received (estimated sample arrival date) if sample was requested.



Then, what are the corrective action plans you plan to implement to address WHY the nonconformance occurred AND what corrective actions plans you plan to implement to address WHY the non-conformance was not detected.

Submit Investigation

- Supplier must submit investigation within **10 working days from the date when SCAR was sent to supplier** OR **10 working days** from the day sample was received (estimated sample arrival date) if sample was requested.



Error proofing and impact and implementation MUST be considered for all Automotive, Aerospace and Safety related SCARs – error proofing means you must indicate what you did to 'engineer out' the possibility of the issue occurring again (so for example, you can't put a square peg into a round hole) if you are unable to truly error proof, explain why you were not able to error proof and describe any layers of protection you may have been able to implement – Keep in mind, it is likely that most nonconformances can not be truly error proofed. Impact/Implementation means you review if the non-conformance could occur elsewhere – and if so, should the corrective action also be implemented in those areas? Additionally, consider if your corrective actions will have an impact on other areas that you should communicate your plans to.

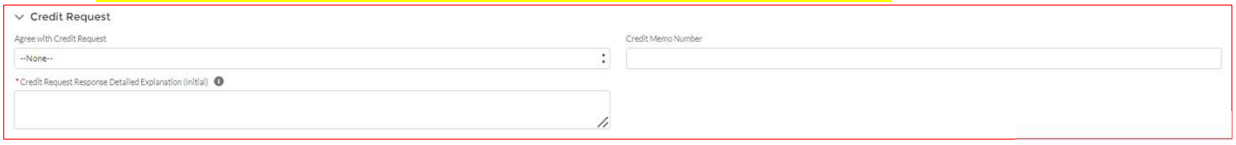
Submit Investigation

Final step before submitting is to indicate your agreement for any compensation requested. If partial or NO is marked; an explanation is required.

Supplier indicates whether they agree or not with the **credit request**

- **Yes** - provide RMA/Scrap Authorization #
- **Yes Partial** – Explanation and RMA/Scrap Authorization #
- **No** – Explanation Required

- If material is to be RETURNED – it is required that the supplier issue an RMA. We can not return material for re-work without an RMA – once rework is completed it would be shipped to 3M on a new PO invoice.

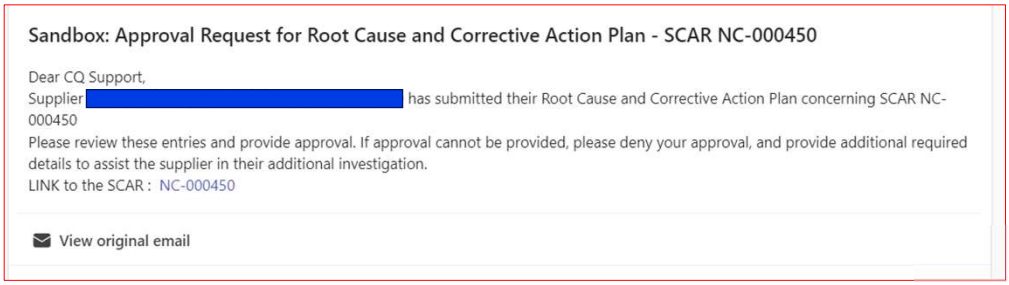


Once all steps have been completed and the Investigation has been submitted, the SCAR owner will receive an email stating the supplier has submitted their CA Plan and the SCAR owner will need to approve or reject the plan.

Part of submitting your response to the investigation will include your agreement to the credit requested. If you agree with the requested amount, please mark YES, and provide a return material authorization if material needs returned, a SCRAP authorization if material is to be scrapped, and provide your credit memo number. If you do not fully agree with the amount requested, but do agree partially, please indicate that by marking Yes Partial and explain what you do and do not agree with. If you do not agree, mark NO and indicate why you do not believe there is justification for compensation related to this corrective action request.

E-Mail Sent to SCAR Owner

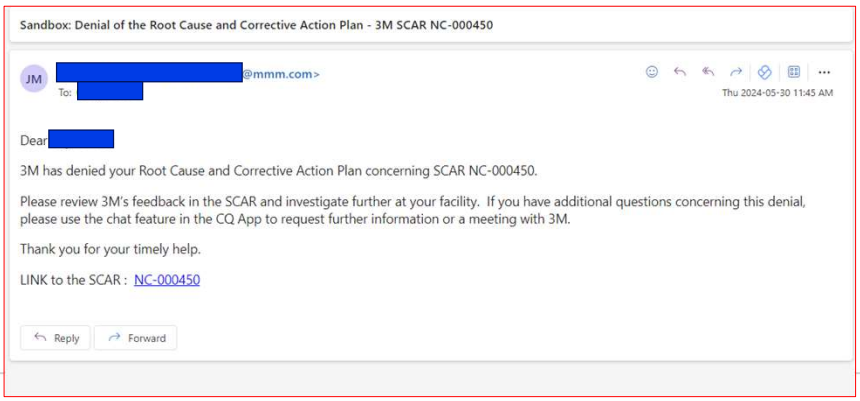
- Once you submit your investigation, the SCAR Owner will receive an email alerting them that you have completed your investigation and submitted a corrective action plan.
- The SCAR owner will then review your plan and either approve or reject it.



