Innovation
Improving Lives

2014 Sustainability Report
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A Message From Our CEO

Since 1902, 3M has been improving lives. Social and environmental stewardship is central to who we are and is embedded throughout our vision:

- 3M Technology Advancing Every Company
- 3M Products Enhancing Every Home
- 3M Innovation Improving Every Life

With operations in more than 70 countries — and 55,000 products sold across nearly 200 countries — we are intricately woven into the global economy and deeply invested in humanity. No one is ever far from a 3M product, which empowers us to make a difference city by city, village by village and person by person.

Rapid communication advances are quickly merging our world into a global community with shared values. Together, we face uncertainties surrounding energy availability and climate change, water quality and availability, raw material scarcity, education, employment, and human health and safety.

It’s clear that these global dynamics are challenging the sustainable growth of future generations, which is why 3M is using its greatest assets — ideas and innovation — to address these challenges.

With industries ranging from healthcare to electronics to automotive, we invent technologies that make daily life easier, safer and more fulfilling. Some of the recent ways in which we’ve applied our ideas and innovation for a more sustainable future include the following:

- In 2014, for our worldwide energy-conservation efforts, we earned the U.S. Environmental Protection Agency’s ENERGY STAR® award. This was the 10th consecutive year 3M received the honor, an industry first. We were also, again, listed on the Dow Jones Sustainability Index – a credit we’ve had since its inception in 1999.
- We have developed and launched an increasing number of sustainability-focused products, including energy-efficient films for tablets, Post-it® Greener Notes, air-barrier building solutions, Envision® graphics films, 360 Encompass™ health information system, and an energy-saving, award-winning LED technology.
- The continued success of our Pollution Prevention Pays program, which has prevented nearly 2 million tons of air, water and waste pollution, and the reduction of our global greenhouse gas emissions by 57% from 2002-2013 on an absolute basis (even as the company sales grew 30 percent over the same period of time).
- Ongoing support to protect and restore vital ecosystems around the world. By working with partners such as The Nature Conservancy, the 3M Foundation has provided more than $21 million to preserve more than 1 million acres.
- More than $61.6 million in global cash and in-kind product donations in 2013.
- In early 2014, we joined the United Nations Global Compact. While 3M has always acted in accordance with the core values represented by the Compact, we are proud to formalize our commitment to its 10 principles in the areas of human rights, labor, environmental and anti-corruption and to grow our partnership with the organization.

As we celebrate our accomplishments, we recognize the magnitude of the global challenges we are all looking to address. This will not be easy, and it will require shifts in how we operate, how we make long-term decisions and how we collaborate. But we firmly believe that, by working with our customers and partners, and by empowering people to exercise their own creativity and passion, we can drive the transformational changes necessary for the success of both business and society.

3Mers are a committed team, 89,500 strong, poised to help create a more sustainable future. We intend to do this by designing products that support our customers’ sustainability efforts, embedding sustainable practices across our supply chain, and, perhaps most importantly, joining together with a shared purpose.

I am proud to be a 3Mer committed to this effort and excited about the role 3M can play in helping everyone, everywhere, live a better life.

Inge G. Thulin
Chairman, President and CEO
Sustainability Progress

**GOAL ACHIEVED:**

- **80%** of supplier spend in top 10 high-risk countries reviewed for alignment with 3M supplier policies and standards
- Reduced GHG Emissions by **57%** nearly 100 million metric tons in only **11 years** even as the company grew sales and production
- Hired **10,471** employees globally in 2013
- Approximately **50%** of TOTAL WASTE generated annually is recycled or reused

**Nearly $125 million** of cash and in-kind product donations in **2012** and **2013**

**In 2013, recycled 37%** of total water used

**Nearly ½ of MANUFACTURING SITES GLOBALLY** have developed local stakeholder engagement plans

**3M EHS onboarding plans in place for 100% of acquired operations**

**Since 2010, reduced 23.8%** (per net sales) of **Volatile Air EMISSIONS**
Our Sustainability Strategy

"By partnering with our customers to better understand these challenges, and by empowering the passion and expertise of 89,500 3Mers, we see an opportunity to create technologies that drive real change and real impact toward making a better future. We are currently increasing the number of sustainable products we create, deepening our approach to operational excellence and expanding our partnerships, particularly with our customers, to bring our vision to life."

— Gayle Schueller, Vice President, 3M Global Sustainability

At 3M, we look at sustainability in terms of shared global needs and the future of our business. As the population grows, particularly in emerging economies, challenges like energy availability and security, raw material scarcity, human health and safety, education, and employment must be addressed to ensure people across the globe can lead healthy, fulfilling lives.

With this in mind, social and environmental stewardship is core to the sustainability of our business and our vision for growth:

• 3M Technology Advancing Every Company
• 3M Products Enhancing Every Home
• 3M Innovation Improving Every Life

Starting with technology and culminating with the improvement of every life on the planet, we are committed to driving a growing business while supporting the personal growth of everyone on the planet.

Like many organizations, we operate with the intent to balance the three key pillars of sustainability. To that end, the principles by which we operate are as follows:

• Economic Success: Build lasting customer relationships by developing differentiated, practical and ingenious solutions to their sustainability challenges.
• Environmental Protection: Provide practical and effective solutions and products to address environmental challenges for ourselves and our customers.
• Social Responsibility: Engage key stakeholders in dialogue and take action to improve 3M’s sustainability performance.

While we have been a leader in environmental stewardship for decades, we recently sharpened our focus and began a transformational shift in how we balance these three pillars toward overcoming the global challenges we all face.

Every day, 3M innovation aims to tackle the world’s most pressing areas of concern:

- Raw Material Scarcity
- Water
- Energy & Climate
- Health & Safety
- Education & Employment

The following pages outline these challenges and how we’re addressing them for the sustainability of our planet, our business and our daily lives. To learn more about how we identified and prioritized these key challenges, see the materiality section of this report.

“Sustainability is a natural part of who we are. We’ve been operating with sustainability in mind since before it was popular. Environmental and social considerations — both in our own operations and across our supply chain — have been part of our company’s value system from the beginning.”

— Jean Sweeney, Vice President, 3M Environment, Health and Safety and Sustainability Operations
People consume it, farm with it and manufacture products with it. Reducing water consumption and improving water quality are important elements of environmental stewardship.

Water is our world’s most valuable natural resource. Despite its prevalence, freshwater makes up only 2.5 percent of our total global water supply. A majority of freshwater is used for irrigation purposes, but nearly 30 percent of it is used for domestic consumption and industrial functions. Aging infrastructure and increased demand places a premium on clean, accessible water for 3M and our customers.

Our customers are finding it difficult to source or deliver clean, accessible water. We can help them solve this problem by developing technology that increases water efficiencies and improves quality.

Rehabilitate and protect water infrastructure. To use water resources with greater efficiency and safety, our customers need solutions to protect water quality and reduce losses from water main deterioration, breaks and leaks. 3M™ ScotchKleen™ water pipe coatings and linings help rehabilitate aging potable water infrastructure while protecting new infrastructure.

3M不能解决每一种原材料挑战，但我们可以通过创造解决方案和实践来解决这些问题 — 并帮助我们的客户解决这些问题。我们能够开发可替代资源，革新可回收材料并使其更具可持续性。我们已经解决了几十年前的挑战 — 并计划继续在将来进一步创新。

水是地球最宝贵的自然资源。尽管它的分布广泛，淡水只占我们全球水资源的2.5%。虽然大多数淡水用于灌溉，但约30%用于国内消费和工业功能。随着基础设施的老化和需求的增加，我们需要清洁、可访问的水。

我们的客户发现很难获取或输送清洁、可访问的水。我们可以通过开发提高水效和改善质量的技术来帮助他们解决这个问题。

恢复和保护水资源。为了利用水资源的更高效率和安全性，我们的客户需要解决方案来保护水质并减少水从管道、裂缝和泄漏中损失的损失。3M ScotchKleen水管道涂层和衬里能够帮助恢复和保护可饮用水基础设施，同时保护新基础设施。

“可持续性就是利用材料的全部潜能。有时发现它们的隐藏潜力。”

— Myhanh Truong, 3M产品开发

水问题是非常地方化的。在中国，水问题在不同地区有巨大的差异。因此，3M中国净化住宅产品开发团队致力于了解当地水源的挑战，并开发出支持人类健康和安全及3M业务增长的住宅产品组合。这是一个双赢的结果。该团队使用3M独特的碳/膜技术，创造出能够去除当地污染物的全屋产品组合，包括即用型水滤器、软化水设备、淋浴滤器和水加热器（根据当地的偏好提供热饮用水）。

“水与能源、健康、制造、食品供应……密切相关的，因此我们创新与全球挑战的挑战而至关重要。我们与客户、供应商和社区携手共进。”

— David Schaefer, 3M EMEA总裁，3M净化业务部

“水使用增长速度远快于人口增长”路透社 (2011年10月)

“水资源问题”世界资源研究所（http://www.wri.org/our-work/topics/water）
Our energy use, promote energy efficiency, technologies that reduce the impact of atmospheric greenhouse gases. We already have many products and services for evaporative cooling. Heat can also be harvested from the system and reused for heating and other process technologies, such as desalination of sea water.

Unyielding commitment, an industry first. In 2014, the U.S. Environmental Protection Agency (EPA) recognized 3M for a decade of global energy management achievements with the EPA ENERGY STAR Sustained Excellence Award for the 10th year in a row. 3M is the only industrial company in the world to attain this privilege. Award-winning efforts included 252 energy management projects resulting in reductions of 61,700 million metric tons (MT) of CO2, the formation of Centers of Excellence to integrate all aspects of sustainability into business strategies across the company, initiatives to bring energy-saving innovations to diverse markets, and engagement with global communities in energy and sustainability dialogues.

Healthy. Our robust Safety and Health Policy applies to all 3M operations worldwide. It holds anyone working at or visiting a 3M location to strict safety and health requirements. Based on our core business values, the policy stems from our integrated vision for safe and healthy people, products and planet. Governments, corporations and consumers are driving global demand for safety, protection, healthcare and food safety solutions. Food poisoning and water-borne illnesses lead to the deaths of 3 million people across the globe each year. At the same time, approximately one of every 20 hospitalized patients in low- and middle-income countries will contract an infection while under medical care.

For decades, 3M has had entire business divisions focused on creating products and services for human health, protection, security and safety. At the same time, the company has embraced this commitment in its own operations.

Making hospital patients a bit more comfortable. Research shows that core body temperature drops rapidly following the induction of general anesthesia, which puts patients at an increased risk for unintended hypothermia, leading to higher mortality rates, longer hospital stays and an increased rate of wound infection. 3M (TM) Bair Paws (TM) Warming Units are revolutionary forced-air warming systems that help to prevent and treat hypothermia while enhancing patient comfort.

Protecting our most important asset, 3Mers. Our innovations are only possible with the minds, talent and commitment of our 89,500 employees worldwide. So, we put a lot of thought and effort into keeping them safe and healthy. Our robust Safety and Health Policy applies to all 3M operations worldwide. It holds anyone working at or visiting a 3M location to strict safety and health requirements. Based on our core business values, the policy stems from our integrated vision for safe and healthy people, products and planet.
Global unemployment rates are expected to remain steady through 2017, particularly among youth. Today’s job market has fewer opportunities, with most available jobs too specialized for young people and recent graduates. We’re training the workforce of tomorrow, while empowering the workforce of today. Young people around the world are suffering from high unemployment rates as the number of science, technology, engineering and math (STEM) graduates is insufficient to meet today’s technical job market demands. As a technology company, 3M recognizes the importance of well-trained STEM graduates — we need young minds to step into specialized roles and help our company solve future challenges. At the same time, the workforce of today must feel supported to follow its own insights in pursuit of problem-solving, thus making education and employment both a social and a business challenge.

Educating the classroom with 3M innovation. 3M is a leader in partnering with local schools on science, technology, engineering and math (STEM) related programs. 3Mgives, the company’s strategic philanthropic and global community engagement organization, supports programs like FIRST Robotics and Destination Imagination. These programs engage students with challenge-based projects, addressing global challenges such as natural disasters or rainforest protection. 3M also provides grants to teachers to create and implement programs that bring science to life and that connect learning to the world beyond the classroom, student scholarships for higher education in STEM-related fields, and investments in technical training programs such as mechatronics. A “15% culture” for 65 years. A core belief at 3M is that creativity needs freedom. That’s why, since about 1948, we’ve encouraged our employees to take our resources, to build up a unique team and to follow their own insights in pursuit of problem-solving — and to spend 15 percent of their working time to do it. If there’s a secret ingredient to 3M’s more than 100 years of innovation, it’s this: Give talented people the time and resources to prove the worth of their ideas, and in the long run, you’ll come out well ahead. Even if those talented people are mistaken, you’ve learned something.

Who We Are

“15% culture”

For 65+ years ... this means 3Mers use actual work time to follow their own insights in pursuit of problem-solving.

Invested $1.3 billion in cash and product donations in 3M communities since 1953.

Improving lives since 1902

Provided $21 million+ to help our partners restore and protect 1 million+ acres of land across the globe.

How many people are on the sustainability team at 3M?

89,500 (Note: that’s every employee.)

In 2013, 3Mers VOLUNTEERED

250,000+

HOURS

In Collaboration with Reboot@SAM Listed on DJSI 14 times — every year since its inception.

In nearly 200 countries

200

products sold

55,000

Faster detection = less food poisoning = better life. 3M™ Molecular Detection System can amplify and detect Salmonella in as little as 15 minutes compared to 3.5 hours with other systems.

Earned U.S. EPA’s ENERGY STAR® Sustained Excellence award for 10th consecutive year, an industry 1st.

Donated enough solar mirror film to help provide light to 44,000 families living in darkness.

As signatory member, 3M supports the UN Global Compact’s 10 principles in the areas of human rights, labor, environment and anti-corruption.

For more information, visit 3M.com/sustainability or check out #3Msustainability

“Management that is destructively critical when mistakes are made kills initiative. And it’s essential that we have many people with initiative if we are to continue to grow.”

— William L. McKnight, Former President (1929–1949) and Chairman of the Board (1949–1966), 3M
Engaging Our Stakeholders

OVERVIEW

3M has created a robust, stakeholder-driven approach to sustainability materiality that serves as a foundation for our sustainability strategy and reporting. Through understanding the critical sustainability issues from both internal and external perspectives, 3M can deepen its social license to operate and develop corporate strategy, goals, targets, programs, initiatives and a stakeholder engagement strategy to advance sustainability globally.

The assessment conducted by 3M includes both the significant sustainability impacts on 3M and the most important issues that concern our stakeholders. A quantitative, stakeholder-driven approach was used to determine and prioritize the key sustainability issues for 3M’s internal and external stakeholders, which can be tracked over time and provides rigor in driving strategy internally.

This quantitative and systematic understanding of stakeholder priorities provides a robust and transparent assessment for advancing 3M sustainability and engaging stakeholders.

OUR APPROACH

Major Stakeholders and Key Actions

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<td>• Respecting human rights and diversity</td>
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<td></td>
<td>• Supporting, optimizing and promoting development and growth</td>
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<td></td>
<td>• Ensuring a safe and healthy work environment</td>
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<td></td>
<td>• Ensuring equal opportunity</td>
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<td></td>
<td>• Providing competitive compensation and benefits</td>
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<td>Customers</td>
<td>• Providing diverse innovative product solutions and high-valued customer service and support</td>
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<td></td>
<td>• Offering a diversified portfolio of safe, reliable, dependable and sustainable products</td>
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<td></td>
<td>• Providing sustainable products to address energy, climate change and water challenges</td>
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<tr>
<td>Investors</td>
<td>• Delivering profitable returns on investment</td>
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<td></td>
<td>• Disclosing timely, concise and relevant information (related to Economic, Environmental and Social)</td>
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<td>• Responsive to inquiries</td>
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3M has created a robust, stakeholder-driven approach to sustainability materiality that serves as a foundation for our sustainability strategy and reporting. Through understanding the critical sustainability issues from both internal and external perspectives, 3M can deepen its social license to operate and develop corporate strategy, goals, targets, programs, initiatives and a stakeholder engagement strategy to advance sustainability globally.
MEMBERSHIPS & PARTNERSHIPS

It is through collaboration and partnerships that 3M can accelerate sustainability in our company and in the world. We value our partnerships with numerous stakeholders as a way to not only address our sustainability issues, but to help our partners address their sustainability challenges. 3M has joined numerous organizations globally to advance sustainability through collaboration with the organization and its members. Memberships have provided a forum for working on key sustainability issues that are relevant to both 3M and our stakeholders.

