global supplier onboarding guide

Buy & Pay Standards for efficient collaboration
Supplier Creation & Update, Purchase to Pay (P2P), Ariba Network P2P Supplier Enablement

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Global guidance for our suppliers

SUPPLIER CREATION & UPDATE

PURCHASE TO PAY (P2P)

ARIBA NETWORK P2P SUPPLIER ENABLEMENT

Global guidance for our suppliers

SUPPLIER CREATION & UPDATE

- Through the Supplier Information Form (SIF):
  - What is it?
  - Why is the completion key?
  - What´s the applicability?
  - Which file to fill & which related guidelines to consider?

PURCHASE TO PAY (P2P)

- General P2P Standards & Contacts
- Purchase Order Transmission
- Order Confirmation
- Invoice & Payment Requirements

ARIBA NETWORK P2P SUPPLIER ENABLEMENT

- Supplier Support
- Supplier Information Portal
- Catalog Creation
- Useful Links

supplier creation & UPDATE

Through the 'Supplier Information Form' (SIF) (1/2)

- **What is the 'Supplier Information Form' (SIF)?**
  - Form to gather **critical data**
  - For the correct and complete **creation or update of the supplier record** in our systems, needed for Purchase Orders, Invoices, Payments etc.

- **Why is the correct SIF completion key?**
  - Ensures **high quality supplier master data**
  - Enables an **efficient P2P End to End collaboration –** no delays in Purchase Order transmissions or Invoice Payments

- **What´s the applicability of the SIF?**
  - Waterfall implementation approach until 2022:
    - **One standardized form per region**
    - Wave I: **Suppliers doing business to our companies in EMEA**
  - Suppliers doing business to **non-EMEA** companies to follow country specific SIF.
  - Health Care Professionals/Health Care Organization (**HCP/HCO)** Suppliers – contact our company representative for separate guidance.

Links | SIF Form

1. Country Specific Supplier Information Form (SIF)

For Suppliers doing business to our US & Canada entities:

- *Canada*
- *US*

START

supplier creation & UPDATE

Through the ‘Supplier Information Form’ (SIF) (2/2)

‘Supplier Creation’ - Setting up a new Supplier Record

1. Fill out the Supplier Information Form (SIF) with complete and correct details. To be signed by Supplier's company representative.
2. Prepare valid documents supporting the information entered in SIF.
3. SIF and Supporting Documents to be saved in non editable format e.g. PDF, and free from any alteration or erasures.
4. Submit fully accomplished SIF to your contact from our company with the mandatory supporting documents via email.
5. Only after successful supplier account creation, Purchase Orders, Invoices, Payment can be processed.

‘Supplier Update’ - Updating existing Supplier records

1. For the update on existing Supplier Information, send the request to your contact from our company and include attachment of valid and acceptable supporting documents for the requested change.
2. Call Back might be initiated by our company representative if the update concerns a critical details.
   Bi-lateral authentication can happen to ensure call security and fraud prevention.
3. Representative from our company will document the change as agreed in the call via email. Review the information in the email and reply to confirm.

PURCHASE TO PAY (P2P)

GENERAL P2P STANDARDS & CONTACTS

PURCHASE ORDER TRANSMISSION

ORDER CONFIRMATION

INVOICE & PAYMENT REQUIREMENTS

General P2P standards

Please follow these guidelines[1] to ensure an efficient P2P Process with invoice processing on time:

1. Wait for a formal new/changed Purchase Order (PO) and check its content:

- Don´t start any goods delivery or service/invoicing before receiving an official new/changed PO document
- If needed, clarify any PO content aspects (e.g. payment terms, price, goods/service description) with the Purchasing contact
  → see section 'General P2P Contacts'