Once you submit your investigation, the SCAR owner will receive an email alerting them that you have completed your investigation and submitted a corrective action plan. The SCAR owner will then review your plan and either approve or reject it.

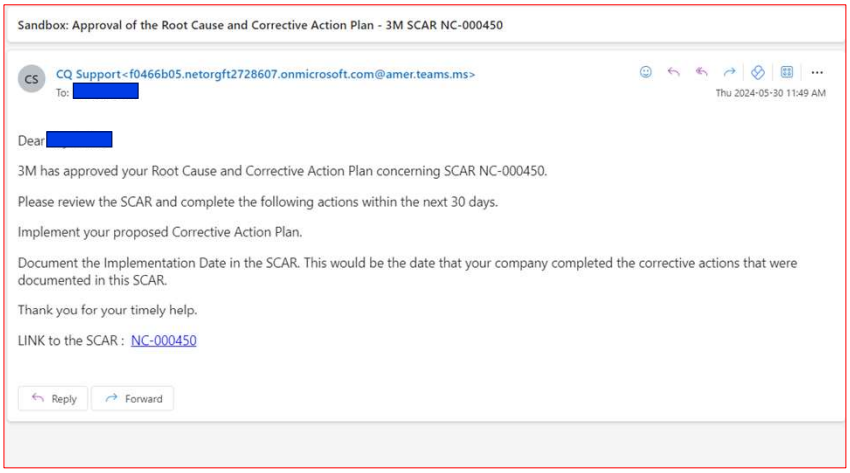
If Rejected – SCAR Assignee will receive email

- If 3M does not agree with your corrective action plan (ie. It does not address the root cause identified), the SCAR owner can reject it and send it back to you to make adjustments.
- Suppliers are expected to review their plans, make appropriate adjustments, and then resubmit the SCAR investigation and corrective action plan



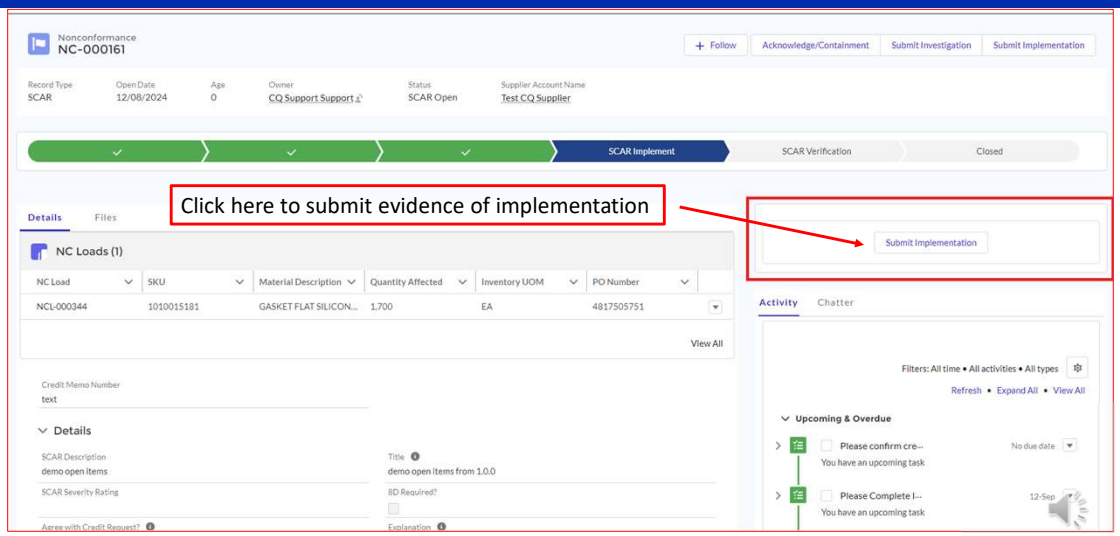
If 3M does not agree with your corrective action plan (ie. It does not address the root cause identified) the SCAR owner can reject it which will send it back to you to make adjustments. Once you have made appropriate adjustments, you would then resubmit the updated investigation and corrective action plans for review by the SCAR owner.

If Approved – SCAR Assignee will receive email



When the SCAR owner reviews your root cause and corrective action plan and agrees to it, you will receive an approval notification via email like the one on this slide. That will be your indication that you can proceed with implementation of your corrective action plan.