Memberships and partnerships help provide us with diverse viewpoints on sustainability, a better understanding of the positions of our stakeholders, and a mechanism to learn from the successes and failures of our peers.

3M partners with many organizations. Some examples of key engagements are listed below.

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<td>• Committee to Encourage Corporate Philanthropy</td>
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<td>• The League of American Bicyclists</td>
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<td>• The Science Museum of Minnesota</td>
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<td>Customers</td>
<td>• Retail Industry Leaders Association</td>
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<td>• The Sustainability Consortium</td>
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<td>Suppliers/Contractors/Industry Associations</td>
<td>• The Conference Board</td>
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<td>• American Chamber of Commerce (AmCham)</td>
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<td>• CAPS Research</td>
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<td>• National Association of Manufacturers (NAM)</td>
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<td>• Practice Greenhealth</td>
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<td>• Mission Ready Sustainability Initiative (MRSI)</td>
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<td>• American Chemistry Council (ACC)</td>
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<td>• European Chemistry Industry Council (CEHIC)</td>
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<td>Government/Regulators</td>
<td>• U.S. EPA Green Power Partnership</td>
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<td>Local Communities</td>
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<td>• Habitat for Humanity</td>
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<td>• American Red Cross</td>
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<td>Academia/ScientificOrganizations</td>
<td>• University of Minnesota, NorthStar Initiative for Sustainable Enterprise and Center for Sustainable Polymers</td>
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<td>• Iowa State University for Bioplastics and Biocomposites</td>
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<td>• Harvard Medical School, Center for Health and the Global Environment</td>
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<td>• Intergovernmental Panel on Climate Change</td>
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<td>Media</td>
<td>• Sustainable Life Media</td>
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<td>Nonprofit Organizations/NGOs</td>
<td>• The Nature Conservancy</td>
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<td>• Forum for the Future</td>
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<td>• WorldSkills</td>
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<td>• Net Impact</td>
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<td>• Alliance to Save Energy</td>
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<td>• Friends of EU Emissions Trading Scheme (ETS)</td>
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3M is a member of global business associations that work on sustainability and various aspects core to our sustainability strategy, including the following:

- World Business Council for Sustainable Development
- The Conference Board, Sustainability Councils I & II
- Corporate Eco Forum
- Global Environmental Management Initiative (GEMI)
- London Benchmarking Group
- Sustainable Brands

Sustainability Materiality Process & Outcomes

OVERVIEW

Sustainability materiality assessments are vital components of a company’s sustainability strategy and reporting. In 2013, 3M began a comprehensive sustainability materiality assessment and stakeholder engagement project. 3M commissioned GlobeScan, an independent research consultancy, to assist in better understanding stakeholders’ perspectives of key social and environmental issues. In addition, the study assisted in assessing 3M’s corporate reputation and leadership opportunities in the area of sustainability. A key output of research conducted with GlobeScan is the evidence-based sustainability materiality matrix. This matrix plots significant issues related to sustainability along three axes. From this matrix, 3M and the readers of this report can understand the degree of importance stakeholders accord to each issue, the ability of 3M to make a positive difference on these issues and the level of impact these issues may have on the company’s reputation. The matrix is evidence-based as each point on this matrix is determined from quantitative measures gained from an online survey as described below.

We identified and evaluated relevant aspects of 3M’s sustainability performance as defined by our internal and external stakeholders. Materiality with respect to sustainability reporting, as defined by the Global Reporting Initiative (GRI) guidelines, includes topics and indicators that reflect the organization’s significant economic, environmental, and social impacts or would substantively influence the assessments and decisions of stakeholders.

To create this matrix, 3M worked through a number of stages with GlobeScan. The first stage of desk research involved the examination of relevant literature on sustainability materiality issues. Outputs from the desk research fed into the development of two interview discussion guides—one for internal (i.e. 3M employees) and one for external stakeholders. GlobeScan interviewed internal stakeholders in 3M’s various business units and regions and external stakeholders from around the world who have knowledge of 3M and sustainability issues. The external stakeholder group included respondents from academia, civil society, the private sector, 3M suppliers, trade associations, and media as well as 3M customers. The primary purpose of these interviews was to identify and understand the array of important social and environmental issues to both internal and external stakeholders.

The important issues from the in-depth interviews were then compiled into a list and evaluated in a quantitative survey with internal and external stakeholders. The survey was conducted online, in English only, and completed by 1260
employees at 3M across all business units and regions, 122
3M customers and 224 external stakeholders. 3M developed
the internal and customer samples ensuring that both
samples were reflective of 3M’s diverse business. 3M and
GlobeScan collectively built the external stakeholder sample.
Similar to the other two groups, the sample was inclusive
with a good spread across geography, stakeholder type and
function. To safeguard the confidentiality and anonymity of
respondents, GlobeScan managed the online survey process.
Findings were reported in aggregate form with no responses
being attributed to any one respondent or organization.

Internal stakeholders were asked to rate the ability of 3M to
make a positive difference on the significant issues listed
in the survey. External stakeholders and customers were
asked to rate the importance to them of 3M addressing each
of the issues. All three stakeholder groups were asked to
rate 3M’s performance on actions that would address the
issues. These questions formed the basis of the matrix.

Sustainability Materiality Matrix Results
The Materiality matrix is a synthesis of findings from the
survey data achieved via using various statistical techniques
including predictive modeling. After completing a draft
matrix, GlobeScan held a work session with the 3M team to
discuss findings.

The top right area of the matrix shows that the environmental
issues of water quality, energy use and reducing waste and
toxic substances warrant the greatest attention as they are
of high stakeholder concern and have a significant impact
on 3M’s reputation. These three issues are also ones that
3M has a higher degree of control over. We also recognize
the connection between these issues and others identified
with significant reputational impact and stakeholder concern,
such as water shortages, climate change and air quality.
These areas are represented in the Key Global Sustainability
Challenges of Raw Material Scarcity, Water, and Energy &
Climate, described in this sustainability report.

The matrix also shows that ethical business and working
conditions are both issues of high importance and where
3M has a degree of control. Community safety and health
and human rights also have a high importance but are
viewed as 3M having less control. Although these issues
may have slightly less impact on 3M’s reputation, they are
representative of 3M’s core values and governance and are
rated highly in perceived performance. All of these issues are
addressed in our 3M Values, Code of Conduct, and Human
Rights Policy Statement and are represented in the Key
Global Sustainability Challenges of Education & Employment,
and Health and Safety.

For all of the sustainability issues that are material to 3M,
stakeholders indicate we can make a difference on a variety
of fronts. They view 3M product and process innovation as
a key approach to address these issues. Indeed, 3M drives
progress on environmental and social challenges both within
our own operations and supply chain, and through the
products we offer to society. Our stakeholders also suggest
that 3M can help advance sustainability performance within
our sphere of influence, including our suppliers, customers
and communities. Throughout this report, we discuss how
3M is utilizing all of these methods to address our material
sustainability priorities.
About 3M

3M is a $31 billion diversified science-based technology company with a global presence and the following business groups: Consumer, Electronics and Energy, Health Care, Industrial, and Safety and Graphics. These five business segments bring together combinations of 3M’s 46 unique technology platforms to produce over 55,000 products, driving innovation and providing for efficient sharing of business resources.

Global Operations

Headquartered in St. Paul, Minnesota (USA), 3M has operations in more than 70 countries and serves customers in nearly 200 countries. The Company began operations in 1902, and it was incorporated and began selling products outside the United States in 1929. An international operations organization was established in 1951. Types of operations include manufacturing facilities, research and development/ laboratory sites, sales and marketing offices, technical centers, distribution centers, and regional headquarters. The Company is a member of the Dow Jones Industrial Average and is a component of the Standard and Poor’s 500 Index.

As of December 31, 2013, the Company employed 89,583 people (Total Employee Headcount; Full-Time and Part-Time Employees).

Our Products

3M serves customers through five business segments, which increase speed and efficiency by sharing technology, manufacturing, marketing and other resources across all segments.

Consumer

Supplying an array of innovative products that keep homes cleaner, well-maintained and decorated, and workplaces and lives organized. Our consumer and office business is home to some of the world’s best-known brands, including Post-it®, Scotch®, Scotch-Brite®, Filtrete™, O-Cel-O™, Nexcare™ and Command™.

Electronics and Energy

We turn 3M technology into solutions for customers in electronics and energy markets around the world. We contribute to reliable and efficient sources of power, high-performance electronic devices, and speedy, dependable telecommunications networks. We’re also leading the way in renewable energy to improve quality, and reduce environmental footprints while reducing costs.

Health Care

Supplying innovative and reliable products that help health care professionals improve the quality of care, we are a global leader in medical and oral care products and drug delivery and health information systems.

Industrial

We provide thousands of innovative products, including tapes, abrasives, adhesives, films, specialty materials and filtration systems, to dozens of diverse markets — from water purification to green buildings to automotive and aerospace.

Safety and Graphics

Our products — personal protective equipment, safety and security products, track-and-trace solutions, and more — increase the safety, security and productivity of people, facilities and systems around the world. We also inspire creative communication and design with a broad portfolio of graphic solutions to enhance visual impact.
3M GOVERNANCE STRUCTURE

Governance, Values & Ethics

Corporate Values
3M's actions are guided by our corporate vision and values of uncompromising honesty and integrity. We are proud to be recognized worldwide as an ethical and law-abiding company. As a company, we are committed to sustainable development through environmental protection, social responsibility and economic success.

3M Values
- Act with uncompromising honesty and integrity in everything we do.
- Satisfy our customers with innovative technology and superior quality, value and service.
- Provide our investors an attractive return through sustainable, global growth.
- Respect our social and physical environment around the world.
- Value and develop our employees’ diverse talents, initiative and leadership.
- Earn the admiration of all those associated with 3M worldwide.
Corporate Governance

The Company believes that good corporate governance practices serve the long-term interests of stockholders, strengthen the Board and management, and further enhance the public trust 3M has earned from more than a century of operating with honesty and integrity. The following provides corporate governance practice highlights, the Board’s leadership structure and responsibilities, the Board’s role in risk oversight, and the process for stakeholder input. For further information regarding 3M’s governance practices, see 2014 Proxy Statement and 2013 Annual Report.

The following table provides an overview of our corporate governance practices:

### CORPORATE GOVERNANCE HIGHLIGHTS

- **Board size**: 12 directors (11 independent directors)
- **Annual election of all directors**
- **Majority voting for directors in uncontested elections**
- **Combined Chairman and CEO positions**
- **Lead Independent Director**
- **Independent directors regularly meet in Board and Committee executive sessions without management**
- **Annual Board and Committee self-evaluations**
- **Annual independent directors’ evaluation of Chairman and CEO**
- **Annual equity grant to non-employee directors**
- **Board orientation/education program**
- **Seven Board meetings in 2013 (overall attendance at Board and Committee meetings was 98 percent)**
- **Code of Business Conduct and Ethics for directors**
- **Code of Conduct for all employees, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer**
- **Risk oversight by the Board and Committees**
- **Disclosure Committee for financial reporting**

- **Annual advisory approval of executive compensation with 96 percent of the votes cast in favor of the company’s executive compensation program in 2013**
- **Stockholder ability to call a special meeting (25 percent threshold)**
- **No supermajority voting provisions**
- **No stockholders’ rights plan (also known as a “poison pill”)**
- **Disclosure of public policy engagement, on our Investor Relations website, including political contributions and membership in key trade associations Long-standing commitment to the environment and sustainability**
- **Executive compensation best practices:**
  - Strong pay-for-performance philosophy
  - Incentive compensation subject to clawback policy
  - Robust stock ownership guidelines for executive officers and stock retention policy for directors
  - Prohibition of hedging or pledging 3M stock by directors and executive officers
  - No employment, severance or change-in-control agreements with any of its senior executives, including its CEO

### 3M Board of Directors

- **Inge G. Thulin**
  - Chairman of the Board, President and Chief Executive Officer, 3M Company.

- **Michael L. Eskew**
  - Lead Director of the Board and Retired Chairman of the Board and Chief Executive Officer, United Parcel Service Inc.

- **Thomas “Tony” K. Brown**
  - Retired Group Vice President, Global Purchasing, Ford Motor Company, a global automotive industry leader.

- **Vance D. Coffman**
  - Retired Chairman of the Board and Chief Executive Officer, Lockheed Martin Corporation, a high-technology aerospace and defense company.

- **Linda G. Alvarado**
  - President and Chief Executive Officer, Alvarado Construction Inc.

- **Herbert L. Henkel**
  - Retired Chairman and Chief Executive Officer, Ingersoll-Rand plc, a manufacturer of industrial products and components.

- **Muhtar Kent**
  - Chairman of the Board and Chief Executive Officer, The Coca-Cola Company, the world’s largest beverage company.

- **Edward M. Liddy**
  - Partner, Clayton, Dubilier & Rice LLC, a private equity investment firm.

- **Robert J. Ulrich**
  - Retired Chairman of the Board and Chief Executive Officer, Target Corporation, an operator of large format general merchandise and food discount stores.

- **W. James Farrell**
  - Retired Chairman and Chief Executive Officer, Illinois Tool Works, Inc., a multi national manufacturer of highly engineered fasteners, components, assemblies, and systems.

- **Aulana Peters**
  - Retired Partner, Gibson, Dunn & Crutcher LLP, Law Firm

- **Robert Morrison**
  - Retired Vice Chairman of PepsiCo, Inc., a processor of packaged foods and beverages.
Sustainability Governance

The Corporate Operating Committee, which is comprised of the CEO and his direct reports, approves 3M-wide sustainability principles, strategy and goals, as well as any associated major changes. Executive Committees associated with the strategic sustainability functions (composed of cross-functional members) help set and approve relevant policies and provide direction on executing the developed sustainability strategies.

For example, the Environmental Health and Safety (EHS) Committee, appointed by the Corporate Operating Committee, is composed of the following functions:

- Vice President and Medical Director of medical department
- Vice President of compliance and business conduct
- Vice President and general manager of Materials Resource Division
- Technical Director of the Materials Resource Division
- Associate General Counsel, EHS and Supply Chain

3M’s Center for Sustainability within Supply Chain Operations collaborates with various other global staff organizations and business units to develop the corporate sustainability strategy and goals. In addition, 3M’s corporate staff groups provide technical expertise to assist business groups and area management in implementing and meeting the corporate sustainability strategy, policies and goals.

The Center for Sustainability is led by two Vice Presidents. One focuses on developing and commercializing products, which help our customers solve their sustainability challenges (Global Sustainability), and the other ensures sustainability within 3M operations and supply chain (Sustainability Operations). Both Vice Presidents report to the Executive Vice President of 3M Supply Chain, who reports to the CEO. The formation of the Center for Sustainability in 2013 demonstrates the corporation’s commitment to integrate innovation and sustainability for the benefit of our operations and customers. The primary role of the center is to develop strategy, set significant goals to track progress and drive sustainable actions throughout 3M, its supply chain and its product portfolio.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines, which provide a framework for the effective governance of the Company. The guidelines address matters such as the respective roles and responsibilities of the Board and management, the Board’s leadership structure, the responsibilities of the lead director, Board independence, Board membership criteria, Board Committees, and Board and management evaluation. The Board’s Nominating and Governance Committee is responsible for overseeing and reviewing the guidelines at least annually and recommending any proposed changes to the Board for approval. The Corporate Governance Guidelines, the Certificate of Incorporation, Bylaws, charters of the Board Committees, Director Independence Guidelines and Codes of Conduct provide the framework for the governance of the Company and are available at www.3M.com, under Investor Relations — Corporate Governance.

