California Transparency in Supply Chains Act Disclosure
Updated September 25, 2015

The California Transparency in Supply Chains Act of 2010 requires manufacturers of a certain size to disclose their efforts to eradicate slavery and human trafficking from their direct supply chain for tangible goods offered for sale.

Our Values: Reflected in our Policies and Standards
3M is committed to respect for human rights, in our own operations and in our supply chain. 3M’s Global Human Rights Policy statement was adopted in 2013, and 3M became a member of the U.N. Global Compact (UNGC) in early 2014, thereby committing to align our operations and strategies with the UNGC principles on human rights.

Within our own business, 3M’s approach for managing and ensuring human rights aligns with 3M’s Code of Conduct, which recognizes the right of employees to have a respectful workplace. 3M continues to implement our human rights program through our global policy statements, a management system utilizing self-assessments, audits, training, and ultimately, metrics tracking.

Under the principle Be Respectful, 3M’s Code of Conduct also requires 3M employees to select and retain suppliers, contractors, or outsourced manufacturers and service providers who comply with all applicable laws and regulations and meet 3M’s environmental, health and safety (EHS) values.

3M’s Supply Chain Policies and Sustainability Standard for Suppliers apply to the selection and retention of all 3M suppliers globally. Under those Policies and Standards, 3M suppliers are expected to comply with all local country labor and human resource laws, cannot use labor that is obtained through mental or physical coercion, physical punishment, slavery or other oppressive labor conditions and cannot engage in any form of human trafficking. The latter prohibition includes forced labor and other forms of coercive conduct and 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.

More details on our standards for suppliers are described in the Responsible Sourcing section of our 2015 Sustainability Report.

1. Verification of Supply Chain and Evaluation of Risk
A 3M supplier selection process includes an assessment of working conditions and employment practices, such as forced labor and human trafficking. Suppliers who do not pass this assessment do not qualify to supply 3M.

For existing suppliers, 3M has implemented a risk-based supplier assessment and auditing process to help assure that its suppliers meet its expectations. The risk factors used in this process include geographic risk, type of operations and annual 3M purchases. In determining geographic risk, we prioritize regions that have weaker governmental oversight on EHS and labor laws.
We conduct internal supplier risk assessments for prioritized suppliers on an annual basis. Although we have not used a third party verifier to assist in our supplier assessment, our overall supplier assessment program was reviewed and validated by a third party in 2013.

2. Auditing
In 3M’s risk-based supplier assessment process, suppliers are ranked using a prioritization matrix tool that includes the geographic and other risk factors described above. Prioritized suppliers may be asked to complete a self-assessment survey (SAS). The SAS is used to understand supplier programs and whether they meet the intent of 3M Policies.

Following prioritized suppliers’ completion of the SAS and review by 3M, an on-site audit may be conducted. If any deficiencies are identified during the on-site audit, a correction plan is developed. 3M conducts follow-up audits or other communications to assure that deficiencies are corrected.

3M’s supplier assessment and auditing program is implemented by 3M’s Sourcing organization, with oversight from the 3M EHS Advisory Committee. The supplier assessment and audit process includes a review of working conditions and employment practices such as forced labor and human trafficking. 3M internal staff conduct announced on-site audits. More than 3800 self-assessments or on-site audits of suppliers have been conducted in prioritized countries, including China, India, Korea, Malaysia, Taiwan, Thailand, Brazil, Mexico, Russia and Turkey over the past 8 years. Suppliers reviewed in the last 3 years represent 81% of 3M’s 2014 spend in the listed countries.

Throughout the self-assessments or on-site audits of suppliers, most suppliers have met 3M’s expectations. Those requiring improvement were given specific corrective action in order to retain 3M business. Suppliers with corrective action must pass a 3M re-qualification assessment after completing the necessary steps. Most suppliers work very quickly to address any 3M findings. Those suppliers unwilling or unable to take the necessary corrective action in a timely manner have been subject to termination by 3M.

3. Supplier Contracts and Certification
3M complies with all applicable laws and employment regulations and does not engage or participate in forced labor or human trafficking. 3M has those same expectations for all suppliers doing business with us.

3M communicates its human rights and labor expectations to suppliers through contract clauses, links to 3M’s website and in direct business meetings. 3M includes a clause in our purchased goods contract templates and our general purchase order terms governing our relationship with suppliers, which as a means of self-certification by suppliers, states that suppliers will not provide products or services to 3M that use labor “resulting from mental or physical coercion, physical punishment, slavery, human trafficking or other oppressive labor conditions.” Human trafficking and forced labor-related provisions are also included in 3M’s government contract flow-down requirements for suppliers.

3M’s contracts and purchase order terms also contain provisions to which suppliers agree, as a form of self-certification, that they will comply with all applicable local laws and regulations and adopt policies consistent with 3M’s Supply Chain Policies, which include specific prohibitions against forced labor and other forms of coercive conduct, including labor that is a result of mental or physical coercion, physical punishment, slavery or other oppressive conditions. The Supply Chain Policies also prohibit suppliers and their employees from engaging in any form of human trafficking.
4. Accountability Standards
3M’s Code of Conduct clearly states the commitment of all 3M employees to compliance with all applicable laws and regulations in the conduct of our business activities. This extends to laws regarding slavery or human trafficking in the countries in which 3M does business. Because we want 3M’s values to be clear to all with whom we do business, 3M publishes its Code of Conduct Handbook in 19 languages on the Internet at www.3M.com/businessconduct. 3M invests significant time and money on programs designed to help our employees to understand and follow our Code of Conduct Principles.

Grievance mechanisms. Pursuant to the Code of Conduct, employees are responsible for notifying management when they suspect that a violation of law or our policies has occurred or is likely to occur. 3M has several means by which an individual can report his or her concerns. An employee or any third party, including customers, suppliers, or the general public, may report a concern online or by phone, and may do so anonymously, if local law allows, through 3M’s Compliance and Business Conduct independent third-party vendor, EthicsPoint, available at www.3M-Ethics.com. In addition, employees have several additional ways to report issues, such as raising the concern to their supervisor, 3M Management, 3M Legal Counsel, 3M Compliance and Business Conduct, or any Human Resources professional.

Regardless of how concerns are raised, 3M will assign an individual to investigate and ensure that the concern is investigated and addressed in a timely manner. 3M does not tolerate retaliation of any kind for reporting a business conduct concern or cooperating with an investigation. 3M expects reports to be made in good faith. 3M employees in leadership roles are expected to act with integrity and honesty and to build a culture of compliance by working to prevent, detect and support the efforts to respond to potential violations of law and 3M policies.

5. Human Rights Awareness and Training of Employees
To ensure that employees are aware of 3M policies related to human rights, 3M provides regular training to employees regarding our Business Conduct Policies, including 3M’s Respectful Workplace Principle. Current training includes direction on how employees can raise issues for investigation and response. All 3M locations also post information on how employees can report any concerns. Employee training regarding our Respectful Workplace Principle includes training on 3M’s Human Rights Policy and 3M’s commitment to human rights. This enhanced training has been rolled out to all employees globally, except for production employees outside the U.S. because of translation barriers. 3M will work toward providing training to that population as well in the future. 3M has provided training to employees globally on the UN Global Compact, including the human rights principles. Finally, 3M’s website also has information on corporate policies, as well as links and additional information on how to report any concerns.

3M Sourcing staff with responsibility for supplier relationships receive the above training on respect for human rights, including how to report any concerns, as well as training on aspects of supply chain sustainability, including slavery and human trafficking prohibitions.