

California Transparency in Supply Chains Act Disclosure

Updated June 17, 2019

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](#) was originally adopted in 2013, and was most recently reviewed and reissued in February 2018. 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 respecting 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, and a management system utilizing self-assessments, audits and training.

3M's [Code of Conduct](#) clearly states the commitment for all 3M employees to comply 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 we do business. Because we want 3M's values to be clear to all with whom we do business, 3M publishes its Code in 25 languages on the Internet. 3M's Code also requires 3M employees to select and retain suppliers, contractors, outsourced manufacturers and service providers who comply with all applicable laws and regulations and align with the 3M values in the areas of labor and human rights, the environment, health and safety, and ethics.

3M also has a [Supplier Responsibility Code](#), which outlines expectations for its suppliers to assure their programs and practices, as well as those of their sub-contractors, involved in the supply of products and/or services to 3M, conform to standards that are consistent with the 3M Supplier Responsibility Code. 3M's Supplier Responsibility Code is available in 15 languages and applies to the selection and retention of all 3M suppliers globally. Under this Code, 3M suppliers are expected to comply with all local country labor and human resource laws. The Code prohibits suppliers from using labor that is obtained through mental or physical coercion, physical punishment, slavery or other oppressive labor conditions. Further, suppliers cannot engage in any form of human trafficking, including forced labor and other forms of coercive conduct as well as 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 expectations for suppliers are described in the "Suppliers" section of our [Sustainability Report](#).

Our Supply Chains

3M is a global manufacturer, which operates in more than 70 countries with approximately 92,000 employees. 3M's supplier network is a diverse, broad supply chain providing the many raw materials and services needed to support global manufacturing in the areas described above. We have over 78,000

suppliers from 110 countries classified in 11 categories and over 300 sub-categories. We procure from large multinational companies like our own, and from small and medium-sized businesses. Our material suppliers have suppliers of their own. 3M is typically 3-6 tiers away from the original source of the components of our purchased materials, which emphasizes the importance of our suppliers having due-diligence programs in place to also monitor supply chain risks.

Due Diligence Processes for Slavery and Human Trafficking

3M has a dedicated team to address the issue of modern slavery, which consists of involvement from the following departments:

- Strategic Sourcing
- Ethics & Compliance
- Legal
- Human Resources
- Sustainability
- Government Contract Compliance

This team is charged with implementing 3M's Due Diligence Management System, consistent with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the related Due Diligence Guidance for Responsible Supply Chains, for identifying, and addressing, the risks of modern slavery in our operations and our supply chains, which includes:

- Strong policies and management systems, including executive engagement
- Identification and assessment of potential risk areas in our supply chains
- Risk mitigation, including external training/capacity building and new supplier qualification
- Assessments and audits
- Reporting publicly on due diligence

3M Supplier Responsibility Code

3M sets a high bar for itself regarding labor and employment and it expects the same from its suppliers. The 3M Supplier Responsibility Code (and before that, our Supply Chain Policies) specifies the labor, health and safety, environment, ethics, and management systems expectations we have for our suppliers. The Labor section of our Supplier Responsibility Code includes baseline requirements in the areas of:

- Freely chosen employment
- Young workers
- Working hours
- Wages and benefits
- Humane treatment
- Non-discrimination
- Freedom of association

3M expects conformance to this Code by our new and existing suppliers, anywhere in the world, and for any supplied material or service. We expect suppliers to establish programs that are consistent with the 3M Supplier Responsibility Code, and this expectation is included in our global supply contracts. 3M evaluates Code conformance of existing and potential new suppliers through a self-assessment and onsite audit program. More information about this work can be found below and in the "Suppliers" section of our [Sustainability Report](#).

Identification of Potential Risk in our Supply Chain (“Verification”)

In order to combat the risk of slavery and human trafficking, we take steps to identify those areas of our business where there is a risk of slavery and human trafficking taking place. As part of a global process, 3M consults key external informational resources to identify where there could be a risk of slavery and human trafficking.