Executive Sessions

Independent directors regularly meet in executive sessions without the Chairman and CEO or other members of management present to review the criteria upon which the Chairman and CEO’s performance is based. They also review the performance of the Chairman and CEO against those criteria, ratify the compensation of the Chairman and CEO as approved by the Compensation Committee, and discuss any other relevant matters.

Board’s Leadership Structure

The Board’s leadership structure is characterized by the following:

- A combined Chairman of the Board and CEO
- A strong, independent and highly experienced Lead Director with well-defined responsibilities that support the Board’s oversight responsibilities
- A robust Committee structure composed entirely of independent directors with oversight of various types of risks
- An engaged and independent Board

The Board of Directors believes that this leadership structure provides independent board leadership and engagement while benefiting from having our CEO serve as Chairman of the Board. As the individual with primary responsibility for managing the Company’s day-to-day operations and with in-depth knowledge and understanding of the Company, he is best positioned to chair regular Board meetings as the directors discuss key business and strategic issues. Coupled with an independent Lead Director, this structure provides independent oversight while avoiding unnecessary confusion regarding the Board’s oversight responsibilities and the day-to-day management of business operations.

The Board believes that combining the roles of CEO and Chairman contributes to an efficient and effective Board. The Board believes that to drive change and continuous improvement within the Company, tempered by respect for 3M’s traditions and values, the CEO must have maximum authority. The CEO is primarily responsible for effectively leading significant change, improving operational efficiency, driving growth, managing the Company’s day-to-day business, managing the various risks facing the Company, and reinforcing the expectation of all employees to continue building on 3M’s century-old tradition of uncompromising honesty and integrity.

The Board believes that adopting a rigid policy on whether to separate or combine the positions of Chairman of the Board and CEO would inhibit the Board’s ability to provide for a leadership structure that best serves stockholders. As a result, the Board has rejected adopting a policy permanently...
separating or combining the positions of Chairman and CEO in its Corporate Governance Guidelines, which are reviewed at least annually and available at www.3M.com, under Investor Relations — Corporate Governance. Instead, the Board adopted an approach that allows it, in representing the stockholders’ best interests, to decide who should serve as Chairman or CEO, or both, under present or anticipated future circumstances.

The Board believes that the Company’s corporate governance measures ensure that strong, independent directors continue to effectively oversee the Company’s management and key issues related to executive compensation, CEO evaluation and succession planning, strategy, risk, and integrity. The Corporate Governance Guidelines provide, in part, that (i) independent directors comprise a substantial majority of the Board; (ii) directors are elected annually with majority vote standard in uncontested director elections; (iii) only independent directors serve on the Audit, Compensation, Finance, and Nominating and Governance Committees; (iv) the Committee chairs establish their respective agendas; (v) the Board and Committees may retain their own advisors; (vi) the independent directors have complete access to management and employees; (vii) the independent directors meet in executive session without the CEO or other employees during each regular Board meeting; and (viii) the Board and each Committee regularly conduct self-evaluations to determine whether they function effectively. The Board has also designated one of its members to serve as Lead Director, with responsibilities (described in the next section) similar to those typically performed by an independent Chairman.

Lead Director

The 3M Board of Directors designated one of its members to serve as a Lead Director, with responsibilities similar to those typically performed by an independent chairman. Michael L. Eskew was appointed Lead Director by the independent directors, effective November 12, 2012, succeeding Dr. Vance Coffman who served as Lead Director since 2006. Eskew is a highly experienced director, serving on the boards of United Parcel Service Inc., International Business Machines Corp., and Eli Lilly and Company, and was the former Chairman and CEO of United Parcel Service Inc. His responsibilities include, but are not limited to, the following:

- Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors
- Acts as a key liaison between the Chairman/CEO and the independent directors
- Approves the meeting agendas for the Board, as well as the meeting schedules to assure there is sufficient time for discussion of all agenda items
- Has the authority to approve materials to be delivered to the directors before each Board meeting, and provides feedback regarding the quality, quantity and timeliness of those materials, which instills a feedback mechanism so the materials may be improved for future meetings
- Has the authority to call meetings of the independent directors
- Communicates Board member feedback to the Chairman/CEO (except that the chair of the Compensation Committee leads the discussion of the Chairman/CEO’s performance and communicates the Board’s evaluation to the Chairman/CEO)
- If requested by majority stockholders, ensures that he is available, when appropriate, for consultation and direct communication
- Performs such other duties as requested by the independent directors

Communication With Directors (Stockholder & Stakeholder Input)

The Board of Directors has adopted the following process for stockholders and other interested parties to send communications to members of the Board. Stockholders and other interested parties may communicate with the Lead Director, the chairs of the Audit, Compensation, Finance, and Nominating and Governance Committees of the Board, or with any of our other independent directors, or all of them as a group, by sending a letter to the following address: Corporate Secretary, 3M Company, 3M Center, Building 220-13E-34, St. Paul, MN 55144-1000.

Director Independence

The Board of Directors has adopted a formal set of Director Independence Guidelines with respect to the determination of director independence, the full text of which is available at www.3M.com, under Investor Relations — Corporate Governance. In accordance with these Guidelines, a director or nominee for director must be determined to have no material financial relationship with the Company other than as a director. The Guidelines specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and their immediate families with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The Guidelines also prohibit Audit Committee members from having any direct or indirect financial relationship with the Company, and they restrict both commercial and not-for-profit relationships of all directors with the Company. Directors may not be given personal loans or extensions of credit by the Company, and all directors are required to deal at arm’s length with the Company and its subsidiaries and to disclose any circumstance that might be perceived as a conflict of interest.

Board Membership Criteria

3M’s Corporate Governance Guidelines contain Board Membership Criteria that include a list of skills and characteristics expected to be represented on 3M’s Board. The Committee periodically reviews with the Board the appropriate skills and characteristics required of Board members given the current Board composition. It is the Board’s intent that it will be a high-performance organization creating competitive advantage for the Company. To perform as such, the Board will be composed of individuals who have distinguished records of leadership and success in their arenas of activity and who will make substantial contributions to Board operations and effectively represent the interests of all stockholders. The Committee’s and the Board’s
assessment of Board candidates includes, but is not limited to, consideration of the following:

(i) Roles and contributions valuable to the business community

(ii) Personal qualities of leadership, character, judgment, and whether the candidate possesses and maintains throughout service on the Board a reputation in the community at large of integrity, trust, respect, competence and adherence to the highest ethical standards

(iii) Relevant knowledge and diversity of background and experience in business, manufacturing, technology, finance and accounting, marketing, international business, government or other areas of expertise; and assess the nominees’ impact on Board dynamics and effectiveness.

(iv) Whether the candidate is free of conflicts and has the time required for preparation, participation and attendance at all meetings.

In addition to these minimum requirements, the Committee will also evaluate whether the nominees’ skills are complementary to the existing Board members’ skills; the Board’s needs for particular expertise in fields such as business, manufacturing, technology, finance and accounting, marketing, international business, government or other areas of expertise; and assess the nominees’ impact on Board dynamics and effectiveness.

Diversity

The Board of Directors values diversity as a factor in selecting nominees to serve on the Board because it provides significant benefit to the Board and the Company. Although it has no specific policy on diversity, the Committee considers the Board Membership Criteria in selecting nominees for directors, including diversity of background and experience. Such considerations may include gender, race, national origin, functional background, executive or professional experience, and international experience.

Board Skills & Responsibilities

For more information on the roles and responsibilities of Lead Independent Director and each of the Board Committees, refer to 3M’s 2014 Proxy Statement and 2013 Annual Report.

Managing Enterprise Risks & Opportunities

The Board has delegated to the Audit Committee through its charter the primary responsibility for the oversight of risks facing the Company. The charter provides that the Audit Committee shall “discuss policies and procedures with respect to risk assessment and risk management, the Company’s major risk exposures and the steps management has taken to monitor and mitigate such exposures.”

The Vice President and General Auditor, Corporate Auditoring (“Auditor”), whose appointment and performance is reviewed and evaluated by the Audit Committee and who has direct reporting obligations to the Audit Committee, is responsible for leading the formal risk assessment and management process within the Company. The Auditor, through consultation with the Company’s senior management, periodically assesses the major risks facing the Company and works with those executives responsible for managing each specific risk. The Auditor periodically reviews with the Audit Committee the major risks facing the Company and the steps management has taken to monitor and mitigate those risks. The Auditor’s risk management report, which is provided in advance of the meeting, is reviewed with the entire Board by either the Chair of the Audit Committee or the Auditor. The executive responsible for managing a particular risk may also report to the full Board on how the risk is being managed and mitigated.

While the Board’s primary oversight of risk is with the Audit Committee, the Board has delegated to other Committees the oversight of risks within their areas of responsibility and expertise. For example, the Compensation Committee oversees the risks associated with the Company’s compensation practices, including an annual review of the Company’s risk assessment of its compensation policies and practices for its employees. The Finance Committee oversees risks associated with the Company’s capital structure, its credit ratings and its cost of capital, long-term benefit obligations, and the Company’s use of or investment in financial products, including derivatives used to manage risk related to foreign currencies, commodities and interest rates. The Nominating and Governance Committee oversees the risks associated with the Company’s overall governance and its succession planning process to understand that the Company has a state of future, qualified candidates for key management positions. The Auditor also actively and routinely seeks input from executive Committees with expertise in specific risks. For example, the EHS Committee provides input on risks with environmental or social impacts.

The Board believes that its oversight of risks, primarily through delegation to the Audit Committee, but also through delegation to other Committees, and the sharing of information with the full Board, is appropriate for a diversified technology and manufacturing company like 3M. The chair of each Committee that oversees risk provides a summary of the matters discussed with the Committee to the full Board following each Committee meeting. The minutes of each Committee meeting are also provided to all Board members.

The Board also believes its oversight of risk is enhanced by its current leadership structure (discussed above) because the CEO, who is ultimately responsible for the Company’s risk management, also chairs regular Board meetings, and with his in-depth knowledge and understanding of the Company, he is best able to bring key business issues and risks to the Board’s attention.
3M was proudly recognized in 2014 by Ethisphere as one of the World’s Most Ethical Companies. Ethisphere recognizes companies that promote ethical business standards and practices while exceeding legal compliance minimums. Through receipt of this award, 3M is acknowledged for introducing best practices and shaping future compliance industry standards.

3M conducts extensive interviews, group assessments and reviews by senior management for completion of risk analysis assessments to provide more customized and useful prioritized results and to incorporate understanding of external factors that could influence the nature and gravity of risk. This process assures that the appropriate risks are properly identified as an enterprise risk, to identify key “failure modes” that could lead to a risk incident, and to review and assess the quality of ownership of the risk and related resources available to ensure proper avoidance, mitigation and response capabilities.

A gap assessment is completed to provide quantification on a common scale of the level of risk and 3M’s corresponding capabilities relative to each enterprise risk identified. The outcomes are used to prioritize action plans for each topic. More detailed quantitative and qualitative sensitivity analyses may be conducted and cover topics such as operational risk (business continuity), raw material sourcing and price fluctuation, compliance, revenue forecasting, climate change legislation, petroleum pricing and strategic planning processes, and many other areas.

The Board of Directors Public Issues Committee reviews public policy issues and trends affecting the company, which inform the Audit Committee’s enterprise risk assessment process. The Committee also reviews and approves the company’s response to stakeholder proposals relating to public policy issues. The Board of Directors has determined that all Public Issues Committee members are independent under the New York Stock Exchange listing standards.

Corporate Code of Conduct

At 3M, we believe that what the Company stands for is just as important as what we sell. For 112 years, 3M has built a reputation for integrity and doing business the right way. 3M expects all employees to act ethically and to sustain and advance 3M’s global reputation.

3M’s global compliance program is managed and administered by the Compliance and Business Conduct Department, led by the Vice President, Associate General Counsel, Compliance and Business Conduct, who is also 3M’s Chief Compliance Officer (CCO). The department is staffed with compliance professionals stationed at company headquarters and around the world. The CCO reports to the Audit Committee of the 3M Board of Directors, which assists the Board in oversight of 3M’s legal and regulatory compliance efforts. The Compliance and Business Conduct Department oversees and administers strategic, systematic and operational components of 3M’s compliance program design and implementation. The compliance program is based on the U.S. Federal Sentencing Guidelines. Its elements include the following:

- A core set of business conduct principles
- Education, training materials and the schedule upon which compliance training is conducted
- Periodic evaluations, audits and measurements of the compliance program’s effectiveness
- A 24-hour helpline and website through which employees and others can report concerns and ask questions
- Programs to conduct appropriate due diligence on business partners, potential and new acquisitions, and candidates for hiring and promoting
- Investigative expertise
- Incentives and discipline to address compliance successes and failures

The Compliance and Business Conduct Department collaborates with and is assisted by dedicated compliance organizations and subject matter experts in areas such as corporate audit, corporate security, trade compliance, government contracting, health care regulation, and environmental health and safety. In addition, 3M’s business divisions and subsidiaries utilize staff who liaise with the Compliance and Business Conduct Department staff in ensuring that their organizations continuously demonstrate compliance and ethical business conduct. These staff members assist in business conduct policy training, communications and completion of periodic risk assessments for their organizations.

Compliance Program Enhancements in 2013

In 2013, 3M made a number of enhancements to its corporate compliance program, using several creative and innovative ways to promote awareness and improve compliance controls, specifically:

- Updated its Business Conduct Principles to improve readability and reinforce 3M’s core requirement of doing business “the right way, every day and everywhere”
- Improved global awareness of the manner in which issues or concerns may be raised by creating new posters promoting the 3M-Ethics.com hotline and distributing over 2,000 of the posters in multiple languages to each global office
- Redesigned the Compliance and Business Conduct website to improve functionality and make compliance information more readily accessible
- Enhanced the tools and systems used to conduct reputational due diligence on 3M’s third-party intermediaries

Global Code of Conduct

While 3M has subsidiary operations in more than 70 countries, the Company has one Code that applies everywhere 3M does business. Our Code establishes a consistent standard of conduct for every employee and helps define the ethical decision-making we expect our employees to make every day. Our Code of Conduct Principles are comprehensive, clear, consistent, well-communicated and available to all employees. The Code helps employees and others acting on 3M’s behalf take a consistent, global approach to understanding and following fundamental compliance requirements. 3M employees, including supervisors, managers and other leaders, are responsible for understanding the legal and policy requirements that apply to their jobs and for reporting any suspected violations of law or these policies.

In 2013, we developed a Code of Conduct Global Handbook. The Handbook is contemporary, user-friendly and accessible to all employees worldwide. It summarizes 3M’s compliance principles and raises awareness of 3M’s core requirements of doing business “the right way, every day and everywhere.” It also includes an “Ethical Decision-Making” Business Conduct Principle, which requires 3M employees to make decisions based on 3M’s fundamental values: honesty, integrity, promise keeping, fairness, respect, concern for others and personal accountability.

3M developed a communication and awareness program for the Code and Handbook deployment to ensure that each of 3M’s more than 89,000 employees received a copy of the Handbook. That program included the following:
• A hard copy of the Code of Conduct Global Handbook was provided to all employees globally. To quickly and efficiently distribute the Handbook, using the innovative spirit of 3M, the team developed a method for storing printable versions online, where 3M subsidiaries could obtain the content in the language of their choice and print it through their local printer.

• The Code and Handbook were translated into 18 languages.

• The Code and Principles are available on 3M’s internal and external websites.

• Every employee with a 3M email account received weekly emails for eight weeks, including an introductory email from CEO and Chairman of the Board Inge Thulin. The videos featured senior leaders discussing the six “fundamental expectations” in our Code (Be Good, Be Honest, Be Fair and Impartial, Be Loyal, Be Accurate, and Be Respectful).

Following the rollout of the Code in the United States, the team conducted a survey of a random employee sample to measure the awareness and impact of the new Code. The results indicated that more than 98 percent of U.S. employees and 95 percent of employees outside of the U.S. recalled information from the rollout, and a majority believed the material in the rollout was understandable and increased knowledge of the Code’s expectations.

