

3M's Supply Chain Policies: EHS, Transportation, Labor/Human Resources and Supplied Materials

September 26, 2011 (updated November 12, 2012)¹

3M's Supply Chain Policies: Environmental, Health and Safety, Transportation, Labor/Human Resources and Supplied Materials.

The following set of policies describes 3M's expectations for its suppliers in the areas of environmental, health and safety (EHS), transportation, labor/human resources (labor), and supplied materials. These policies apply to the selection and retention of all suppliers that provide goods or services to 3M worldwide, including raw material suppliers, semi-finished or finished goods suppliers, contractors, contract manufacturers and service providers. While 3M recognizes that there are different legal and cultural environments in which suppliers operate throughout the world, these policies establish a framework that 3M considers important to the management of manufacturing and distribution operations to minimize adverse impact to the environment, to a healthy and safe workplace, to the maintenance of fair and reasonable labor practices and to the content of materials supplied to 3M.

3M may in its sole discretion assess and monitor ongoing performance and compliance with these policies, including but not limited to a review of appropriate supplier documents, an onsite visit to determine whether these policies are being addressed, review of past practices of the supplier, and/or consideration of the local environment in which the supplier will perform services. The following set of policies is not intended to limit 3M's discretion on information that might be requested from a supplier in connection with any EHS, transportation, labor or materials content review conducted by 3M. On a periodic basis, suppliers may also be requested to certify conformance to these policies. 3M reserves the right to terminate any operation where conformance with these policies is not achieved and maintained.

These policies are dynamic and evolving to address ongoing protection of employees and to manage impacts to the environment and the community.

Compliance:

3M suppliers must comply with all national and other applicable laws and regulations relating to environmental, occupational safety and health, transportation, labor and human resource practices, and material content for supplied materials. Suppliers will maintain compliance systems and be able to demonstrate a satisfactory record of compliance with laws and regulations in the conduct of their business.

Corrective Action:

¹ Updated Conflict Minerals section following publication of final U.S. Securities and Exchange Commission Conflict Minerals Rule, 77 Fed. Reg. 56274 (Sept. 12, 2012); updated U.S. Lacey Act/plant materials section in light of EU Timber Regulation (Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010).

When non-compliance is detected, 3M will attempt to work with the supplier concerned to correct the situation. We expect the supplier to develop a corrective action plan to bring its operations into compliance so that supply to 3M can continue. If a supplier does not develop such a plan or fails to implement it, 3M will move to terminate the business relationship.

Environmental, Health and Safety:

EHS Laws. 3M suppliers are expected to comply with all local and country environmental, health and safety laws and regulations.

EHS Practices. 3M suppliers are expected to provide workers with a safe and healthy work environment and to manage their operations to minimize impact to the environment and community. Suppliers are expected to establish and maintain a management system or program that encourages continual improvement in EHS performance and includes the following elements:

A process to protect employees from unsafe noise levels and to provide appropriate lighting and temperatures in the workplace.

A process to provide and maintain operating machinery and equipment with guarding or other protective measures as necessary to prevent injury to workers.

A process to identify, evaluate and control workplace exposures to chemical, biological and physical agents to prevent worker illness and injury.

A process to identify and control hazards in the workplace (examples include activities such as regular inspections, hazard surveys, job hazard analyses, and equipment hazard reviews).

A process to determine the cause of incidents that result or could result in injury, illness, property or environmental damage or business interruption.

A process to encourage employee participation in health and safety programs and to encourage employees to report workplace illnesses and injuries.

A process to assess that sufficient and qualified resources are assigned to the EHS program.

A process for maintaining drums, storage tanks and other storage containers to prevent water or soil contamination or accidental discharge and a process to remedy any existing contamination.

A process to ensure proper treatment of chemical or process wastewater prior to discharge.

A process to ensure safe handling and appropriate disposal or recycling of waste.

An EHS training program for new and existing employees.

An emergency action program for each of its manufacturing locations covering events such as fires, medical emergencies, weather/natural disasters, spills and air releases.

Transportation:

Transportation Laws. 3M suppliers are expected to comply with all local, country and international laws and regulations governing the transportation of goods and materials.

Transportation Practices.

If handling Hazardous Materials* in the United States, suppliers are expected to be registered with the U.S. Department of Transportation as a Hazardous Materials shipper and are expected to be trained, tested and certified to package, mark, label and ship Hazardous Materials as required by law.