Submit Implementation

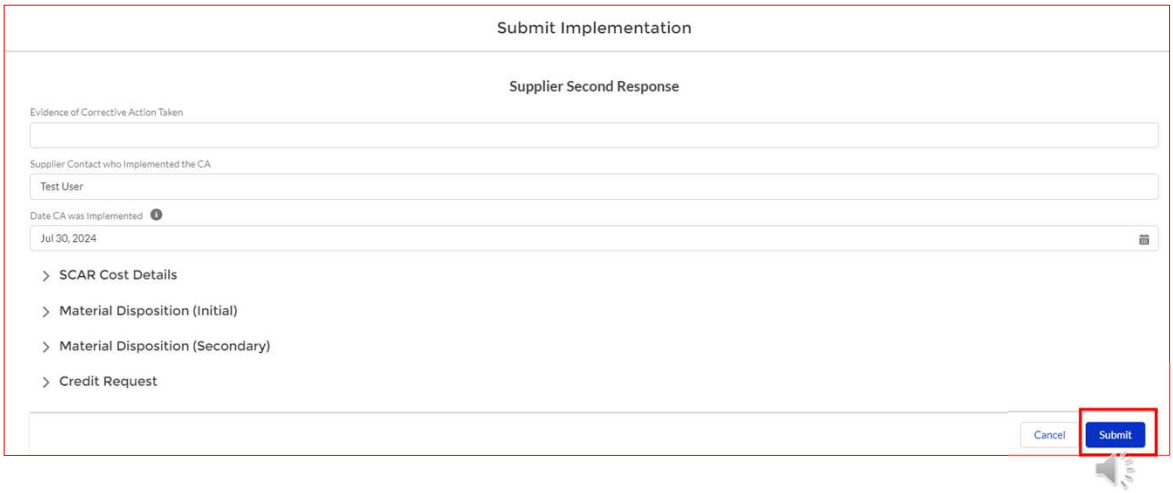


Supplier must Submit Implementation **within 20 working days** from the day when SCAR Owner approved root cause & corrective action.

31

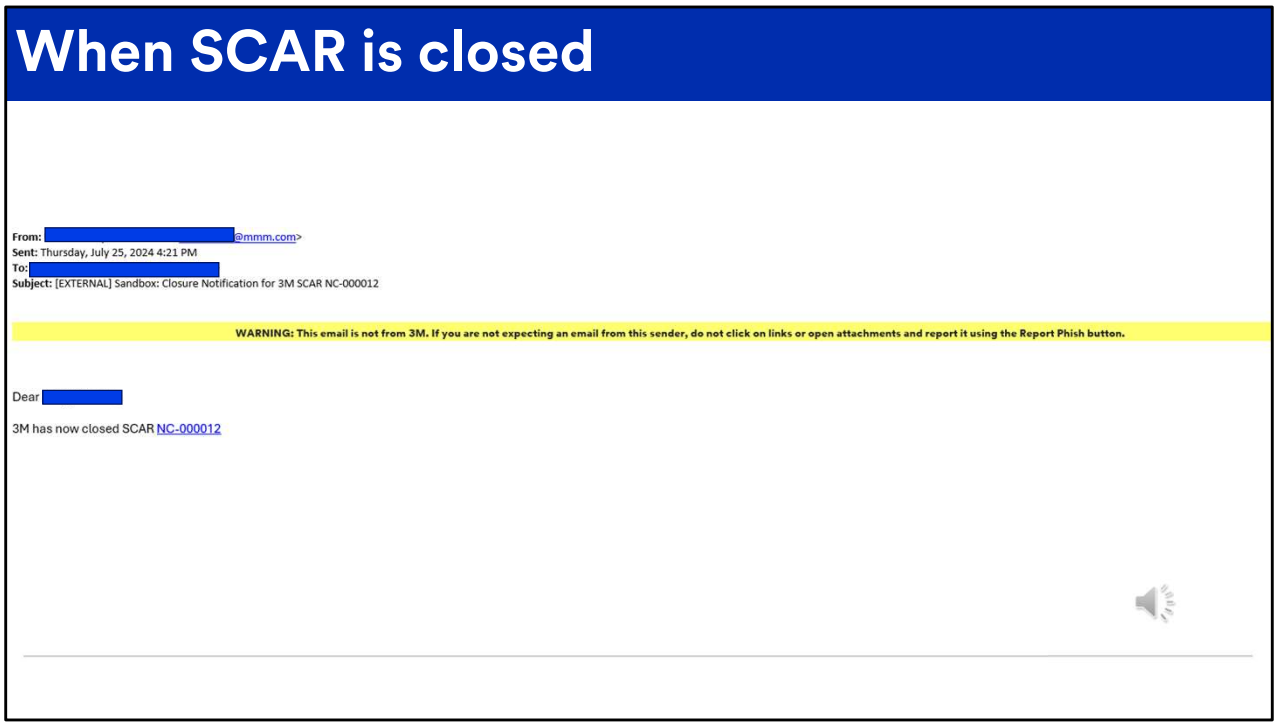
When approval is received, a supplier has 20 working days to implement their corrective action plans. Once implementation is complete, you'll need to submit objective evidence of what actions were taken, by clicking on the submit implementation button.