All 3M employees are responsible for reporting any suspected violations of law or the Code. Consistent with historic practices, and where permitted by local law, 3M requires an Annual Code of Conduct certification from nonproduction employees at certain job grade levels, representing more than 38,000 employees.

Business Conduct Committee
The 3M Business Conduct Committee is composed of several senior executives and is chaired by 3M’s CCO. The Committee has oversight for 3M’s various compliance efforts. The Business Conduct Committee reports jointly to the Audit Committee of the 3M Board of Directors and to the Corporate Operating Committee.

Compliance Training and Education
3M offers a comprehensive online compliance training program to all employees worldwide. The program’s training modules are mandatory for approximately 44,000 global employees, who are required to take modules on a two- or three-year cycle, depending on the course. Modules include conducting business across borders, understanding the Foreign Corrupt Practices Act, financial reporting, government relationships, business conduct and ethics, conflicts of interest, and other key compliance areas. More than 25 courses are offered in multiple languages. The 3M Compliance and Business Conduct website on 3M’s intranet offers additional anti-bribery training on 3M’s global anti-bribery compliance program. In addition to online training, the Compliance and Business Conduct Department, in close collaboration with 3M Legal Affairs, provides frequent, tailored in-person training to business, subsidiary and staff groups. Some of this training occurs as part of an annual calendar and other training occurs as requested or deemed appropriate.

Commitment to Anti-Corruption
As a recent member of the United Nations Global Compact, 3M is committed to support Principle 10 on Anti-Corruption and is working against corruption in all forms. We plan to use this opportunity to benchmark and learn best practices from other peer companies and participate in relevant working group opportunities.

3M’s Anti-Bribery Principle requires compliance with all applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and all applicable local laws where 3M operates. The Anti-Bribery Principle applies to 3M employees, as well as to our business partners who act on 3M’s behalf. “Global Bribery and Corruption Awareness” training is required of employees in higher-risk roles, including those in Legal, Audit, Sales, Marketing, Export and Global Trading. “Understanding the Foreign Corrupt Practices Act” training is required of a similar subset of the employee population. 3M’s Anti-Bribery Principle and 3M-provided training are designed to educate our employees and business partners on recognizing the many forms in which bribes can appear and how to avoid them, even at the risk of losing business opportunities.

3M’s commitment to anti-corruption also applies to assessing and mitigating risks of using third-party intermediaries. Based upon a risk calibration resulting from an assessment of transaction, geography and other risk factors, 3M conducts reputational due diligence reviews on these third parties. Depending on the outcome of those reviews, 3M responds to identified risks with training, inclusion of relevant contractual terms and other risk-mitigating controls.

The Compliance and Business Conduct Department also collaborates with 3M Legal Affairs on pre- and post-acquisition due diligence processes in the merger and acquisition setting. These processes help identify and assess risks in the target company before acquisition. And, for any company 3M acquires, the processes accelerate our efforts to identify compliance gaps and begin to transition the acquired company’s employees to 3M’s compliance program and culture.

Reporting Systems
3M recognizes that reporting suspected misconduct or even asking a compliance question can take courage, but we believe it is the right thing to do. Our employees are encouraged to raise questions or report misconduct or potential misconduct to management, 3M Legal Counsel, the Compliance and Business Conduct Department, or to their Human Resources Manager.

In addition, a 24-hour confidential and anonymous helpline is available internally and externally through EthicsPoint, an
Disciplinary action is taken when necessary and comes in a range of forms, from issuing warnings to termination. As indicated in the graph above, disciplinary actions may include one or more persons associated with a single substantiated violation.

Maintaining Business Conduct Compliance

Operating with uncompromising integrity is one of 3M’s core values and includes avoiding bribery or corruption in any form.

Oversight, monitoring and testing of 3M’s corporate compliance program and controls is supported by periodic compliance risk assessments of 3M’s businesses, including assessment of risk related to corruption, and specific risk-based compliance and ethics audits performed by 3M’s Internal Audit function. These audits follow a specific audit module that focuses on ethics and business as part of systematic audits of financial and other business controls.

In addition, a dedicated team within 3M’s Compliance and Business Conduct Department conducts periodic compliance and anti-bribery evaluations in various 3M subsidiaries and operating units each year. These evaluations are selected based on objective and subjective risk factors, and they include reviews of sample financial transactions, compliance records and interviews with subsidiary and business unit personnel. In 2013, over 300 nonproduction employees were interviewed as part of the evaluation process.

Audits, evaluations and risk assessments are all important activities for the purposes of detecting any opportunities for improvement or even gaps in processes or procedures. Of equal importance, they provide opportunities to reinforce the importance of operating with a compliance and ethical behavior mindset and facilitate the identification of compliance risks. All these outcomes reinforce prevention of future compliance gaps or failures.

Further Information:

3M Business Conduct Website

Respecting Human Rights

OVERVIEW

Leading With High Integrity and Values: 3M is committed to values that sustain a culture of high-integrity business ethics with our partners and within our own operations. In 2013, 3M adopted a Global Human Rights Policy Statement. 3M respects international human rights principles, including the United Nations Declaration of Human Rights, the United Nations Guiding Principles for Business and Human Rights, and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. 3M is dedicated to enriching the workplace, engaging with stakeholders and continuously improving the communities in which we operate. 3M’s Human Resources organization is responsible for oversight and enforcement of the Human Rights Policy Statement. Issues are addressed by the Employee Relations Director, at the direction of the Senior Vice President for Human Resources.

Our Approach & Progress

3M has reviewed internal corporate policies, management systems, and external frameworks, principles, standards and affiliated organizations related to human rights. 3M made a significant commitment to human rights and labor practices in 2013, adopting a Human Rights Policy statement, and becoming a member of the U.N. Global Compact in early 2014, embracing its related principles. 3M’s approach for managing and ensuring human rights in the workplace will continue to align with 3M’s Code of Conduct in 2014, which recognizes the right of employees to have a respectful workplace. 3M continues to implement our human rights principles through our global policy statement, a management system utilizing self-assessments, audits, training and, ultimately, metrics tracking.

3M values its people and has considered them a key contributing factor to our success and growth for 112 years. We work hard to foster an environment where all employees are treated with respect and allowed to develop their skills and talents and to always act with integrity. We not only comply with laws and regulations, but we are rooted in going above and beyond to do the right thing.
Human Rights Elements:

- **Safe and Healthy Workplace:** One of 3M’s primary goals is to ensure that all employees are provided a safe and healthy workplace. 3M has environmental, health and safety policies and practices that comply with or, in many cases, exceed applicable laws and regulations. See Safety and Health section of this report for further information.

- **Respectful Workplace:** 3M is committed to attracting and retaining a diverse workforce. Our Equal Employment Opportunity (EEO) policies prohibit all forms of discrimination or harassment against applicants, employees, vendors, contractors or customers on the basis of race, color, creed, religion, sex, national origin, age, disability, veteran’s status, pregnancy, genetic information, sexual orientation, marital status, citizenship status, status with regards to public assistance, gender identity/expression or any other reason prohibited by law. Our affirmative action policies and programs are designed to ensure equal opportunities for qualified minorities, women, covered veterans and individuals with disabilities, and also to provide reasonable accommodation to individuals with disabilities. 3M is committed to attracting and retaining a diverse workforce by creating the kind of inclusive work environment 3M employees want and can be proud of.

- **Working Hours and Compensation:** 3M complies with minimum wage legislation globally. In most countries where 3M does business, our compensation exceeds legal minimum wage requirements. Our competitive compensation reflects our practice of establishing competitive salary ranges based on actual pay data from benchmark peer companies. 3M also complies with all applicable laws relating to working hours, overtime and breaks.

- **Freedom of Association and Collective Bargaining:** 3M works diligently to create a work culture that affords all employees the opportunity to work without fear of intimidation, reprisal or harassment, in an environment where employees are able to get their questions addressed in a fair and timely manner. In all locations, the company’s relationship with employees, whether union or nonunion, is a key responsibility of all leaders, assisted by human resources representatives. Human resources professionals work with all employees to maintain positive employee relations. 3M recognizes and respects the ability of employees to choose whether or not to join unions and engage in collective bargaining, as permitted by applicable laws in the countries where 3M does business. Approximately 29 percent of 3M’s global workforce is unionized.

- **Child Labor/Minimum Hiring Age:** 3M complies with all applicable laws relating to hiring minors and applies a global minimum hiring age of 16 even where the law allows hiring workers younger than 16. 3M has those same expectations for all vendors doing business with us.

- **Forced and Compulsory Labor:** 3M complies with all applicable laws and employment regulations and does not engage or participate in forced labor. 3M has those same expectations for all vendors doing business with us.

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Human Rights Remediation/Grievance Resolution

3M has several means by which an individual can report his or her concerns. An employee (or any third party) may report an issue online or by phone, and may do so anonymously through 3M’s Compliance and Business Conduct independent third-party vendor, EthicsPoint. In addition, employees have several additional ways to report issues, such as talking to a manager, supervisor or any Human Resources professional. However concerns are reported, 3M will assign an individual to investigate the issues raised and to report back to the party expressing concern. 3M prohibits retaliation against anyone who reports a business conduct concern in good faith or cooperates in a company investigation.

Human Rights Awareness and Training

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. Employee training regarding our Respectful Workplace Principle has been updated and will be launched in 2014 to address 3M’s Human Rights Policy and 3M’s commitment to human rights. 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. The enhanced training will be 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. Finally, 3M’s website also has information on corporate policies, as well as links and additional information on how to report any concerns.

Human Rights Performance and Assessment

3M’s employee relations staff conducts site self-assessments of workplace practices on a biannual basis, which include review of practices related to 3M’s Human Rights Policy to ensure that practices are consistent with and reinforce that policy. Various data is tracked through the process to identify potential gaps and opportunities for improvement. The self-assessments have been implemented in 3M operations in the United States, Canada, Asia and Western Europe. In 2014, 3M will work toward implementation in Eastern Europe, the Middle East and Latin America.

In addition, corporate audits are conducted of site workplace and human resource practices. Assessment and auditing of suppliers is also conducted to assure compliance with 3M’s expectations related to labor practices (see the Engaging Our Suppliers section of this report for more details).

Further information

- 3M Global Human Rights Policy Statement
- 3M Equal Employment Opportunity Policy
- 3M Respectful Workplace Principle
Public Policy & Engagement Worldwide

3M lives its values through its public policy pursuits — and in a manner consistent with our corporate vision. As a diverse global company, developing 3M public policy priorities can be a challenge. 3M manages this by working with local, national and international government agencies and through membership organizations. The public policy issues on which 3M engages extend beyond borders to include promoting international trade, sustainability, respect for intellectual property rights, public health, worker safety, security and international law, and innovation.

In a fast-moving global environment, 3M’s public policy values remain consistent even as they address the unique needs of the national, regional and local governments in locations where we operate. 3M reinforces our corporate vision and principles, but we continually identify and re-evaluate our global public policy priorities to address changing circumstances.

Each country has an evaluation process. For example, in the United States, an evaluation process developed by the 3M Public Affairs Department establishes a public policy agenda of issues impacting our businesses. U.S. public policy teams develop a Top 10 list (see below) of Priority Public Policy Issues that serves as a road map for all forms of engagement with federal, state and local governments. Besides linking 3M’s vision to the needs and priorities of government officials, the Top 10 list helps ensure the many faces of 3M speak with a single, unified voice. Internationally, 3M managing directors of host country businesses are responsible for evaluating and determining key government issues in their respective countries.

The following is 3M’s Top 10 list for the United States in 2014:

(1) Tax Policy — Tax reform is essential to ensuring the long-term competitiveness of American businesses and workers. 3M believes business tax reform should focus on a significant reduction of the corporate income tax rate, transitioning to a competitive international system and creating incentives for U.S.-based IP ownership. In addition, state tax policy should incentivize capital investment and sustainable job creation by rewarding plant expansion and modernization investments, and efforts to increase employment.

(2) Regulatory Reform — The U.S. regulatory environment plays a vital role in advancing the nation’s economic security interests. So as to promote genuine competition and sustainable job creation, regulatory reforms must include thorough cost-benefit and risk assessments, while preserving the highest standards for safety, quality and efficiency. Efforts by certain federal agencies to extend their regulatory reach without congressional oversight must also be curtailed.

(3) Sustainability/Environmental Policy — 3M’s strategies for sustainable development encompass the pursuit of customer satisfaction and commercial success within a framework of environmental, social and economic values. To that end, 3M has made significant investments designed to reduce the environmental footprint of our operations, investments which continue today. And by developing sustainable products, we help our customers reduce their environmental footprint and help to meet their sustainability goals. Finally, 3M believes environmental policy and regulations should be guided by science-based decision-making.

(4) Health Care Policy — The U.S. health system should remain market-driven and efforts to address the uninsured should not weaken the current employer-based coverage system. Reforms of the U.S. health care system should focus on increasing efficiencies within the system as well as improving quality outcomes and patient safety.

(5) Homeland Security — 3M believes our nation’s homeland security and defense preparedness should be strengthened through improved border and immigration security, improved force protection measures, additional support for first responders, and planning for pandemics or other national emergencies.

(6) Legal Reform/Patent Policy — The U.S. legal system is the most expensive in the world, driven often by lawsuit abuse. To ensure the legal justice system is fair, efficient and consistent, we support reforms making liability litigation more equitable, subjecting punitive damages to reasonable caps, and ending destructive practices like indiscriminate screening, venue shopping and case bundling. Such reforms can be achieved while ensuring that those injured by faulty products receive fair compensation proportionate to the injury of the claimant and the fault of the defendant. 3M believes in strongly supporting patent rights for innovators and patent holders across this nation and globally. We support efforts to enhance the resources and capabilities of the United States Patent and Trademark Office, improve the quality and transparency of the patenting process, and bring more balance, objectivity and predictability to patent infringement litigation. We support efforts, both in the U.S. and in patent offices and courts globally, to enhance the enforceability of patent rights against infringing activities (including bad-faith claims of infringement) and the remedies available against infringement.

(7) International Trade Policy — The U.S. economy and American jobs depend on the expansion of free and fair trade through the passage of new trade agreements. 3M supports renewal of the president’s Trade Promotion Authority so as to allow additional agreements to be negotiated. International trade policy also requires a level playing field, including recognition, protection and enforcement of intellectual property rights and trading rules.

(8) Transportation Infrastructure Policy — The maintenance and improvement of the nation’s transportation infrastructure — which is important to 3M as a supplier of traffic safety and construction products, and as a user of the system — can only be achieved if the Highway Trust Fund remains solvent. 3M believes all highway user fees should be dedicated to the fund; additional steps should be taken to crack down on fuel tax evasion; and Congress should consider other measures, if necessary, to ensure the fund’s solvency.

(9) Labor Policy — 3M supports the full measure of rights provided to employers and employees under the National Labor Relations Act. However, we strongly oppose actions by the National Labor Relations Board that challenge U.S. manufacturing leadership. We also oppose any legislative or regulatory efforts to diminish or eliminate secret ballot elections for employees as relates to either accepting or rejecting union representation. 3M invests in STEM initiatives that encourage and support student interest and achievement. We also support reform of our immigration system to ensure American companies are able to hire those with advanced degrees in STEM fields so we can continue to grow and innovate in the U.S.