2. To ensure prompt payment, invoices should:

- Be **sent immediately** after goods/service delivery[2]
- Be **tax-compliant** *→ see section Invoice & Payment Requirements*
- **Match the PO** in content, e.g. quantity, price, description, payment terms
- **Bill one PO Number only**
- Be **issued to the accurate entity address**
- **Send electronically via email:**
  - In PDF format only
  - A separate PDF file for each invoice with all invoice pages and any relevant attachments (e.g. performance, service records).
  - With our valid **references** (PO number or contact[3] from our company)
  - To the **correct Accounts Payable team:**
    → Go to our **regional Entity Appendix File**[4]: US/CAN
    → See "How to use" tab in Excel for detailed file usage guidance
    → Select the applicable entity and refer to column **'E-mail address for sending invoices':**

Not following these guidelines will hinder an efficient P2P Process with invoice processing on time:

Non-Compliance will result in rejection or delays in invoice processing
Examples: Duplicate / physical mailings, hyperlinks to invoices, multiple invoices in one PDF, zip files, missing PO Number/contact person reference

[1] Please comply to potential country-specific invoice requirements, as applicable. *→ see section Invoice & Payment Requirements*
[2] Except negotiated payment in advance
[3] Contact name only for valid non-PO-invoice cases (ex: Financial transactions, Legal & Governmental costs, HR costs, Healthcare Professional costs, Travel & Expenses and Membership fees)
[4] **For optimal file utilization, please open the Excel File as Desktop Version or via Browser Chrome**.

General P2P contacts

Whom to contact for your inquiry?

Please check out our **regional Entity Appendix File**[1] US/CAN
→ see "How to use"-tab for file usage guidance

1. Select the **applicable entity** of the group of entities associated with Merck KGaA, Darmstadt, Germany
2. Go to the following columns to retrieve the right **Email address and/or hotline:**

Email address for payments/invoices inquiries	Hotline for payments/invoices inquiries	Email address for purchase order inquiries

Which **references** are key for a smooth inquiry processing?

- Regarding **Purchase Order**: Purchase Order number and/or Supplier Account Number
- Regarding **Invoice/Payment**: Invoice Number and/or Purchase Order Number, Billed to Address

[1] Open Excel File as Desktop Version or via Browser Chrome for optimal utilization

PURCHASE ORDER TRANSMISSION

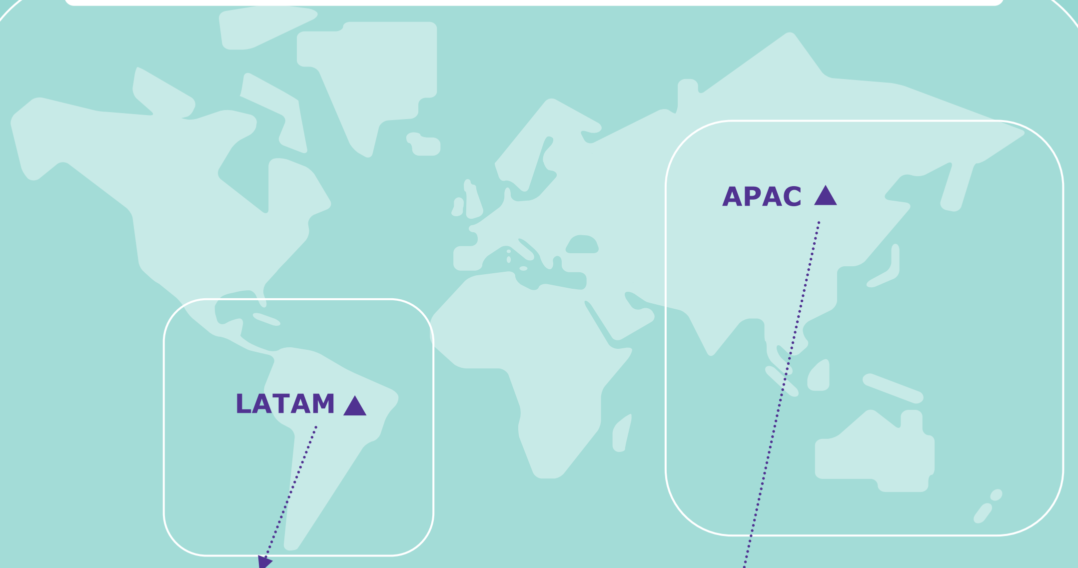
START

Purchase Order (PO) Transmission method to you

Standard
Electronical PO transmission from our ERP system via e-Mail/Ariba Network