United States Department of Transportation: <http://hazmat.dot.gov/>

If handling Dangerous Goods* outside the United States, suppliers are expected to be trained in the following recognized regulations, as applicable, that pertain to transportation safety:

Air:

International Civil Aviation Organization (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air

International Civil Aviation Organizations: <http://www.icao.org/>

Air:

International Air Transport Association (IATA) Dangerous Goods Regulations

International Air Transport Association: <http://www.iata.org/index.htm>

Ocean:

International Maritime Dangerous Goods (IMDG) Code of the International Maritime Organization (IMO)

Europe Road:

European ADR/RID Agreement for the International Carriage of Dangerous Goods by Road

European Agreement on International Carriage of Dangerous Goods by Road (ADR):

http://www.unece.org/trans/danger/publi/adr/adr_e.html

* Hazardous material/dangerous good means a substance or material that has been determined by a regulatory agency (i.e. U.S Department of Transportation, IMO, etc.) to be an unreasonable risk to health, safety, and property when transported in commerce and which has been so designated. The terms hazardous material, regulated material and dangerous good are used by various regulatory agencies around the world. 3/1/05

Labor and Human Resources:

Labor Laws. Suppliers are expected to comply with all local country labor and human resource laws and regulations, including those related to wages, hours worked, working conditions and child labor.

Labor and Human Resource Practices. Suppliers are expected to adopt sound labor and human resource practices and treat their workers fairly. Specifically:

Employment Practices. Suppliers must hire and employ workers in compliance with applicable laws. Wages, benefits, and working hours are expected to be fair and reasonable in the local labor market.

Child Labor. Suppliers must comply with the applicable local laws with regard to the minimum hiring age for employees. If no such law exists or if the existing law permits the hiring of child labor younger than 18 years of age, the supplier may not employ child labor under 16 years of age to work on 3M projects. The supplier may hire child labor between 16 and 18 years of age to work on 3M

projects only if the supplier implements and maintains, in addition to the general standards for environmental, health and safety identified above, all working conditions needed to adequately protect the safety and health of each such child.

Forced Labor. 3M expects suppliers to not use labor that is a result of mental or physical coercion, physical punishment, slavery or other oppressive labor conditions. Suppliers and their employees cannot engage in any form of human trafficking. This prohibition includes not only forced labor and other forms of coercive conduct but also the recruitment, harboring, transportation, provision, or obtaining of persons for commercial sex acts and the legal or illegal procurement of sex acts for anything of value.

Discrimination. Suppliers must respect the right of every person to participate in all aspects of employment without regard to their personal characteristics or beliefs (for example, their race, religion or sex). Suppliers' policies and practices should result in employment decisions being made on the basis of workers' ability to do the job, and not on their personal characteristics or beliefs.

Freedom of Association. Suppliers must respect workers' right to associate freely, in compliance with existing local laws and without intimidation, reprisal or harassment.

Materials Supplied to 3M:

Suppliers are expected to comply with all applicable local, country, and international laws regarding material content for the materials supplied to 3M. At 3M's request, Suppliers are expected to provide to 3M reports on the occurrence of substances in any materials supplied to 3M that may be restricted by, or require disclosure to, governmental bodies, customers and/or recyclers.

Conflict Minerals. Suppliers are expected to supply materials to 3M that are "DRC conflict-free." "DRC conflict-free" means (1) any "conflict minerals" (gold, columbite-tantalite, also known as coltan, cassiterite, wolframite, or their derivatives tin, tantalum or tungsten (collectively the "3TGs")) necessary to the functionality or production of supplied materials do not directly or indirectly finance armed groups through mining or mineral trading in the Democratic Republic of Congo or an adjoining country, or (2) any 3TGs in supplied materials are from recycled or scrap sources.² Suppliers are expected to adopt policies and management systems with respect to conflict minerals and to require their suppliers to adopt similar policies and systems.

No Illegally Harvested Plant Materials. Suppliers are expected to supply to 3M materials containing plant materials or their derivatives that are legally sourced, harvested and exported from their country of origin. Suppliers are expected to adopt policies and management systems with respect to the U.S. Lacey Act, the EU Timber Regulation and similar laws and to require their suppliers to adopt similar policies and systems.

² Conflict minerals are from "recycled or scrap sources" if they are from recycled metals, which are reclaimed end-user or post-consumer products, or scrap processed metals created during product manufacturing. Recycled metal includes excess, obsolete, defective and scrap metal materials that contain refined or processed metals that are appropriate to recycle in the production of tin, tantalum, tungsten, and/or gold. Minerals partially processed, unprocessed, or a "bi-product" from another ore are not included in the definition of recycled metal. Item 1.01(d)(6) for Form SD, 77 Fed. Reg. 56274, 56364 (Sept. 12, 2012).