(10) Energy Policy — National (and state) energy policy should ensure a continuous, reliable and uninterrupted supply of energy at competitive rates. 3M supports policies that address new sources of energy, alternative energy, faster adoption of technology and improved energy efficiency.
## Financial Performance

### Operating Results

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>Million $USD</td>
<td>$26,662</td>
<td>$29,611</td>
<td>$29,904</td>
<td>$30,871</td>
<td>3.2%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>Million $USD</td>
<td>$5,918</td>
<td>$6,178</td>
<td>$6,483</td>
<td>$6,666</td>
<td>2.8%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Net Income attributable to 3M</td>
<td>Million $USD</td>
<td>$4,085</td>
<td>$4,283</td>
<td>$4,444</td>
<td>$4,659</td>
<td>4.8%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Per share-Basic</td>
<td>Million $USD</td>
<td>$5.72</td>
<td>$6.05</td>
<td>$6.40</td>
<td>$6.83</td>
<td>6.7%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Per share-Diluted</td>
<td>Million $USD</td>
<td>$5.63</td>
<td>$5.96</td>
<td>$6.32</td>
<td>$6.72</td>
<td>6.3%</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

### Additional Information

<table>
<thead>
<tr>
<th>Information</th>
<th>Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>Million $USD</td>
<td>$1,091</td>
<td>$1,379</td>
<td>$1,484</td>
<td>$1,665</td>
<td>12.2%</td>
<td>52.6%</td>
</tr>
<tr>
<td>Research, Development and Related Expenses</td>
<td>Million $USD</td>
<td>$1,434</td>
<td>$1,570</td>
<td>$1,634</td>
<td>$1,715</td>
<td>5.0%</td>
<td>19.6%</td>
</tr>
<tr>
<td>Employee Compensation and Benefits</td>
<td>Million $USD</td>
<td>$7,226</td>
<td>$8,059</td>
<td>$8,347</td>
<td>$8,732</td>
<td>4.6%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td>Million $USD</td>
<td>$1,701</td>
<td>$1,774</td>
<td>$1,801</td>
<td>$1,899</td>
<td>5.4%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>Million $USD</td>
<td>$1,502</td>
<td>$1,674</td>
<td>$1,840</td>
<td>$1,841</td>
<td>0.1%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

### Product Development

<table>
<thead>
<tr>
<th>Information</th>
<th>Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Product Vitality Index (NPVI)</td>
<td>Percent of net sales of products introduced within the last five years as compared to total net sales</td>
<td>31.4%</td>
<td>31.7%</td>
<td>33.1%</td>
<td>33.3%</td>
<td>0.2%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
### 2015 Sustainability Goal

<table>
<thead>
<tr>
<th>Supplier Responsibility</th>
<th>Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review 80% of Supplier Spend in Top 10 High Risk Countries for Alignment with 3M Supplier Policy and Standards</td>
<td>Supplier Spend Reviewed (Alignment with Supplier Sustainability Policy and Standards)</td>
<td>Percent of Supplier Spend Reviewed in Top 10 High Risk Countries</td>
<td>Base Year</td>
<td>74.0%</td>
<td>78.0%</td>
<td>80.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

### Environmental Performance

### Environmental Management Systems

| % ISO14001 Certified Sites per Sales Value of Production (SVOP) | Percent of Global SVOP with ISO 14001 Certified Environmental Management Systems | – | – | 90% | 89% | -1.0% | – |
| Promote a Road to EHS Excellence at New 3M Sites | EHS Onboarding for Acquired Operations | Percent of acquired sites with an EHS Onboarding Plan | 100% | 100% | 100% | 100% | 0.0% | 0.0% |

### Energy Management

| Improve Energy Efficiency 25% Indexed to Net Sales by 2015 from 2005 Base Year | Total Energy (Indexed to Net Sales) | MMBTUs per Net Sales (MM $USD) | 1010 | 902 | 931 | 930 | -0.1% | -7.9% |
| | Total Energy Use (Absolute) | MMBTUs | 26,917,031 | 26,703,396 | 27,838,414 | 28,714,940 | 3.1% | 6.7% |
| | Total Natural Gas | MMBTUs | 15,277,671 | 15,127,844 | 14,885,922 | 15,505,194 | 4.2% | 1.5% |
| | Total Electrical | MMBTUs | 9,573,615 | 9,675,104 | 10,098,298 | 10,316,441 | 2.2% | 7.8% |
| | Total Steam | MMBTUs | 807,211 | 832,820 | 839,832 | 901,783 | 7.4% | 11.7% |
| | Total Fuel Oil #1, #2, #6 | MMBTUs | 686,393 | 549,059 | 1,485,352 | 1,405,673 | 0.7% | 117.9% |
| | Total Gasoline and Diesel | MMBTUs | 233,461 | 202,293 | 225,343 | 191,715 | -14.9% | -17.9% |
| | Total Propane and Jet Fuel | MMBTUs | 338,680 | 316,276 | 295,203 | 281,177 | -4.8% | -17.0% |
| | Total Coal | MMBTUs | – | – | – | – | – | – |
### Air Emissions Management

<table>
<thead>
<tr>
<th>2015 Sustainability Goal</th>
<th>Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce Greenhouse Gas Emissions 5% Indexed to Net Sales by 2011 from 2006 Base Year</td>
<td>Total Greenhouse Gas Emissions (Indexed to Net Sales)</td>
<td>Million Metric Tons per Net Sales (MM $USD)</td>
<td>233</td>
<td>206</td>
<td>221</td>
<td>258</td>
<td>16.7%</td>
</tr>
<tr>
<td></td>
<td>Total Greenhouse Gas Emissions (Absolute-Kyoto and Non-Kyoto)</td>
<td>Million Metric Tons CO2e</td>
<td>6.230</td>
<td>6.090</td>
<td>6.620</td>
<td>7.950</td>
<td>20.1%</td>
</tr>
<tr>
<td></td>
<td>Scope 1 Emissions (Direct)</td>
<td>Million Metric Tons CO2e</td>
<td>4.280</td>
<td>4.060</td>
<td>4.370</td>
<td>5.590</td>
<td>27.9%</td>
</tr>
<tr>
<td></td>
<td>Scope 2 Emissions (Indirect)</td>
<td>Million Metric Tons CO2e</td>
<td>1.940</td>
<td>2.030</td>
<td>2.250</td>
<td>2.360</td>
<td>4.9%</td>
</tr>
<tr>
<td></td>
<td>Scope 3 Emissions</td>
<td>Million Metric Tons CO2e</td>
<td>Not Evaluated</td>
<td>8.15</td>
<td>10.66</td>
<td>10.64</td>
<td>-0.2%</td>
</tr>
<tr>
<td></td>
<td>Upstream</td>
<td>Million Metric Tons CO2e</td>
<td>Not Evaluated</td>
<td>8.15</td>
<td>9.15</td>
<td>9.41</td>
<td>2.8%</td>
</tr>
<tr>
<td></td>
<td>Downstream</td>
<td>Million Metric Tons CO2e</td>
<td>Not Evaluated</td>
<td>1.51</td>
<td>1.23</td>
<td>1.85</td>
<td>-18.5%</td>
</tr>
<tr>
<td>Reduce Volatile Air Emissions 15% Indexed to Net Sales by 2015 from 2010 Base Year</td>
<td>Total Volatile Organic Compound Emissions (Indexed to Net Sales)</td>
<td>Metric Tons per Net Sales (MM $USD)</td>
<td>0.23</td>
<td>0.20</td>
<td>0.20</td>
<td>0.17</td>
<td>-13.4%</td>
</tr>
<tr>
<td></td>
<td>Total Volatile Organic Compound Emissions (Absolute)</td>
<td>Metric Tons</td>
<td>6074</td>
<td>6054</td>
<td>5984</td>
<td>5354</td>
<td>-10.5%</td>
</tr>
</tbody>
</table>

### Waste Management

<table>
<thead>
<tr>
<th>2015 Sustainability Goal</th>
<th>Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce Waste 10% Indexed to Net Sales by 2015 from 2010 Base Year</td>
<td>Total Waste (Indexed to Net Sales)</td>
<td>Metric Tons per Net Sales (MM $USD)</td>
<td>6.6</td>
<td>6.04</td>
<td>5.98</td>
<td>6.12</td>
<td>2.3%</td>
</tr>
<tr>
<td></td>
<td>Total Waste Generated (Absolute)</td>
<td>Metric Tons</td>
<td>176,293</td>
<td>178,817</td>
<td>178,728</td>
<td>189,081</td>
<td>5.8%</td>
</tr>
<tr>
<td></td>
<td>Hazardous Waste</td>
<td>Metric Tons</td>
<td>42,316</td>
<td>41,253</td>
<td>39,663</td>
<td>38,865</td>
<td>-2.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Hazardous Waste</td>
<td>Metric Tons</td>
<td>133,977</td>
<td>137,564</td>
<td>139,065</td>
<td>150,216</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Total Waste Recycled and Reused (Absolute)</td>
<td>Metric Tons</td>
<td>850,133</td>
<td>766,118</td>
<td>728,035</td>
<td>719,637</td>
<td>-1.2%</td>
</tr>
<tr>
<td></td>
<td>Onsite Recycle &amp; Reuse</td>
<td>Metric Tons</td>
<td>1,972,152</td>
<td>1,868,424</td>
<td>1,423,300</td>
<td>1,788,981</td>
<td>25.7%</td>
</tr>
<tr>
<td></td>
<td>Offsite Reuse</td>
<td>Metric Tons</td>
<td>127,965</td>
<td>120,198</td>
<td>128,160</td>
<td>130,516</td>
<td>1.8%</td>
</tr>
</tbody>
</table>
## 2015 Sustainability Goal

### Water Management

<table>
<thead>
<tr>
<th>Total Water Use (Indexed to Net Sales)</th>
<th>Million Cubic Meters per Net Sales (MM $USD)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Water Use (Absolute)</td>
<td>Million Cubic Meters</td>
<td>42.98</td>
<td>41.13</td>
<td>43.51</td>
<td>43.18</td>
<td>-0.8%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Total Water Recycled (7)</td>
<td>Percent of Total Water Use</td>
<td>–</td>
<td>–</td>
<td>36.6%</td>
<td>37.0%</td>
<td>1.1%</td>
<td>–</td>
</tr>
</tbody>
</table>

Develop Water Conservation Planning for 3M Sites Located in Water Stressed/Scarce Areas

### Social Performance

#### Employees

<table>
<thead>
<tr>
<th>Total Global Employees at Year-End (Headcount)</th>
<th>Number of Employees</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Full Time Employees</td>
<td>Percent of total employee headcount</td>
<td>97.0%</td>
<td>97.2%</td>
<td>97.2%</td>
<td>97.1%</td>
<td>-0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>% Part Time Employees</td>
<td>Percent of total employee headcount</td>
<td>3.0%</td>
<td>2.8%</td>
<td>2.8%</td>
<td>2.9%</td>
<td>0.1%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>% Female employees</td>
<td>Percent of total employee headcount</td>
<td>33.3%</td>
<td>33.6%</td>
<td>33.7%</td>
<td>33.7%</td>
<td>0.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td>% Female employees in management positions</td>
<td>Percent of total employee headcount</td>
<td>22.9%</td>
<td>24.0%</td>
<td>24.6%</td>
<td>25.3%</td>
<td>0.7%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

### Global Giving

<table>
<thead>
<tr>
<th>Total Global Giving</th>
<th>$ Million USD</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash Donations</td>
<td>$ Million USD</td>
<td>27.16</td>
<td>29.40</td>
<td>27.91</td>
<td>30.29</td>
<td>8.5%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Total In-Kind Product Donations</td>
<td>$ Million USD</td>
<td>31.63</td>
<td>36.88</td>
<td>32.39</td>
<td>31.32</td>
<td>-3.3%</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>

### Community Engagement

Develop Community Stakeholder Engagement Plans for Select Manufacturing Sites

| Local Stakeholder Engagement Plans | Number of Global Manufacturing Sites with Stakeholder Engagement Plans | Base Year | 70 | 113 | 116 | 2.7% | – |

Formal Sustainability Goal: Goal Achieved: Goal On Track:
## 2015 Sustainability Goal

<table>
<thead>
<tr>
<th>Safety and Health Management</th>
<th>Units</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2012-2013 ANNUAL % Change</th>
<th>2010-2013 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Recordable Incident Rate</td>
<td>Annual Recordable Incidents per 100 Employees (200,000 work hours)</td>
<td>1.56</td>
<td>1.46</td>
<td>1.42</td>
<td>1.41</td>
<td>-0.7%</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Global Lost time Incident Rate</td>
<td>Annual Lost time incidents per 100 employees (200,000 work hours)</td>
<td>0.36</td>
<td>0.38</td>
<td>0.39</td>
<td>0.34</td>
<td>-12.8%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Work Related Fatalities</td>
<td>Total Number</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3M Employees</td>
<td>Total Number</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3M Contractors</td>
<td>Total Number</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FOOTNOTES:**

(1) 2012-2013 US EPA GHG-MRR/IPCC AR5 based inventory accounting is not directly comparable to 2010-2011 WRI/IPCC TAR/AR4 based GHG accounting for data provided in this table.

(2) The data reported is in accordance to the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

(3) Includes Categories 1, 2, 6, 7; Category 3 and 8 are included in Scope 1, 2 emissions.

(4) Includes Categories 9, 14, 15; Category 13 is included in Scope 1, 2 emissions.

(5) 98% of Offsite Reuse and 91% of Onsite Recycle/Reuse is from the production of Roofing Granules.

(6) There were data entry errors in the 2012 Water Source Data for Total Water Recycled. This data point has been corrected in this table and in the report.

(7) 3M uses the WBCSD Global Water Tool to screen site locations for water stress/scarcity levels and prioritizes conservation plan development based on internal criteria.
OUR VISION

3M continues to be inspired and motivated by our corporate vision:

• 3M Technology Advancing Every Company
• 3M Products Enhancing Every Home
• 3M Innovation Improving Every Life

The vision captures the essence of 3M: technology, products and innovation. It describes what we do for our customers every day: advance, enhance and improve. And it sets a stretch goal for all of us: We have the capability to reach every company, every home and every life all around the world.

Concurrent with our vision, 3M introduced six strategies that will propel the Company forward and achieve our financial goals:

• Expand relevance to our customers and our presence in the marketplace
• Gain profitable market share and accelerate market penetration everywhere
• Invest in innovation: Invigorate existing market opportunities and focus on emerging megatrends
• Intensify capabilities and achieve regional self-sufficiency
• Build high-performing and diverse global talent
• Drive consistent superior levels of operational excellence

As a result of our strong performance in 2013, we remain on track to deliver on 2013–2017 financial goals:

• Grow earnings per share 9–11 percent per year, on average
• Grow organic sales 4-6 percent per year, on average
• Achieve return on invested capital of approximately 20 percent
• Convert approximately 100 percent of net income to free cash flow

Three key strategic levers enabled outstanding performance in 2013:

• Portfolio Management: We combined and scaled business to better serve our customers, to gain cost savings and to address underperforming businesses. Similarly, we enhance our product offering and improved our relevance to customers in other businesses and, when it made sense, we exited.
• Investing in Innovation: Innovation is now and always will be the heartbeat of our company. We continue to invest in R&D and increased investment focused on long-term disruptive technologies aimed at opportunities with significant growth potential. Twenty-six new product platforms aimed at accessing new markets were funded in 2013, several of which are expected to be introduced to the market in 2014. By 2017, our annual investment in R&D will increase to 6 percent of sales.
• Business Transformation: We are making good progress as we continue to implement our global Enterprise Resource Planning system. It was successfully launched in multiple countries in 2013, and learnings will accelerate success going forward. This integrated global IT platform will enable greater organization efficiency and productivity.

As a result of our strong performance in 2013, 3M remains on track to deliver on our financial goals while investing and building for long-term success.

We have the capability to reach every company, every home and every life all around the world.