Exceptions
Country & Region **Deviations** ▲

▲ Country / Region Deviations to PO Transmission Standard



Electronical & manual transmission with Spanish content

Manual PO transmission

To ensure a proper PO Transmission to you, please:

1. Provide the **right e-mail address for PO receipt / processing** via responsible Sales contact / team via our Supplier Information Form (SIF)
   → *see Supplier Information Form (SIF), field ‚Sales Email Address for Purchase Orders'*

2. Add to the **whitelist of your IT system our e-mail domain(s)** to prevent POs being routed to your spam folder[1]

3. Contact our Purchasing team → *see General P2P Contacts*
   for joint, exceptional failure case resolution handling,
   in case of transmission failure despite 1. and 2. already ensured

[1] @emdgroup.com @versummaterials.com @emdsharedservices.com @emdmillipore.com @milliporesigma.com @sial.com @biocontrolsys.com @bioreliance.com @stupendo.ce

ORDER CONFIRMATION

START

Order Confirmations from you for our Purchase Orders

Standard
Once our PO is transmitted to you, **please check the PO** details.

If our **Purchasing team** *→ see General P2P Contacts*
does **not receive any e-mail with questions** from you, it **is assumed that the PO is confirmed** from your side.

INVOICE & PAYMENT REQUIREMENTS (1/2)

Invoice Payment Baselines

Payments to suppliers are affected in the payment runs

- based on **agreed terms & conditions** on the Purchase Order or Master Service Agreements,
- in compliance with the **legal rules**, according to the below **Payment Standards & Country / Region Deviations: ▲**

Invoice Payment | Date, Frequency, Processing

for Bank Transfers for Third Party Suppliers (N/A for e.g. Cheque)

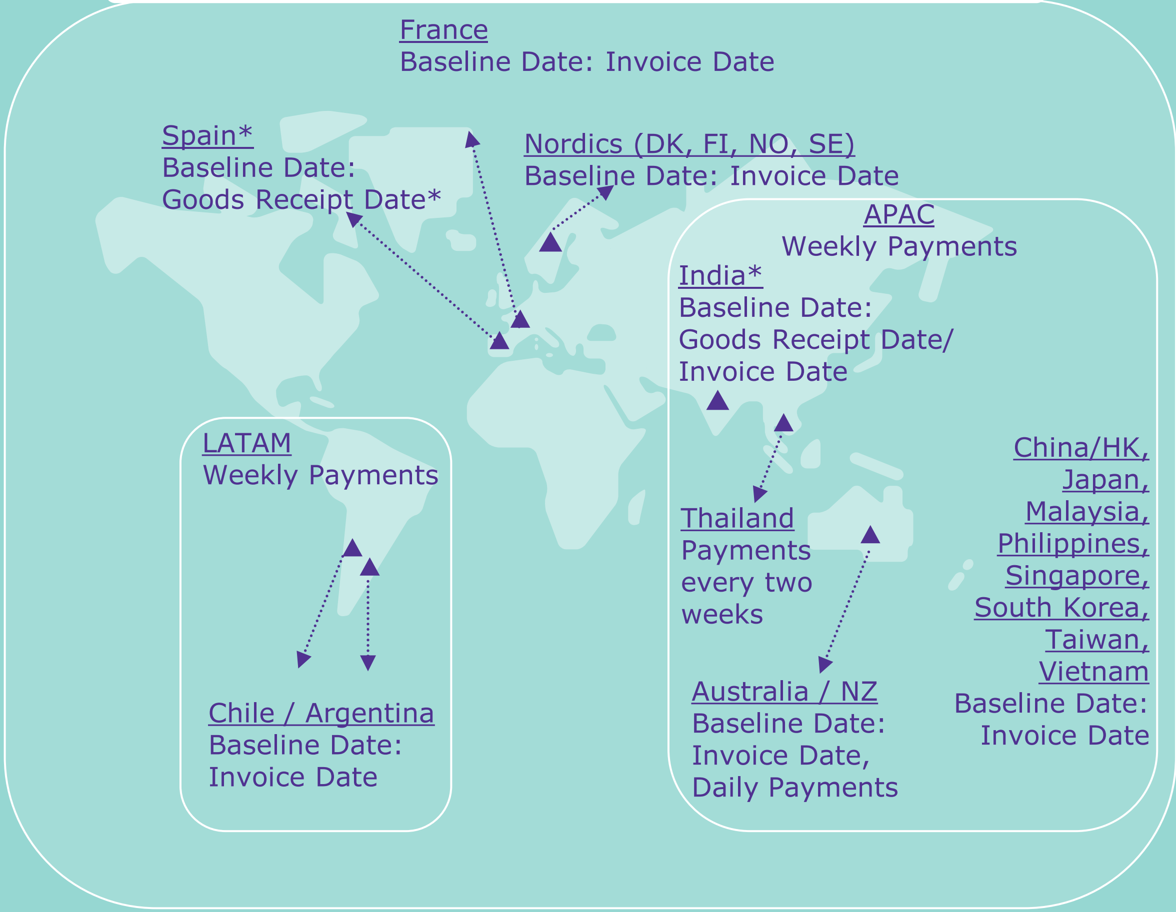
Standards
Baseline Date: Date invoice is **received**
Payment Frequency: Daily from Monday to Thursday

