

3M Outlines Latest Actions on COVID-19 Response

ST. PAUL, Minn.--(BUSINESS WIRE)--3M Chairman and CEO Mike Roman issued the following update announcing additional details about 3M's capacity increases of N95 respirators, strong measures to combat price gouging and counterfeiting, and new partnerships to help protect our healthcare workers on the front lines:

We continue to act with urgency to address this crisis from every angle, and do all we can to protect our heroic nurses, doctors and first responders. As previously communicated, beginning in January we ramped up to maximum production of N95 respirators, doubling our global output to a rate of 1.1 billion per year, or 100 million per month. This includes 35 million per month in the United States, and over just the last seven days we have delivered 10 million N95 respirators to healthcare facilities in states across the country.

We've already put into motion additional investments and actions that will enable us to double our capacity once again, to 2 billion globally within the next 12 months – and some of that additional capacity will begin to come online in the next 60-90 days. In the United States, we expect to be producing N95 respirators at a rate of 50 million per month in June, a 40 percent increase from current levels.

It's also important to understand how we are prioritizing and shipping products to serve the most urgent needs in this pandemic. In the U.S., more than 90 percent of our N95 respirators are going to healthcare and public health, with the remaining deployed to other critical industries such as energy, food and pharmaceuticals.

Of our U.S. supply directed toward healthcare and public health, roughly 80 percent is flowing rapidly through our healthcare distributors – primarily consisting of six large and well-known companies with incredible logistical capabilities – which is the quickest and most effective method of getting those supplies into the hands of workers. These N95 respirators are moving directly from 3M, to our healthcare distributors, to healthcare facilities and end-users. We are working closely with these partners to expedite delivery even more, which in some cases includes moving pallets directly from our plants into critical areas – as we have done over the last week to New York City and Seattle. The remaining 20 percent is being directed to the federal government, with the largest portion going to FEMA who will allocate based on their determination of the most urgent needs. The prioritization and distribution of all of our N95 respirators are being coordinated in close partnership with FEMA, and we are directly embedded with them at their headquarters to help streamline decision-making and action.

This is not just a 3M challenge; it's an industry-wide challenge. Even with 3M's accelerated production combined with capacity from other manufacturers, the reality is that demand for N95 respirators is much higher than the industries' ability to deliver. That is why we continue to explore innovative partnerships and solutions to help protect our healthcare workers in this extraordinary time.

Given the high use rate of N95 respirators, 3M engineers are right now collaborating with several sterilization companies to find a way for hospitals to safely clean, reuse and extend the life of these respirators.

Additionally, we are partnering with Ford to bolster production of 3M's powered air purifying respirators (PAPRs), which are highly specialized pieces of equipment used in the most demanding healthcare environments. We're moving forward quickly with the goal of increasing PAPR production by six-fold within the next 60 to 90 days.

Our people are working around the clock to accelerate all of these timelines, and I want to thank our 96,000 3Mers for your tireless efforts – including those in our plants and distribution centers who are helping make and deliver critical supplies to where they're desperately needed. We continue to prioritize the safety of our people and do all we can to support them – from remote work when possible, to social distancing and robust protocols for cleaning in our plants.

We also continue to act on reports of counterfeiting and price gouging related to 3M's respirators. This activity is unethical and illegal, and we're doing all we can to end it. A week ago, I sent a letter to the U.S. Attorney General and the attorneys general of every state making clear that 3M has not and will not raise its prices for respirators in this crisis, and offering our assistance in the fight against unconscionable activities. We're actively working with law enforcement, our retail partners and others to identify and punish perpetrators. To help our customers identify and avoid inflated prices, today we are publicly publishing the list prices for our N95 respirators, and activating a hotline to help customers and end-users verify the authenticity of 3M products and report suspected fraud. We've also made it clear to our channel partners that 3M will not tolerate any such activity, and that we will aggressively pursue third parties that seek to take advantage of this crisis.

As disappointing as this unethical activity is, it is equally heartening to see so many step up to help the world get through this crisis – including the many retailers and 3M customers that have voluntarily contributed or donated their excess stockpiles of respirators and other key supplies. We'll get through this together, and 3M and our people will continue to do all we can to protect lives and defeat this disease.

Forward-Looking Statements

This news release contains forward-looking information about 3M's financial results and estimates and business prospects that involve substantial risks and uncertainties. You can identify these statements by the use of words such as "anticipate," "estimate," "expect," "aim," "project," "intend," "plan," "believe," "will," "should," "could," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans or prospects. Among the factors that could cause actual results to differ materially are the following: (1) worldwide economic, political, regulatory, capital markets and other external conditions and other factors beyond the Company's control, including natural and other disasters or climate change affecting the operations of the Company or its customers and suppliers; (2) risks related to public health crises such as the global pandemic associated with the coronavirus (COVID-19); (3) liabilities related to certain fluorochemicals, including lawsuits concerning various PFAS-related products and chemistries, and claims and governmental regulatory proceedings and inquiries related to PFAS in a variety of jurisdictions; (4) legal proceedings, including significant developments that could occur in the legal and regulatory proceedings described in the Company's Annual Report on Form 10-K for the year ended Dec. 31, 2019, and any subsequent quarterly reports on Form 10-Q (the "Reports"); (5) competitive conditions and customer preferences; (6) foreign currency exchange rates and fluctuations in those rates; (7) the timing and market acceptance of new product offerings; (8) the availability and cost of purchased components, compounds, raw materials and energy (including oil and natural gas and their derivatives) due to shortages, increased demand or supply interruptions (including those caused by natural and other disasters and other events); (9) unanticipated problems or delays with the phased implementation of a global enterprise resource planning (ERP) system, or security breaches and other disruptions to the Company's information technology infrastructure; (10) the impact of acquisitions, strategic alliances, divestitures, and other unusual events resulting from portfolio management actions and other evolving business strategies, and possible organizational restructuring; (11) operational execution, including scenarios where the Company generates fewer productivity improvements than estimated; (12) financial market risks that may affect the Company's funding obligations under defined benefit pension and postretirement plans; and (13) the Company's credit ratings and its cost of capital. Changes in such assumptions or factors could produce significantly different results. A further description of these factors is located in the Reports under "Cautionary Note Concerning Factors That May Affect Future Results" and "Risk Factors" in Part I, Items 1 and 1A (Annual Report) and in Part I, Item 2 and Part II, Item 1A (Quarterly Reports). The information contained in this news release is as of the date indicated. The Company assumes no obligation to update any forward-looking statements contained in this news release as a result of new information or future events or developments.

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