Growth & Performance

Financial Summary

SELECTED FINANCIAL RESULTS

(Dollars in millions, except per share amounts)

<table>
<thead>
<tr>
<th>OPERATING RESULTS</th>
<th>2010 $</th>
<th>2011 $</th>
<th>2012 $</th>
<th>2013 $</th>
<th>2012 - 2013 CHANGE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>26,662</td>
<td>29,611</td>
<td>29,904</td>
<td>30,871</td>
<td>967</td>
</tr>
<tr>
<td>Operating Income</td>
<td>5,918</td>
<td>6,178</td>
<td>6,483</td>
<td>6,666</td>
<td>183</td>
</tr>
<tr>
<td>Net Income Attributed to 3M</td>
<td>4,085</td>
<td>4,283</td>
<td>4,444</td>
<td>4,659</td>
<td>215</td>
</tr>
<tr>
<td>Per Share - Basic</td>
<td>5.72</td>
<td>6.05</td>
<td>6.40</td>
<td>6.83</td>
<td>0.43</td>
</tr>
<tr>
<td>Per Share - Diluted</td>
<td>5.63</td>
<td>5.96</td>
<td>6.32</td>
<td>6.72</td>
<td>0.40</td>
</tr>
</tbody>
</table>

ADDITIONAL INFORMATION

| Capital Expenditures      | 1,091  | 1,379  | 1,484  | 1,665  | 181                  |
| Research, Development and Related expenses | 1,434  | 1,570  | 1,634  | 1,715  | 81                   |
| Employee Compensation and Benefits | 7,226  | 8,059  | 8,347  | 8,732  | 385                  |
| Payments to Providers of Capital | 1,701  | 1,774  | 1,801  | 1,899  | 98                   |
Key Economic Highlights for 2013:

- Earning per share increased 6.3 percent to $6.72.
- Operating income was $6.7 billion, a 2.8 percent increase.
- Operating income margins remained strong at 21.6 percent, with four of our five business groups delivering margins above 21 percent.
- Sales for the year were $31 billion. In organic local currency terms, sales increased 3.4 percent.
- Latin America/Canada led the way with organic growth of 7 percent. Asia Pacific rose 4 percent, and Europe/Middle East/Africa was up 2 percent.
- Currency impacts reduced worldwide sales by 1.6 percent, and acquisitions added 1.4 percent.
- Free cash flow conversion was 89 percent with ROIC at 20 percent.
- $6.9 billion in cash was returned to shareholders through dividends and share repurchases.
- 3M has company-sponsored retirement plans covering substantially all U.S. employees and many employees outside the U.S. The primary U.S. defined-benefit pension plan was closed to new participants effective January 1, 2009. 3M expects to contribute $100 million to $200 million to its U.S. and International plans in 2014. 3M does not have a required minimum cash pension obligation for its U.S. plans for 2014, due to the funded status as shown above.

Additional financial details can be found in 3M’s 2013 Annual Report.

Accelerating Innovation

OVERVIEW

3M has a long-standing reputation as being a company committed to innovation and continues to dedicate a large percentage of revenue (5.6 percent) to research and development (R&D) around the world. In addition to having extensive resources at our headquarters in Minnesota, 3M has a significant R&D presence in many countries. To drive further global growth of the company, a specific Invest in Innovation (I3) program was put in place in 2012 to focus on organic growth through prioritized investments in new- to-world platform development areas aimed at new markets for 3M. The increased R&D spending began in 2013 and is projected to stabilize at six percent to seven percent, our NPVI has steadily increased since the metric was established in 2002. The additional Invest in Innovation R&D funding is aimed at injecting additional fuel to take 3M’s organic growth rate to new levels and continue our NPVI trajectory. The vast majority of Invest in Innovation funding is aimed at new product platforms and applications with significant sustainability advantages.

OUR APPROACH

By leveraging strategic partnerships with several stakeholders both internally and externally, 3M is able to integrate a rich diversity of ideas and creativity into superior technologies, business assets and innovative product platforms. 3M’s seven-phase New Product Introduction process provides the robust framework for developing products from idea to launch. Many other tools and systems are in place to expand, promote, manage and accelerate the innovation process. These include but are not limited to technical committees, collaborative ideation, tracking systems, and customer interaction and insights processes and forums.

Technology Platforms: 3M’s Innovation Engine

A broad base of 46 innovative technology platforms — ranging from adhesives, abrasives and ceramics to fiber optics, imaging, light management, molding, nonwoven materials, polymer melt processing and many more — come together in new and groundbreaking ways for customized solutions. Our technologies are transformed into
Life Cycle Management & Analysis

GOALS & RESULTS

<table>
<thead>
<tr>
<th>NEW PRODUCT VITALITY INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>31.4%</td>
</tr>
</tbody>
</table>

Driving Growth Through Sustainable Product Stewardship

OVERVIEW

To further advance 3M’s vision and to make a positive difference for an expected growing population of over 9 billion lives by 2050, 3M is focused on purposeful and responsible solutions to contribute to a healthier world while creating new business opportunities. Our people are committed and inspired to use our core technology platforms, our large-scale manufacturing infrastructure and expertise and our local presence in every geography to enable new and improved solutions. Our teams are focused on collaborating with our customers and developing product experiences that integrate full life-cycle thinking, have net-positive impacts and create more sustainable business practices. Watch this video to learn more.

Product Spotlight: Scotch-Brite® Greener Clean

Cleaning supplies should make the whole world cleaner, not just the home. But we didn’t expect tequila would be the answer.

Jalisco, Mexico, is the state of tequila. In 2011, over 41 million gallons of tequila were produced here by 145 registered distilleries. It took over 700,000 tons of agave to produce the tequila. Since only the juice from the root is used, what happens to the rest of the agave plant afterward?

The answer, until recently, was nothing much: it was often left to decompose in the fields. But it takes 6–10 years of farming — spending energy and water — to grow agave before it’s harvested for tequila. That’s up to a decade’s worth of energy that could be used productively.

3M scientist Myhanh Truong was part of an informal self-directed team in the US exploring ways to manufacture 3M products with new, more environmentally sustainable materials. At the same time in France, another team pioneered a way to turn agave fiber, called bagasse, into a nonflammable nonwoven material based on one of 3M’s most fundamental core technologies. Could it be adapted for use in a new kind of scrubbing sponge? Agave might be great at scrubbing, but it took a lot of work to adapt the material to manufacturing processes.

Through prototyping various manufacturing processes, the 3M team learned how to turn the flammability and stickiness of agave plant material into a nonflammable, nonwoven material that could be used productively. Through prototyping various manufacturing processes, the 3M team learned how to turn the flammability and stickiness of agave plant material into a nonflammable, nonwoven material that could be used productively. They combined this with 3M’s expertise in nonwoven technology to fabricate the bagasse into a nonflammable, nonwoven material that could be used productively.

In addition to providing a valuable use for previously wasted plant material, this program provides new work and earning potential for rural families harvesting and preparing the agave plants and fiber for manufacturing at 3M. And the innovation doesn’t stop with the United States and France. 3M’s global new product development network identified similar opportunities in Brazil with curaua fiber and in India with coconut fiber. In each case, previously wasted plant material is harvested and prepared to provide locally sourced raw materials to produce sanitary means for people to clean surfaces that come in contact with their food on a daily basis.

Learn more: Scotch-Brite® Greener Clean
that may be included in the LCM evaluation are energy and greenhouse gas impacts, reduction of hazardous materials, and potential health and environmental effects, customer/worker safety, and design for product “end of life” including potential for recycling.

3M’s global strategy for detailed quantitative Life Cycle Assessments (LCA) is first and foremost based on using sound science. 3M has a global strategy for conducting consistent LCAs, led by the Corporate Environmental Laboratory, which has adopted the ISO 14040 series standards as well as Product Category Rules where appropriate and used as applicable. Individual LCAs may be conducted on a full product’s life cycle or on specific life-cycle stages.

This flexibility enables 3M to evaluate risks and opportunities in more detail during the new product introduction process as needed. Due to the tens of thousands of unique products and differences in sourcing, manufacturing, supply chain, and end uses, 3M’s core strategy for conducting LCAs and advancing our evaluations is focused on evaluations of common technologies and chemistries that are then shared across multiple products and applications. Having LCAs on common technologies and chemistries enables more consistent and timely completion of meaningful full-product LCAs.

Deepening Sustainability in Solution Development

3M launched a project in 2013 to build capabilities to further enhance the extent to which our new products improve lives in socio-environmental terms. With this, we are building on our existing Life Cycle Management (LCM) process and tools for assessment and prompting creative sustainability-focused solutions throughout the seven stages of our new product introduction process to guide teams to invent more sustainable solutions and understand and improve product impacts. Getting to the core of who we are at 3M -- innovation. This project will help to educate cross-functional teams on how to think about improving the sustainability attributes and applications of products from before a new idea even gets drawn out on paper all the way through the finalization of the manufacturing scale-up and product launch. This will build on our long-standing Life Cycle Management process to further integrate sustainability into our product development culture and processes.

We know that 3M employees care. A global employee survey conducted in 2013 indicated sustainable product development is the top sustainability-related priority for employees across the company. With over 55,000 products based on various combinations of our 46 core technologies, 3M is invigorating our product developers to find new and unique ways to apply our technologies and creative product design with customer and consumer insights to help make a positive difference in some of the world’s most difficult sustainability challenges. Deepening social and environmental thinking further into solution development will enable our customers to advance and help improve lives around the world.

Product Marketing & Communications

Environmental Product Declarations

3M uses Environmental Product Declarations (EPDs) as one tool to standardize reports and communicate LCA results that are environmentally beneficial to the user/consumer. Various methodologies (for example: ReCiPe, CEN, and CML) are used for creating Environmental Product Declarations, and Product Category Rules (PCR) are developed to standardize application of an LCA standard to a specific product category. 3M uses published Product Category Rules where appropriate to guide us in making Environmental Product Declarations. We continue to work with the Sustainability Consortium as well as other organizations to assist in establishing Product Category Rules while internal guidance is provided to our businesses globally to ensure the EPDs meet the company’s requirements and are substantiated in accordance to the standards and methodologies specified.

Product Marketing & Communications

It’s our policy (3M’s Advertising and Product Representation Policy) to represent our products truthfully, fairly and accurately in all sales, advertising, packaging and promotional efforts. Management of every 3M business unit is responsible for ensuring appropriate review of advertising and claims regarding respective business products and services. All Environmental Product claims must be substantiated and technically accurate to the end user as specified by the Advertising and Product Representation Policy. 3M’s environmental claims support team assists businesses in determining the appropriate product claims and is comprised of laboratory scientists, legal staff, life-cycle management professionals and others with environmental marketing and business expertise. Extensive environmental marketing claim information and guidance is provided in 3M’s internal Environmental Claims Guide.

GOALS & RESULTS

In 2011, 3M established a goal to “Further Enhance the Environmental Sustainability Attributes of New Products.” Externally, the goal is aspirational and directional. Internally, we have developed a process to...
measure our progress on this goal that involves evaluating all new products against a set of sustainable environmental product criteria and measure the sales of those products versus new products that do not meet the criteria.

Today, to be included internally as part of the enhancement product goal, a new product’s attributes must meet all of these criteria:

- It must not pose any significant environmental, health or safety concerns that would outweigh the sustainability benefit.
- It must be relevant to the product type and marketplace. This means a product must be relevant in the market it is primarily sold in the year when it is introduced. For example, the attribute cannot be integrated to comply with legislation or regulation, and at least 30 percent of the existing competitor products must not contain the same attribute.
- It must contain one or more of the 3M Defined Product Environmental Sustainability Attributes within the product’s life-cycle stages (raw material sourcing, manufacturing, customer use and design/function, and/or disposal).

3M’s current work to deepen sustainability into product development will help further refine criteria and expand product sustainability attributes. To learn more about current 3M Products featuring environmental sustainability attributes today, see 3M’s Environmental Solutions Catalogs.

### Achieving Customer Loyalty

#### OVERVIEW

One of 3M’s six global strategies is to expand relevance to our customers and our presence in the marketplace. For us, achieving customer relevance is about building relationships and loyalty, through increasing the entire integrated customer experience. We continuously strive to deliver purposeful solutions that help our customers, products that make them successful, and align our shared goals with theirs. Collaborating together will provide solutions to advance every company, enhance every home and improve every life and long-term success.

#### APPROACH

3M’s approach to achieving customer relevance is built on the evolution of customer satisfaction and loyalty measurement to encompass the entire customer experience. By having shared goals with our customers, we are committed to helping people succeed as much as ourselves, which will lead to strong business success. Using quality, competence and curiosity as our foundation, the path to sustainable growth is linking our customer experiences to relevant business strategies and performance metrics. Our regions, businesses and divisions have global responsibility for sales and results. To advance sustainable customer loyalty, a key account management structure is implemented and supported by marketing, sales and technical experts to provide customers with tailored, ongoing dialogue to meet their needs.

#### GOALS & RESULTS

**Further Understanding Our Customers**

To ensure continuous improvement, in 2013, 3M conducted global studies to further understand our strengths and opportunities regarding customer relationships across businesses and geographies. The studies included outcomes that reflect our current progress regarding experience categories: products and pricing, customer touch points, knowledge of customer values and requirements, and ordering. 3M is using these insights to evaluate and our products and services and optimize the value we provide.

**Responding to Customers**

Combined with customer experience studies, 3M has a variety of mechanisms to listen, gather and, most important, act on feedback from customers in the marketplace about product and service quality. 3M’s main customer contact center is staffed 24/7 with trained personnel to direct customer inquiries to the correct resources. Cross-functional teams, in addition to independent quality managers not reporting to the manufacturing organization, staff each division. They review customer feedback with key stakeholders and assure that all questions are addressed in a professional, timely and effective manner.

Our Corporate Quality Management and Global Quality Network are led by the Strategic Quality Leadership Team supported by the Quality Council. The Strategic Quality Leadership Team sets strategy, identifies common opportunities for improvement and directs global synergy across all business units within 3M. We use several tools to manage variation in all our business processes to ensure that 3M understands, meets and exceeds customer quality expectations. The Quality Council includes all quality leaders from divisions, facilities and countries where 3M has operations and is responsible for ensuring the deployment of best practices and the implementation of the Quality Management System company-wide.
Employee Resource Networks

“One of the biggest benefits of being part of an Employee Resource Network is gaining an insight into our diverse workforce and finding common threads that connect us to 3M’s broader culture. I also find that we have unique access to leadership—who are, in turn, very supportive and forthcoming when we approach them for advice, resources and events.

In participating in an Employee Resource Network, my knowledge of 3M’s businesses and objectives grows deeper and broader. I participate in fascinating projects and meet new people while strengthening my leadership skills.”

- Vijay Rajamani
  Technical Supervisor, 3M Automotive Division, St. Paul, MN

GOALS & RESULTS

Recruiting & Retaining Diverse Talent

3M actively builds a culture of diverse representation and inclusion. We look closely at each step in the process so that we attract and retain the right talent and help our people advance in their careers.

In the U.S., we participate in recruiting fairs at top colleges and universities. We also participate in recruiting events where thousands of talented, diverse candidates congregate. During 2014, our goal is to attend 15 events to reach these candidates. These events include:

- American Indian Sciences and Engineering Society
- Asian MBA
- Martin Luther King Jr. Day Career Fair
- National Black MBA Association
- National Organization for the Professional Advancement of Black Chemists and Chemical Engineers
- National Sales Network
- National Society of Black Engineers
- National Society of Hispanic MBAs
- Reaching Out LGBT MBAs
- Society of Hispanic Professional Engineers
- Society of Women Engineers (two events)
- South by Southwest
- The Consortium for Graduate Study in Management
- University of Saint Thomas Multicultural Forum Career Fair

On the retention front, we are making progress in developing a more inclusive culture and environment through new training options. We started with cultural competence and global mindset training, and more than 60 percent of U.S. managers and supervisors have already participated in it. We’ve also integrated diversity content in corporate leadership

APPROACH

Having a diverse global workforce and an inherently collaborative culture helps us generate more ideas, which yield more innovative solutions. As global markets expand and more than 60 percent of 3M’s sales live outside the United States, we rely on employees who understand the needs of diverse, local customers.

3M has been known for our innovation for more than 100 years. We believe that this is only possible because our culture values and leverages the diverse perspectives of our employees. They allow us to maintain our competitiveness. With operations in more than 70 countries, we strive to represent the diversity of geography, markets and customers we serve. This ensures that different values, backgrounds and cultures are represented in all that we create. Our goal is to reflect the diversity of our global customers and build on each employee’s unique abilities to grow.

OVERVIEW

Our innovations have improved daily life for hundreds of millions of people around the world. When you work with 3M, you join with a collaborative, diverse group of people whose ideas are transforming the future. We are continuously focusing on building and maintaining an inclusive culture where creative thinking is nurtured.