Exceptions
Country & Region **Deviations: ▲**

Processing Notes

- **Bank payment processing** itself typically takes **1-2 working days**
- A payment **due on Friday** can be expected the **Tuesday / Wednesday** after
- Please adjust the related **tolerance in your systems** accordingly.

▲ Country / Region Deviations to Payment Standards



*Specifics to Spain & India: If no Goods Receipt (GR) available, Baseline Date: Invoice Received Date (Spain) & Invoice Date (India); if multiple GRs, Baseline Date: Last GR

INVOICE & PAYMENT REQUIREMENTS (2/2)

To get your invoice processed efficiently and paid on time please consider for your Invoice Creation:

Payment Method

Standard

Please follow our Payment Method Standard **'Electronic bank transfer/Wire'.**

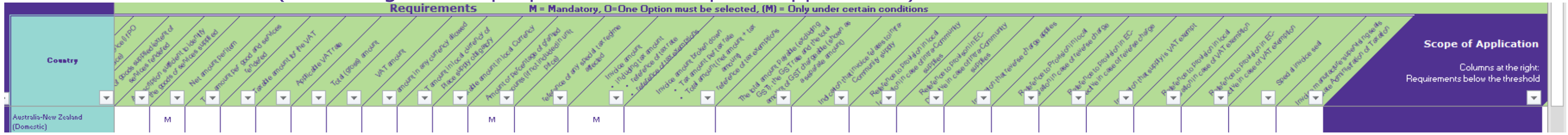
Exceptions

For any deviation, a justification is needed and requires approval, which overall may create delays in the invoice payment.
Please address your potential deviation to your responsible AP contact. *→ see section 'General P2P Contacts'*

Invoicing tax requirements

Review our *global overview about invoicing tax requirements:*

1. Filter on the relevant **country where the invoice is issued**
2. Go to the green section **Requirements** on the right and review the **invoicing tax requirements** with different dimensions **'Mandatory', 'One option must be selected', 'Only under certain conditions' in 2 areas:**
    1. **General** (first section)
    2. **Below thresholds** (on the right from purple column 'Scope of Application')



ARIBA NETWORK (AN)
P2P SUPPLIER ENABLEMENT

For which suppliers is this chapter applicable?

Merck KGaA, Darmstadt, Germany and its affiliates are using Ariba Network to electronically exchange P2P documents with enabled suppliers in selected entities. This applies to indirect purchasing only.

To be able to provide catalogs, suppliers need an Enterprise (Full) Account.