3M follows a risk-based approach to prioritize 3M suppliers who will be assessed based on a variety of factors, including their working conditions and employment practices, such as forced labor and human trafficking. 3M internal staff conduct announced on-site audits. Suppliers who do not pass this assessment do not qualify to be a 3M supplier.

For existing suppliers, 3M has implemented a supplier risk evaluation process to help assure that we assess prioritized suppliers that could be at risk for non-conformance with our Supplier Responsibility Code, including the human rights elements. The risk factors used in this process include geographic risk, business risk, type of operations, and annual 3M purchases. We conduct this internal supplier risk evaluation process on an annual basis.

Suppliers prioritized for assessment as described above will be asked to complete a self-assessment questionnaire (SAQ). The SAQ is used to understand supplier programs and whether they meet the expectations of the 3M [Supplier Responsibility Code](#).

Following prioritized suppliers’ completion of the SAQ and review by 3M, an on-site audit may be conducted. If any deficiencies are identified during the on-site audit, a corrective action plan is developed. 3M conducts follow-up on identified corrective actions to assure that deficiencies are resolved, and measures put in place to prevent reoccurrence.

3M’s supplier assessment process has become more involved and comprehensive. In 2018, 3M completed more than 550 assessments, which included the comprehensive Responsible Business Alliance framework and expanded from 10 to 18 countries, covering every region of the world. Although the majority of our supplier assessments are conducted internally, 3M’s overall supplier assessment program was reviewed and validated by a third party in 2013.

Assessments (“Audits”)

3M’s supplier assessment program is implemented by 3M’s Strategic Sourcing organization, with oversight from the 3M Responsible Sourcing Executive Environment Committee. This committee consists of executive leaders from 3M Supply Chain, Strategic Sourcing, Human Resources, Ethics & Compliance, Legal, Environment, Health and Safety.

Suppliers prioritized for assessment as described above may be asked to complete a self-assessment questionnaire (“SAQ”). The SAQ is used to understand supplier programs and whether they meet the expectations of the Supplier Responsibility Code (SRC).

Following prioritized suppliers’ completion of the SAQ and review by 3M, a pre-arranged (generally announced) on-site audit may be conducted by 3M or a third party. If any deficiencies are identified during the on-site audit, a Corrective Action Preventive Action plan is developed. 3M conducts follow-up assessments or other communications to assure that deficiencies are corrected.

The supplier assessment includes a review of working conditions and employment practices such as forced labor and human trafficking. 3M internal staff generally conduct the on-site assessments. More

than 6,000 self-assessments or on-site assessments of suppliers have been conducted in prioritized countries, such as China, India, Korea, Malaysia, Taiwan, Thailand, Brazil, Mexico, Russia and Turkey.

In addition to the global SRC expectations for all suppliers, certain categories warrant additional and specific formal expectations to drive more sustainable, responsible practices. This includes our use of certain minerals with the potential to be sourced from conflict areas, our use of timber-based products and other plant materials (pulp and paper), and all new suppliers in the higher-risk countries, such as in the Asia Pacific region.”

Risk Mitigation, including Supplier Contracts (“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 during 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 templates 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 Supplier Responsibility Code (and before that, our 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 Supplier Responsibility Code also prohibit suppliers and their employees from engaging in any form of human trafficking.

Internal Accountability and Reporting Concerns/Grievance Mechanisms (“Accountability”)

“The self-assessments and on-site audits of suppliers have revealed that most suppliers are meeting 3M’s expectations. Those requiring improvement are to provide information on what they will do to correct the identified gaps and prevent reoccurrence of the issue. Suppliers with corrective action must pass a 3M re-qualification assessment after completing the necessary steps to retain 3M business. 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 may be subject to termination by 3M.” 3M has disqualified new suppliers by proactively conducting SRC assessments to assure conformance with 3M’s expectations.