Globally Diverse Workforce

Accelerating Growth Through People

[Image of people working together]
development programs and developed several training modules that cover topics such as unconscious bias, multiple generations and engaging diverse perspectives.

To advance our efforts, we also engage with nationally known organizations, including Catalyst and Diversity Best Practices. These organizations offer members several opportunities for training and education such as conferences, webinars, white papers, etc. 3M human resources (HR) teams rotate attendance at sessions to maximize our memberships.

Finally, 3M encourages and supports Employee Resource Networks (ERNs). 3M ERNs have often impacted 3M policies and benefits offerings. These networks include:

- African American Network
- China Resource Network
- disAbility Awareness Network
- GLBT+ Network
- Latino Resource Network
- Military Support Network
- Native American Network
- New Employee Opportunity Network
- South Asia Network
- Team Austin
- Team Dynamic Korea
- Women’s Leadership Network

ERNs partner with 3M businesses to tackle specific business challenges. What results from the partnerships among the groups is impressive. Many of our ERNs are able to identify significant market potential in specific customer segments — some of which include millions of current or potential customers. For example:

- GLBT+ has been instrumental in driving changes to our policies and benefits offerings. As a result, we were recognized as a Best Place to Work for LGBT Equality with a rating of 100 percent for the third year in a row.

- Our businesses are leveraging ERNs to accelerate growth in emerging markets. For example, the Industrial and Transportation Business partnered with the Latino Resource Network to understand how to engage and sell to diverse customers using a multicultural business development process.

- Team Africa has been working with 3M businesses to help apply 3M technology to develop products suitable for the African market such as affordable water solutions and solar cooking solutions.

- In 2013, 3M formed the Women’s Leadership Forum, a global effort to encourage women in leadership. Chapters are underway in 3M India and 3M Japan as well as in U.S. plant locations. In addition, new Latin America Women’s Leadership Forums are launching across the region.

Globally, we are enabling our HR leaders to accelerate their strategies and tactics on diversity and inclusion. We have assigned a team to work with HR internationally to support them with development and other key tactics. During 2014, there will be a strong deployment of development elements and training.

To learn more about 3M Diversity and Inclusion, visit www.3M.com/Diversity.
OUR FOOTPRINT

The employee metrics below are reflective of employee headcount (total number of 3M full-time and part-time employees) not 3M full-time equivalent (FTE) employees. 3M's Annual Report (10K) reports employee FTE for all 3M legal owned entities at year end 2013. Due to acquisition integration schedules onto 3M's human resources systems, detailed employee information below may differ from employee totals in 3M financial reports.

TOTAL 3M EMPLOYEES
Includes both full-time and part-time employees

<table>
<thead>
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<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>Global Total</td>
<td>79,179</td>
<td>83,253</td>
<td>86,557</td>
<td>89,583</td>
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% Full Time (FT) / Part Time (PT)

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<thead>
<tr>
<th></th>
<th>FT (%)</th>
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<tbody>
<tr>
<td>United States</td>
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<tr>
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<tr>
<td>Canada</td>
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FEMALE EMPLOYEE HEADCOUNT
Includes both full-time and part-time employees

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<th>2010</th>
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<th>2013</th>
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</tbody>
</table>

3M's Annual Report (10K) reports employee FTE for all 3M legal owned entities at year end 2013. Due to acquisition integration schedules onto 3M's human resources systems, detailed employee information below may differ from employee totals in 3M financial reports.

EMPLOYEES HIRED
(As a percentage of new hires)

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PERCENTAGE OF TOTAL 3M EMPLOYEES PER YEAR

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GENERATION X (1961-1981)

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GENERATION Y (> 1981)

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<th>2013</th>
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<tr>
<td>United States</td>
<td>3.3%</td>
<td>3.7%</td>
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<td>4.9%</td>
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</table>
Investing in Our People

OVERVIEW

The long-term success of 3M is due to the dedication, skill and effort of our employees. We continue to place importance on helping employees develop their diverse talents to drive the company’s success. To that end, one of our six company-wide strategies is to continue to Build High-Performing and Diverse Global Talent. As this illustration shows, we purposefully develop our people in ways that prepare them to lead business growth.

Total Rewards

OVERVIEW

3M’s Total Rewards include a range of plans and programs designed to attract, retain and motivate our high-performing talent. 3M regularly benchmarks its compensation and benefits with those of companies that are comparable in size and scope to ensure that we remain highly competitive.

- Competitive pay. Base salary and variable incentive pay linked to company and individual performance.
- Competitive benefits. High-quality medical and dental plan options, savings and retirement plans, and a 3M employee stock purchase plan that helps you become an owner of the company you work for.
- Innovative programs and resources. Professional and personal growth opportunities, community involvement, and recreational pursuits.

APPROACH

Comprehensive Benefits

3M is committed to providing competitive market pay and comprehensive benefits. In addition to providing a professional work environment that promotes innovation and rewards performance, 3M’s total compensation for employees includes a variety of components for sustainable employment and the ability to build a strong financial future. 3M’s total compensation program includes the following for all eligible employees worldwide. Some programs and benefits may differ internationally due to local laws and regulations.

Compensation: Annual salary, short-term annual cash incentives and long-term equity incentives.

Vacation/Paid Leave: Vacation, holidays and paid leave, including short-term and long-term disability benefits.

Life/Disability Insurance: Life insurance for employees and their eligible dependents at group rates. Short- and long-term disability benefits offered to help employees who cannot work due to illness or injury.

Health Care: Medical, prescription drug, dental and vision benefits.

Health Savings Account: An employee-owned Health Savings Account that includes an annual 3M contribution.

Flexible Spending Accounts: Tax-free reimbursement accounts for qualified health care and dependent care expenses.

Parental Leave: (U.S. example) To allow parents enough time to bond with their new children, 3M’s Family/Medical Leave Policy offers employees additional bonding leave for this purpose even if this means they will exceed their 12-week allotment of family medical leave for the year. The additional bonding leave must be taken on a full-time basis and must be completed within 12 months after the birth of the child or placement in the home for adoption or foster care. 3M complies with state laws within the U.S. and with local laws and requirements for operations outside the U.S.

Retirement Programs: 401(k) plan and retiree medical insurance. The 3M Voluntary Investment Plan (VIP), 3M’s 401(k) plan, is an opportunity for employees and 3M to share responsibility for building income for our employees’ retirement years. Employees have the opportunity to save both on a before-tax basis to the Before-Tax 401(k) Account and on a Roth 401(k) basis to the Roth 401(k) Account in the 3M VIP. 3M contributes to employees’ retirement savings with both matching and nonelective contributions. Employees also have the opportunity for additional savings by contributing to their After-Tax Savings Account in the VIP. Employees who retire from 3M after reaching age 55 with at least five years of service are eligible to purchase retiree medical insurance coverage through a retiree medical savings account, which includes credits that accumulate while people are employed by 3M.

Stock Ownership/Investment Programs: Through 3M’s General Employees Stock Purchase Plan (GESPP), 3M offers employees a 15 percent discount on 3M stock purchases. 3M hopes the GESPP will help employees achieve their long-term financial goals. Over the years, employees have used their GESPP investments for everything from home improvement projects to funding their children’s and grandchildren’s educations. 3M has encouraged employees to become owners of the Company through the GESPP since 1964, when the Company introduced the plan. Today, more than 40 countries have adopted the plan, more than 68,000 employees worldwide are eligible and more than 19,000 employees currently participate in the plan.

Dependent Care: 3M provides a range of resources to assist employees with dependent care, including child care and elder care. 3M offers child care and adult care consultation and referral services through the 3M
Employee Assistance Program in order to help employees locate appropriate services for their loved ones across the United States. 3M employees in the St. Paul area also have access to back-up child care, which is available when their regular day care cannot care for their child.

Adoption Assistance: 3M provides financial assistance to eligible employees who choose to adopt children by covering a portion of the eligible expenses associated with the adoption.

Employee Assistance Program (EAP): In 1974, 3M began an employee assistance program that today provides more than 8,100 hours of consultation and education per year to U.S. employees and their dependents, and leaders across 3M to assist them in navigating challenging situations. In some locations outside of the United States, 3M offers employee assistance resources at the local level. Resources enhance well-being and effectiveness; prevent problems; or address a wide range of personal, family, work or behavioral health challenges; and are available online, in print literature and other media. In addition, 3M offers U.S. employees legal and financial consultation and referral services through the EAP. Financial issues include debt management and taxes, while legal issues include family, civil, tax or criminal law.

Corporate-Supported Employee Groups: Through 3M clubs around the world, 3M encourages employees with shared interests to pursue those interests in a supportive environment. Every country in which 3M does business has a 3M employee club that sponsors special events, activities and sports programs and offers special discounts and privileges in support of exercise, friendship and fun. The largest employee club is in St. Paul, Minnesota, and has approximately 7,000 members. 3M also sponsors Employee Resource Networks under the direction of 3Mgives.

Flexible Work Arrangements: 3M recognizes the importance of helping employees balance their life concerns with their work responsibilities. 3M employees are able to explore a variety of flexible work arrangements with their management, including part-time, job share, flex-time, compressed work week and telecommuting. These opportunities are communicated to employees through management and are administered through 3M internal systems.

Additional Resources and Opportunities Offered Globally:
- Scholarships for eligible dependents of employees
- Employee stores for purchase of 3M products online or at any 3M locations
- Support for community involvement: Matching Gifts, Volunteer Match and 3M Community Giving
- A 3M-owned 486-acre park offering employees the use of a 27-hole golf course, recreational areas for softball, tennis and more, as well as a clubhouse/conference center and picnic pavilions for personal use, such as weddings, graduations, family gatherings and sporting events.

Education & Career Growth
Today’s business environment demands that we become faster and more flexible in anticipating and exceeding the needs of our customers, shareholders and employees. Creating a high-performance culture built on continuous learning helps 3M achieve business growth for the Company and professional growth for employees.

New Employee Onboarding: 3M invests in onboarding and developing new employees so that they have the tools, resources and networks they need to succeed. Our onboarding process begins at the time a candidate accepts a job offer and continues through the first year of employment. In 2013, we implemented an onboarding portal via our intranet in more than 60 countries. Countries have customized information available in local languages. We are in the process of deploying a more comprehensive onboarding technology that provides pre-start information delivery and engagement for new employees on the front end and clear metrics, reporting and tracking for 3M on the back end. Currently live in 21 countries, the phase two technology will be fully deployed globally by early 2015, providing new employees with a better introduction to their career at 3M. This investment sets new employees up to be successful and make meaningful contributions from the start. Instituting a 3M-wide onboarding process is also one way we help supervisors and managers support employee growth and achievement consistently throughout the company.

A new program for new supervisors also ensures that new leaders have all the information and tools they need to lead teams successfully. This program covers topics that are needed for compliance, as well as how to lead, motivate and develop a high-performing team.

Skill Mapping and Contribution and Development Assessment: 3M has separate processes for employee performance and career development reviews. Each year, all 3M nonproduction employees identify their contributions in meeting their specified goals through an employee performance review system. 3M strives to have 100 percent of nonproduction employees receiving performance and career development reviews at least annually. In 2013 approximately 95 percent of global nonproduction employees set up a performance review form and 67 percent completed the entire performance review process.

In addition, employees create or update their development plans that include goals to elevate individual performance and skills. Additional skill-mapping tools may be used in collaboration with the employee’s supervisor to identify long-term desired goals. Contribution and development assessments for production staff follow site-specific procedures depending on local requirements and business-specific needs.

Accelerated Leadership Development: 3M views leadership development as a competitive advantage and is accelerating leadership development across all employee segments by using new technologies and delivery methods to make its programs globally inclusive.
HEALTHY LIVING RESOURCES

- 3M Employee Assistance Program (EAP)
- Back-up child care
- Dependent scholarship programs
- Educational tools
- Family, parenting and couples
- Financial and legal information and referrals
- Flexible work arrangements
- Frequent fitness discount
- Grief, loss and domestic violence support
- Help finding child and adult/elder care, including back-up or sick-child care
- Incentives for participating in different health activities
- Know your numbers
- Lactation program
- Maternity management program
- New parent kits
- Parenting support
- Partial reimbursement for qualifying weight management programs
- Pet care
- Preventive care offerings
- Tobacco cessation programs
- Weight Watchers® At Work

ADDITIONAL ONSITE SERVICES - ST. PAUL/AUSTIN

- 3M Fitness Centers
- 3M Medical Clinic:
  - Cardiovascular risk reduction program
  - Mammography screenings
  - Migraine clinic
  - Physical therapy
  - Registered dietitian
  - Smoking cessation
  - Travel services
  - Urgent care clinic
- Banking
- Employee Store
- Farmers market
- FedEx
- Flu shots
- Hair salons
- Healthy Living Center for Wellness
- Notaries
- On-site health coaching
- Pharmacy
- Sick-child care
- Tartan Park
- Walking paths and skywalks

There are multiple leadership development programs offered for different stages in employees’ career journey. There are business and leadership courses available to employees at any level, including online programs that are free and available to employees in all geographies and cover topics ranging from personal effectiveness to finance. There is also a year-long onboarding program for new supervisors, as well as several programs for leaders as they progress into different leadership roles.

3M is building leadership capability through all our programs by embedding diversity, collaboration and inclusion strategies directly into our programs. We have also aligned courses to key leadership behaviors, which are aligned to performance assessments and aim to encourage and foster the development of self and others. We place great importance on driving engagement of all employees by focusing on their career and development desires.

Mentoring: Through the 3M Mentoring Network, the organization encourages self-directed mentoring partnerships. Mentors are identified globally throughout the Company utilizing online social platforms, including profile tagging and wikis. An online mentoring program design kit with guidelines for developing and implementing a mentoring program in alignment with strategic business objectives is available to support organizations wanting to offer mentoring programs. An executive mentoring program supports the professional development of high-performing employees. Originally focused on minority and women, this program was expanded in 2013 to include all high-performing employees. Since January 2002, approximately 800 employees have enrolled in the executive mentoring program.

Outplacement Assistance: 3M offers a range of outplacement services and resources for employees whose positions are eliminated due to business needs. These resources are offered on a worldwide basis to help employees transition to employment in other areas of 3M or outside of the Company and include services such as development of career transition skills and identification of job placement opportunities.

Tuition Reimbursement: In 3M locations around the world, employees are encouraged to continuously learn and improve their skills. In most countries where we do business, 3M offers, with management support, tuition reimbursement to encourage employees to upgrade their education to better meet current job responsibilities, prepare for future responsibilities and help qualify for changes in career paths within 3M.

Health & Wellness

3M wants our employees to stay healthy and productive, which is good for employees, the Company and the community. With 3M Healthy Living, a healthy lifestyle is within reach. It helps support all areas of employees’ lives — social, emotional, mental and physical — both at home and at work.

At 3M, we understand that health management programs help to differentiate 3M as an employer of choice. Good health improves business reputation, safety and business continuity. Productivity also improves. Investments in employee health can show a positive return on investment for the employee, 3M and the community.

3M also offers valuable incentives to help motivate employees and support the community at the same time. We’ve focused our efforts on improving three risk factors to help improve overall health: physical inactivity, poor eating behaviors and lack of health screenings.
What 3M Employees Are Saying:

Vickie Crouse, a human resources coordinator at 3M’s Industrial Adhesives & Tapes plant in Conover, North Carolina, had a health assessment that hinted of more serious health problems. By taking advantage of 3M’s frequent fitness program (if you work out 12 times a month, you earn $20 back in your pocket), Vickie was able to get her health issues under control to better enjoy time with her family.

“I even got a letter from my doctor saying he doesn’t need to see me for another year. He finally stopped harping at me! If I can do it, anyone can.”

— Vickie Crouse

“...I often look in the mirror and say to myself, ‘Is that really me?’” says Bonnie who is the Occupational Health Nurse and manages the Healthy Living program at the 3M location in Rockland, Mass.