Supplier Support

Supplier Information Portal

Catalog Creation

Useful Links

AN P2P supplier enablement supplier support

START

During Project Deployment

Supplier Support

Post Project Go-Live

Ariba Network Registration or Configuration Support

- Registration, Supplier Fees, Account configuration
- Contact our Enablement Team through this *Contact Form*

Global Customer Support

- Use the Help Center directly from your individual Ariba Network Account

Supplier Support for Catalog
During Project Deployment & Post Project Go-Live

- Catalog connectivity
- Consultancy for catalog-related questions
- Contact *our Global Catalog Manager Team*

Enablement Business Process Support

- Business Related Questions
- Contact *our AN Team*

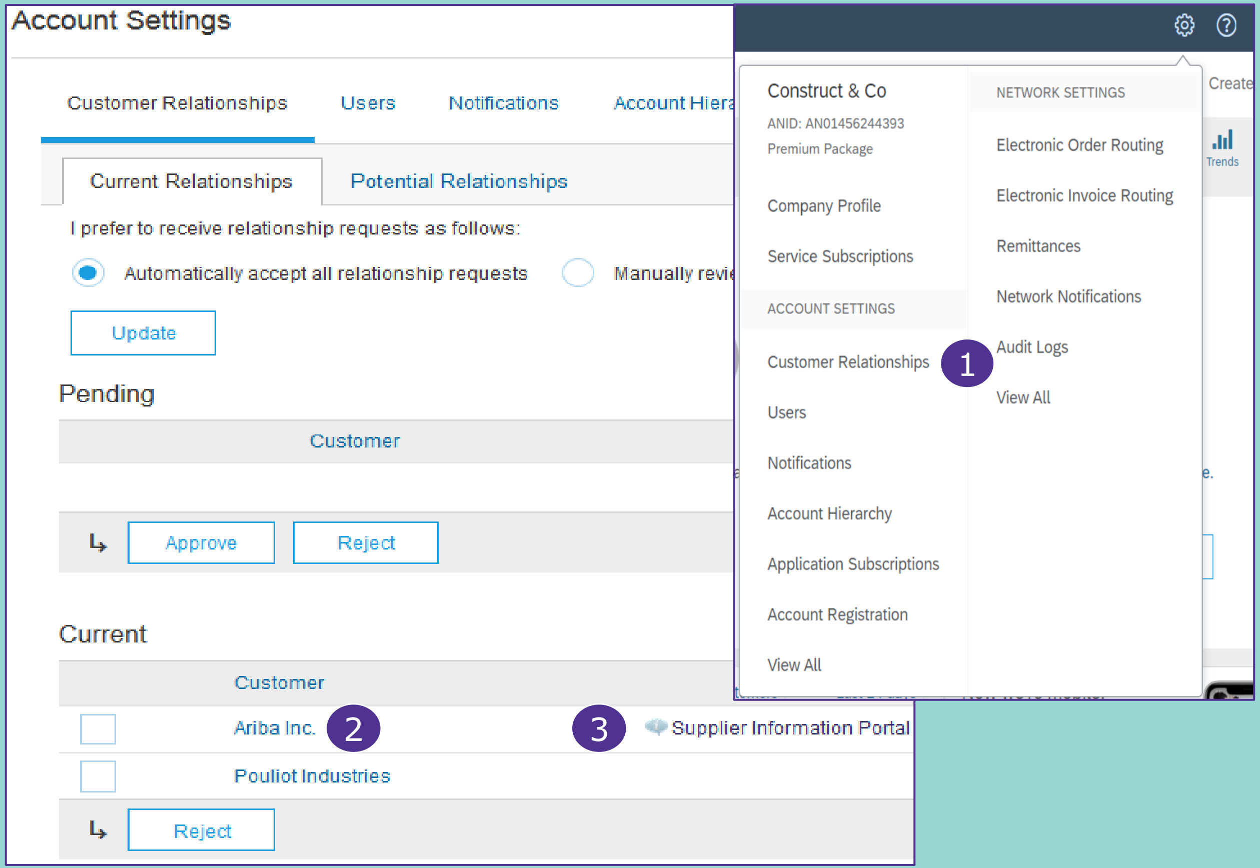
Supplier Information Portal

- *How to find the Supplier Information Portal* with documents provided by Merck KGaA, Darmstadt, Germany or one of its affiliates