“Within 3M, our approach to managing and assuring human rights aligns with the 3M Code of Conduct, which recognizes the right of employees to have a respectful workplace. To protect that right, our Employee Relations (ER) Assessment tool enables any 3M location globally to assess its policies and practices. This tool enables local managers to identify strengths, opportunities for improvement, and action plans to address those opportunities, including a review of practices related to 3M’s Global Human Rights Policy. Elements include: safe and healthy workplace, respectful workplace, workplace security, work hours and wages, freedom of association, child labor, forced labor or recruitment fees to obtain employment. Evaluations are integrated into other assessment and management processes, based on material issues regardless of where they are identified within the value chain. Sites can then request the

assistance of 3M Corporate Staff, including Employee Relations and the Office of General Counsel, for help with addressing any issues that may be identified.”

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 Business Conduct Handbook in 25 languages on the [Internet](#).

Pursuant to the Code of Conduct, employees are required, subject to local laws to report all suspected violations of law, our Code or our policies. 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 to [3MEthics.com](#) and may do so anonymously, if local law allows. 3MEthics.com is managed by an independent third-party vendor and is available 24-hours a day and supports over 200 languages. In addition, employees can report a concern to their supervisor, 3M Management, 3M Legal Counsel, 3M Ethics and Compliance, Corporate Audit Department or any Human Resources professional.

Regardless of how concerns are raised, 3M assigns an individual to review the report 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 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.

Human Rights Awareness and Training of Employees (“Training”)

All relevant non-production employees are required to review and certify compliance with our Code of Conduct on an annual basis and complete a series of mandatory business conduct trainings based on the employee’s role and area of responsibility.

To assure that employees are aware of 3M policies related to human rights, including modern slavery and human trafficking, 3M offers a comprehensive online compliance training program to all employees worldwide. The training modules are assigned to employees based on their role and area of responsibility. Completion of 3M’s Code of Conduct and Ethical Decision-Making course is compulsory for most new employees and is required for all relevant employees on a two-year cycle. This course includes content on 3M’s [Respectful Workplace Principle](#), 3M’s Global Human Rights Policy, and 3M’s commitment to human rights. This course also provides awareness to employees about 3M’s expectation for reporting all suspected violations of law or 3M Code and the different channels available for raising such concerns. 3M offers a comprehensive online compliance training program to all employees worldwide. For instance, our global employees in 3M’s Strategic Sourcing, Supply Chain, and Legal organizations received a course titled Introduction to Eliminating Forced Labor, Slavery, and Human Trafficking from Global Supply Chain. Online courses are offered in 22 languages.

3M’s website also has information on corporate policies, as well as links and additional information on how to report any concerns. The external website was updated to include courses made available to our suppliers with information on the relevant laws and principles for doing business the right way.

Online courses are available on our [3M Business Partner Compliance Awareness training site](#), which include:

- Global Bribery and Corruption Awareness
- 3M Anti-Bribery Awareness Course Certification

- Introduction to Eliminating Forced Labor, Slavery, and Human Trafficking from the Global Supply Chain
- Working Together to Prevent Corruption and Mitigate Compliance Risk for Distributors/Business Partners

Further Steps to Improve Due Diligence

3M is committed to measuring and continuously improving the effectiveness of our due diligence program regarding modern slavery and human trafficking. To that end, our global implementation team holds regular meetings throughout the year for review and ratification by our executive steering team, focusing on relevant aspects of our due diligence management system described above.

The team meets with the intention to make further strides to combat slavery and human trafficking and continue to:

- Identify ways to improve employee and supplier awareness of 3M's commitment to respect human rights and efforts to prevent modern slavery and human trafficking
- Staying abreast of information on global risks of slavery and human trafficking
- Focus our assessment programs on internal and external operations with the highest risk of potential human rights violations
- Enhance our due diligence management system to identify and address salient human rights issues within our sphere of influence and stay aligned with internationally-accepted frameworks like the UN Guiding Principles
- Strengthen contracts with suppliers, and other forms of self-certification by suppliers, 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