Submit Implementation



After you've clicked on the submit implementation button, this is the form that will pop up. This is where objective evidence of actions taken should be documented. (for instance, new effective dates of updated documents, evidence that a work order was completed for equipment installations, ect.) Once you've entered your evidence and indicated who implemented the corrective action, along with the date of implementation, click on the blue submit button in the lower right-hand corner.

When SCAR is closed



When the SCAR has been closed the Supplier will receive a notice like the one shown here. This is the final step after 3M completes verification of effectiveness and verifies compensation was received if applicable.

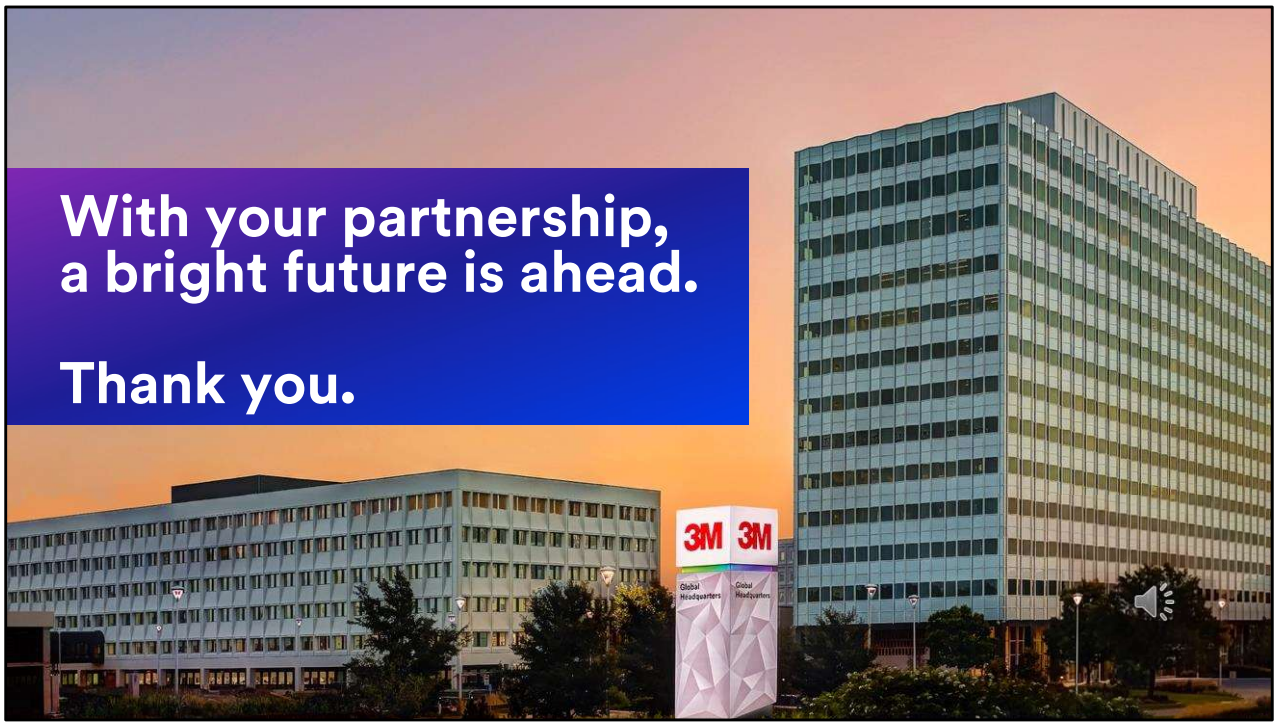
Conclusion

The supplier quality process is one of the ways for 3M and our suppliers to not only collaborate to improve the overall value stream performance, but it also strengthens the 3M/Supplier relationship.

We would like to proactively thank you for your patience through this transition. We welcome your feedback to improve the user experience.

In conclusion, the supplier quality process is one of the ways for 3M and our suppliers to not only collaborate to improve the overall value stream performance, but it also strengthens the 3M and Supplier relationship.

We would like to proactively thank you for your patience through this transition. We welcome your feedback to improve the user experience.



With your partnership, a bright future is ahead for both of our organizations. Thank you!