→ *see next slides in details*

AN P2P supplier enablement supplier information portal

START



Supplier Information Portal

1. **Select the Company Settings Menu** in the top right corner and then click the Customer Relationships link.
2. **Select the Buyer name** to view **transactional rules**: The **Customer Invoice Rules** determine what you can enter when you create invoices.

3. **Select Supplier Information Portal** to view documents provided by Merck KGaA, Darmstadt, Germany or one of its affiliates.

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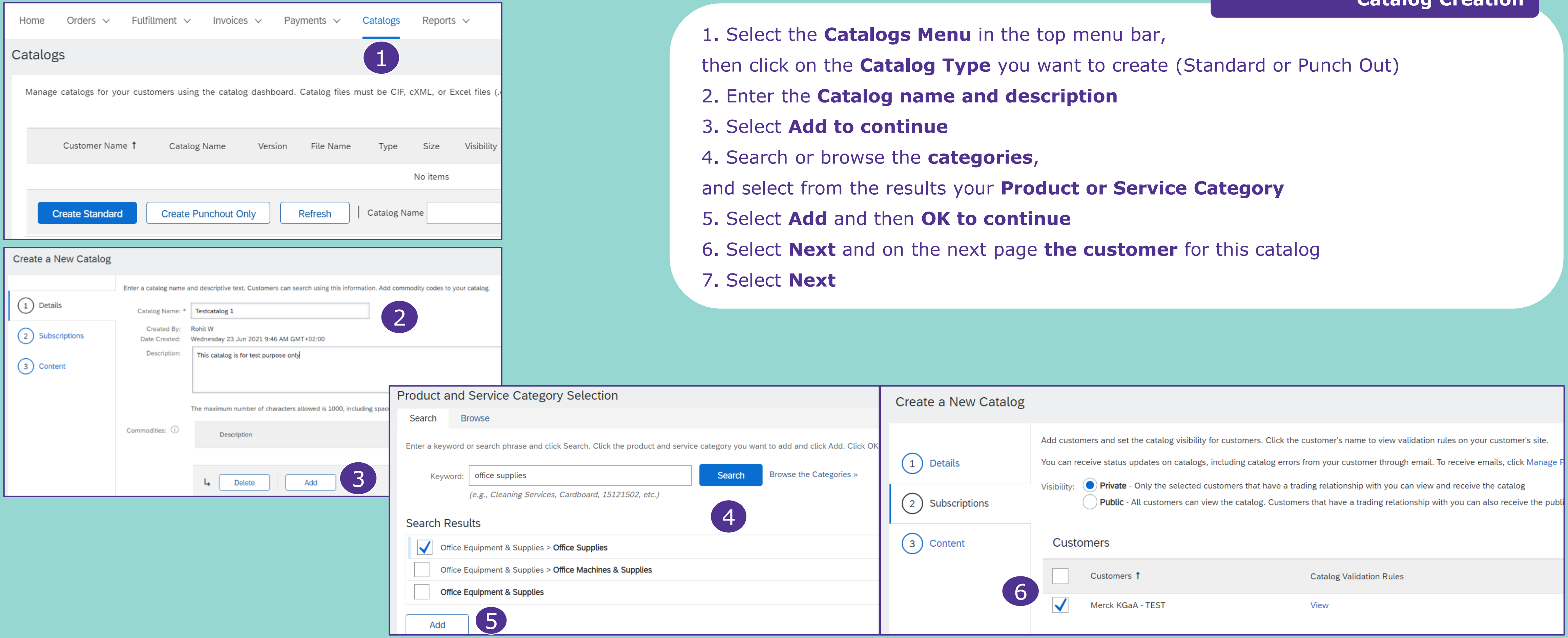
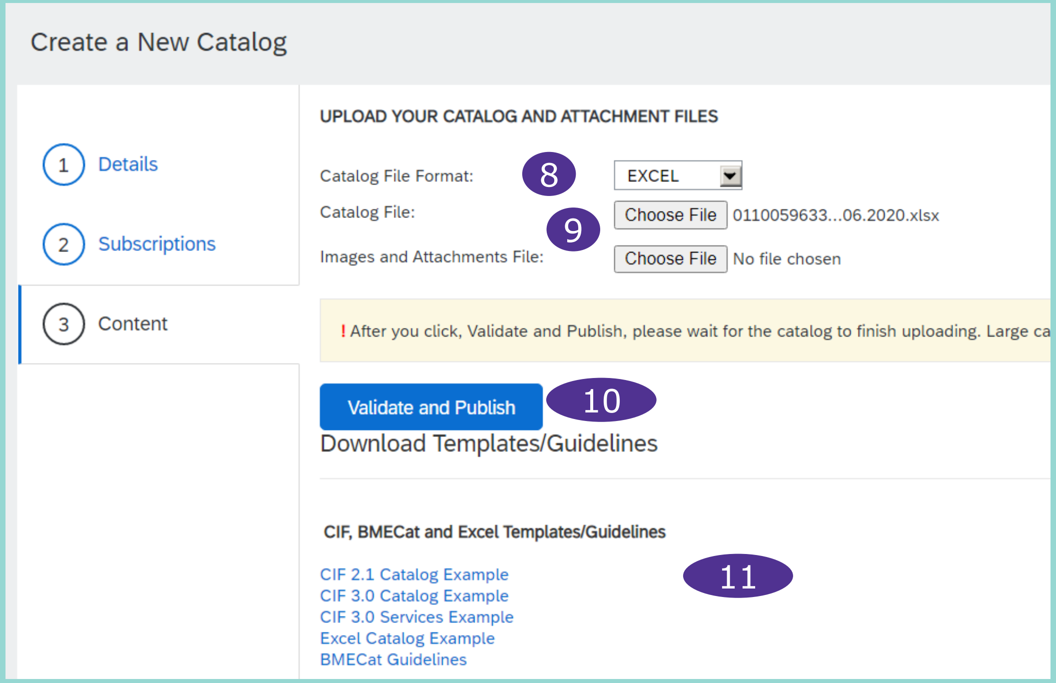
AN P2P supplier enablement catalog creation (1/2)



