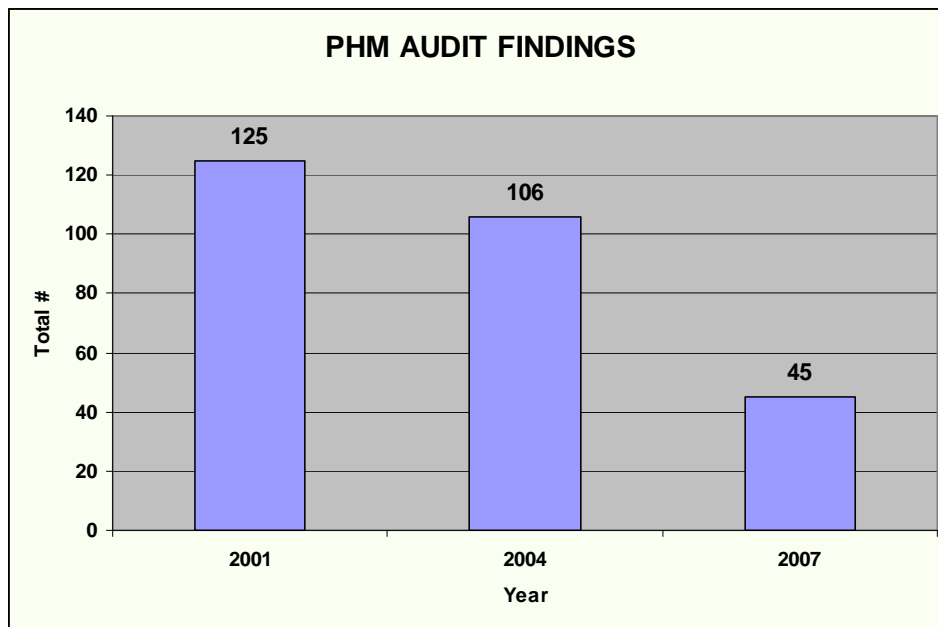


Process Hazard Management Program and Performance

The 3M Process Hazard Management (PHM) Standard is a key component of the 3M Global Safety & Health Plan (GSHP). The elements of this standard address our Safety and Health Policy requirements for 3M facilities to prevent hazardous chemical releases or conditions that could have the potential to cause fires or explosions.

Management of these hazard types is accomplished by using a risk-based approach. Process hazards are defined by five distinct categories of complexity and their potential for catastrophic failure. Critical control requirements are established according to the category of risk identified for the facility processes. Performance measures are monitored via self-assessments at the facility and by corporate audits and visits.

Corporate audits of Process Hazard Management program elements have resulted in a 64% decrease in the number of program findings since 2001 as shown in the chart below:



3M continues to improve the Process Hazard Management programs at its facilities:

- Work is underway to provide enhanced training and guidance documents for program elements that have been difficult to achieve for some facilities.
- More solution sharing is taking place to increase the consistency and effectiveness of high risk control methods being practiced.
- Regional PHM networks are building levels of professional expertise.
- A new set of performance indicators has been launched with special emphasis given to program quality and leadership. Improvement goals set by the facilities will be monitored for progress.