Catalog Creation

1. Select the **Catalogs Menu** in the top menu bar,
then click on the **Catalog Type** you want to create (Standard or Punch Out)
2. Enter the **Catalog name and description**
3. Select **Add to continue**
4. Search or browse the **categories**,
and select from the results your **Product or Service Category**
5. Select **Add** and then **OK to continue**
6. Select **Next** and on the next page **the customer** for this catalog
7. Select **Next**

AN P2P supplier enablement catalog creation (2/2)



Catalog Creation

8. Select the **format** you want to upload
9. **Search the file** and
(optional) **image files or attachment files** on your computer
10. Select **Validate and Publish**
11. Check the **Supplier Information Portal** for further documentation

→ *How to Find the Supplier Information Portal*

AN P2P supplier enablement useful links

Additional useful links

- **Ariba Network Supplier Training Site**
  https://support.ariba.com/Adapt/Ariba_Network_Supplier_Training/
- **Ariba Network Portal for Suppliers**
  https://support.ariba.com/item/view/181629
- **Billing Support Portal & Fee Explanation Video**
  Ariba Network Supplier Membership Program - Ariba Billing Information
  Ariba Fees (screencast.com)
- **Ariba Network FAQs**
  Ariba Network Frequently Asked Questions | SAP Ariba
- **Ariba Cloud Statistics**
  Detailed information and latest notifications about product issues and planned downtime - if any - during a given day
  http://trust.ariba.com
- **Ariba Discovery**
  http://www.ariba.com/solutions/discovery-for-suppliers.cfm