“When my doctor wrote in my chart ‘middle-aged obese woman’ that was a turning point for me,” says 3Mer Bonnie Showstack. “I didn’t see myself as that and certainly did not want to be labeled that way.”

Today, four years later, Bonnie has successfully lost 63 pounds and has gone from a size 18 to a size 6! “I often look in the mirror and say to myself, ‘Is that really me?’” says Bonnie who is the Occupational Health Nurse and manages the Healthy Living program at the 3M location in Rockland, Mass.

GOALS & RESULTS

Our goals are to continue to attract and retain employees through offering competitive total rewards, including health and wellness programs that are valued by our employees. We monitor what is important to our employees, and benchmark externally, to ensure we continue to offer programs that are competitive.

We are also focused on developing our employees and providing them with resources to grow in their career at 3M. We are reaching more people more quickly by utilizing new technologies and delivery methods. For example, we have recently launched a revised development program for new leaders. Approximately 50 facilitators have been trained to deliver these sessions around the globe and we now expect to reach most new supervisors within their first six months of becoming a new supervisor.

A Community Affair

In May 2013, 3M Healthy Living held a fitness walk. Healthy Living partnered with the 3Mgives to contribute $2,500 to Hunger Solutions Minnesota. In total, we had more than 1,600 walkers participate on our Maplewood, Minnesota, campus.

In 2013 we have again partnered with 3Mgives, which donated $1 to the American Red Cross for every wellness screening completed, up to $25,000. We surpassed our goal with more than 25,000 participants.

Here is a summary of what we’ve provided to-date:

- In 2013, we increased health screening participation to 80 percent by offering a health assessment and allowing employees to self-report on activities to improve their health. Employees who participated earned up to $480 off their 2014 3M medical plan premiums.
- In 2012, we offered incentives for employees to participate in a shape-up challenge to encourage exercise, and an “eat five fruits and vegetables a day” challenge to improve overall eating habits.
- In 2011, 38 percent of our employees participated in a health assessment and screening. If employees participated, they earned $50, plus their name was placed in a drawing for a free year of 3M Medical Plan premiums or $500.

Aggregate results from 2013 indicated that 3Mers who focused on weight loss lost an average of 15 pounds per person. Seventy-three percent saw stress levels improve, and 90 percent of 3Mers who focused on physical activity spent an average of 150 minutes per week exercising.

Through the aggregate results we received on the health assessment and screening, we learned that 3M employees who participated in health assessment and screenings had lower health care costs by $1,004 per participant.

Healthy employees typically have fewer absences and more productive when they are at work. Supporting employee health and well-being improves workforce morale and engagement and promotes a positive corporate image. Implementing a global healthy living strategy for 3M employees leverages our resources more efficiently to achieve positive results.

We recently conducted a global survey to establish a baseline on current health promotion and well-being programs in the countries where 3M does business. 3M HR representatives in 50 countries (not including the U.S.) completed the Healthy Living Global Survey in 2013. Their responses represent over 38,000 employees for an average of 760 employees per response. While most countries reported that they offered some type of health and wellness initiative, we know that there is more work to do.

Employee Engagement & Recognition

OVERVIEW

Employee engagement is a priority for 3M. We know that employee engagement is good for the Company and employees. Engaged employees are more satisfied with their work, tend to stay longer, and are more productive and committed. Employees are encouraged to pursue their ideas with a passion and collaborate with others to make their ideas reality. To facilitate employee engagement, we foster and reinforce behaviors that support engagement using multiple avenues including networking and collaboration, diversity and inclusion, and measurement and feedback on engagement.

APPROACH

Networks & Collaboration

3M has numerous pathways to support organizational communications, learning and knowledge management. There are a variety of corporate and job functional systems to methodically help information and knowledge emerge and flow to the right people at the right time to add value. For example:

- Formal Learning Networks: The Learning Solution is 3M’s corporate learning management system and is a one-stop electronic learning center that helps employees enroll in, deliver, track and report on learning activities. The Learning Solution serves the learning needs of 3M business units, plants and learning organizations globally.
- Intranet Knowledge Platforms Databases: 3M’s intranet site is set up so that each employee has a Work Center as one of the quick-link tabs following login. Each Work Center is a collection of tools, systems and processes that are used routinely in daily work practices to successfully complete projects and work assignments in an employee’s functional work area. Company news for employees is available on a global news site called
Transforming a Legacy Culture at 3M

3M, along with four other large companies, is featured in The Oxford Handbook of Organizational Climate and Culture, New York: Oxford University Press (May 2014. Schneider, B., & Barbera, K. M. (Eds.). The book looks at how organizations acquire, develop, motivate and lead employees in contemporary organizations. “Transforming a Legacy Culture at 3M: Teaching an Elephant How to Dance,” is devoted to the central role of employee engagement in culture maintenance and change in 3M.

Spark 3M News. It enables employees to share news articles, videos and links with others both internally and externally via email and social media.

• Best Practice Descriptions/Processes: As a diverse technical company, 3M shares best practices several ways. Two of the most widely used internal organizations are the 3M Technical Forum and the 3M Engineering Technology Organization. These two organizations provide an extensive network of expertise through specialized chapters focused on 3M’s core technologies and other emerging markets. Employees in R&D, manufacturing and other parts of the supply chain are able to collaborate and drive innovation globally across the organization.

• Company Education Facility: In addition to a variety of general courses, webinars, etc., 3M offers specialized extended courses to increase skills such as the 3M Leadership Development Institute, the 3M Marketing University and the General Managers’ and Managing Directors’ program.

• Idea Sharing: Idea management is driven differently across the Company depending on organizational needs and what works best for the area of work. Some platform examples include Yammer, Wiki Enterprise, and various 3M internal and external social media channels. Systems are implemented and available globally to share best practices and ideas.

Measurement, Feedback & Action on Employee Engagement

Since 2006, key survey content and follow-up actions have focused on employee engagement. We measure engagement and engagement drivers, and provide these results to leaders and their organizations for follow-up.

As 3M corporate policy, a standard opinion survey is administered to all employees at locations worldwide once every two years. 3M uses survey results to address employee concerns and identify opportunities for improvement. Summaries of survey results and actions taken are circulated up the management chain to ensure visibility and accountability. 3M also conducts a more strategically focused survey every two years that includes engagement measures. The Vision and Strategies Alignment Survey (formerly Leadership Survey) was last conducted in October 2013.

3M also requires its leaders to actively foster engagement as part of their day-to-day coaching and interactions with others. This expectation is embedded in our leadership behaviors, which apply to all 3M leaders and links to their annual performance assessment. 3M supports leaders in these efforts via formal training, videos and on-demand tools.

GOALS & RESULTS

Survey Measurements on Employee Engagement

Results from the Standard Opinion Survey and the Vision and Strategies Alignment Survey indicate 3M’s support of employee engagement is strong and continuing to get stronger. For instance, engagement results have been tracked over the last four administrations of the Vision and Strategies Alignment Survey, which is completed every two years. Results have improved with each administration, up to 83 percent in 2013 which is well above the threshold for strength (70 percent favorable).

Employee Rewards & Recognition

Hard work and extra effort are rewarded and recognized at 3M through an array of award programs. 3M sponsors many corporate award programs to honor individuals and teams that make significant contributions to the company.

In addition, many divisions also have their own specific ways of recognizing and rewarding people. Across 3M, management can choose from a variety of monetary and nonmonetary awards to show appreciation for exceptional contributions. Examples of corporate awards include:

- Awards for specific professionals, such as the Global Marketing Excellence Award and the Circle of Technical Excellence and Innovation Award
- Awards for cross-functional teams, such as the Golden Step Award
- Awards focused on employees who improve safety or pollution prevention
- Two prestigious lifetime achievement awards: the Engineering Achievement Award and the Carlton Society recognition, which honor employees for their scientific achievements

Results from 2013 Vision and Strategies Alignment Survey:

- 90% Reported they persevered when faced with difficulties, take on new roles and responsibilities as the need arises, and are excited that their work contributes to company success.
- 89% Respondents saw they feel like they really belong in the company.
- 83% Highest worldwide Engagement category score since the first survey was conducted.
- 76% Reported the people in my work group actively pursue self-development opportunities to meet company needs.
- 72% Reported it is very easy to maintain my focus.
Global Safety & Health

OVERVIEW

3M has a long history of ensuring its Global Safety and Health commitment to all employees. 3M’s Safety and Health Policy applies to all 3M operations, including new acquisitions. It is based on our core business values and stems from our Environmental, Health and Safety (EHS) vision for “Safe and Healthy People, Products and Planet.” All visitors, vendors, and contract workers at 3M locations are held to the same safety and health requirements as 3M employees, therefore consistent management systems and evaluation tools are critical to company safety and health success.

APPROACH

In 1996, a Global Safety & Health Plan (GSHP) tool was initiated for all 3M locations worldwide. It utilizes a well-developed self-assessment process that is categorized into multiple elements addressing various areas and standards related to safety and health. 3M utilizes a variety of tools to manage risks from hazards in the workplace. We’ve used specialized tools successfully for a number of years in the areas of Industrial Hygiene, Ergonomics and Process Safety. Each of these disciplines uses a risk management approach to categorize hazard levels and define appropriate levels of control.

Recognizing the need to further minimize the rates of fatalities and serious injuries (FSI), 3M has been engaged in the development of a practical new approach to better managing hazards that have the potential to result in fatalities or serious life-altering injuries.

The new approach was implemented in 2013, and includes development of an inventory of FSI precursors — a list of high-hazard activities, operations and situations that have the potential to result in a fatality or life-altering injury. These potential hazards are taken through the risk assessment and reduction process along with all near misses and incidents.

A new five-year objective to achieve risk reduction related to high-hazard activities launched in 2014. This initiative is part of a 3M challenge to go from “Good to Great” in our EHS performance. The goal for Safety and Health in 3M is for all sites to achieve 100 percent conformance to six critical GSHP standards related to risk management of high-hazard activities:

- Safety and Health Hazard Recognition and Risk Assessment
- Incident and Potential Hazard Reporting, Record Keeping, Investigation and Follow-up
- Powered Industrial Vehicles
- Machine Guarding
- Work at Height
- Process Hazard Analysis

Risk Assessment & Prioritization (RAP)

Risk Assessment & Prioritization or RAP is a practical new approach to risk management that has been incorporated into existing facility risk management systems. In most situations it supplements rather than replaces existing hazard management tools. 3M has participated with member companies in ORCHSE Strategies, LLC’s Occupational Safety and Health Group Network, in a multiyear project that analyzed years of injury and illness data and conducted research into human performance. Individuals and teams of knowledgeable professionals identified the effective elements companies must have in place to reduce the incidence of FSIs. (Krause, T.R. and Murray, G.A.)

The implementation of this methodology in 3M has effectively lowered risk levels associated with many higher-hazard tasks and activities to acceptable levels in a well-documented, and quantifiable manner. Through the proper use of this approach, safety professionals and others involved with hazard analyses no longer need to only rely on their experience or instinct to determine whether or not the tasks or activities meet an acceptable level of risk.

Measuring Risk Reduction Impact

Many incident management systems focus solely on the severity of the incidents rather than identifying the level of risk associated with incidents, potential hazards or near misses. Requiring incident management system users to identify the most likely consequence from the incident, potential hazard or near miss, not just the actual severity of the incident, is a critical step to identifying tasks with an elevated potential to result in an FSI.

Over 6,000 risk assessments were completed in 2013 after the RAP Tool was released in the newly upgraded Worldwide Incident Management System (WIMS) database. Approximately 14 percent of these assessments had risk levels that required action to achieve acceptable risk reduction. The data has proven itself invaluable due to our ability to track risk reduction in terms of real numbers. The upgrade has also provided measures of how timely the risk reductions are being implemented. 3M locations are now setting goals for themselves not only for conducting targeted numbers of risk assessments but also for reaching timely closure of implemented improvement actions.

Operational Risk Management

At the operational level, the RAP process integrates a uniform approach to risk characterization, prioritization and management. This includes systematic evaluation of layers of protection (LOP) for all common hazard identification inputs, including incidents, near misses, and potential hazard reviews. Hazard risks are systematically prioritized and the layers of protection analysis results used to define the most effective and efficient mitigation strategy. A final hazard risk characterization is performed after mitigation is complete so that overall risk reduction can be quantified.

Common risk reduction successes have been achieved for machine hazards. In the example, this equipment was only partially guarded due to perceived operational needs. The risk assessment revealed that a serious Level 5 risk existed. Additional actions were implemented to further control the hazards of hand injury. These controls reduced the risk from Level 5 to Level 1. Installation of additional guards to prevent access to the point of operation for this equipment reduced the risk score significantly.
Process Hazard Risk Management

Process Hazard Management (PHM) is a systematic approach for prevention of process-related fires, explosions and sudden release of toxic materials. 3M PHM employs accepted industry standards and regulations, creating an effective and efficient system for assessing and managing all exposure risks.

Recent enhanced PHA requirements will provide a more sustainable rigorous hazard assessment methodology. Layers of Protection Analysis (LOPA) will also be used to analyze the effectiveness of critical safety devices and systems providing more attention to independent protection layers.

Comprehensive Chemical & Noise Exposure Risk Assessment and Management

Comprehensive exposure risk assessment and management is a systematic approach for estimating workplace exposures to chemical and physical agents for all materials, processes and employees. Accurate exposure assessments are critical to all exposure management programs and activities. 3M uses the comprehensive approach outlined by the American Industrial Hygiene Association (AIHA), creating an effective and efficient system for assessing and managing all exposure risks.

Ergonomics Risk Management

3M’s Ergonomics Risk Reduction Process (ERRP) is a global, comprehensive program integrating Ergonomic Job Analysis, Safety and Health, and Engineering professional development and ergonomics engineering design criteria in order to reduce exposure to commonly identified Work-related Musculoskeletal Disorder (WMSD) risk factors and support operational efficiency throughout 3M.

3M’s vision for ergonomics is to eliminate the existence of unacceptable levels of WMSD risk exposure as defined by the Ergo Job Analyzer (E-JA). A long-term EHS Scorecard Metric since 2008, approved by the EHS Committee, is to drive progress toward achieving this goal. While the goal is to reduce WMSD risks to the lowest level feasible, focus is first given to the highest risk operations, processes or tasks.

Auditing & Compliance

To assure that the facility self-assessment and improvement process is effectively being utilized across the company, a risk-based auditing program for Safety and Health is managed at the corporate level. Audit findings are ranked using the same risk matrix that is utilized for the analysis of potential hazards and incidents. Areas of nonconformance are examined for potential hazards, which can then be investigated for causal factors, risk assessment and corrective action to achieve risk reduction and conformance to established standards. All moderate- to high-risk audit findings are tracked to closure, and are then reviewed and approved by the lead auditor for satisfactory improvement.

Safety & Health Committees

3M seeks employee participation at all levels to ensure involvement and ownership of safety and health programs and systems. This involvement is critical to achieving effective, proactive solutions to safety and health issues. Increasing employee ownership and involvement in the safety and health process helps provide a safer, healthier workplace. Emphasis is placed on a cooperative effort between management and employees in achieving these goals. Primary examples of how these efforts align with the risk reduction elements include:

• Job hazard analysis and risk assessments
• Ergonomics teams
• Process safety management
• Potential hazard reporting programs
• Participation in investigations and prompt follow-up of incidents and potential hazards

Through this collaborative effort, all employees have the opportunity to be involved in risk assessment activities to then develop action plans and assign responsibilities for completing goals and objectives to resolve safety and health issues.

Formal Safety and Health Committees are the most active and visible way that this is demonstrated within 3M. In fact, this aspect is represented by its own standard of performance in the GSHP that requires locations to establish and maintain active safety and health committees. They are defined specifically as an organized group of employees from all levels of the facility whose function is to support the safety and health management system by identifying preventive and corrective measures needed to eliminate or control recognized safety and health hazards.

GOALS & RESULTS

Measuring leading indicators of Safety and Health performance is a key focus for 3M. Aggregated data from all Global Safety and Health Plan Assessments, Audits and Incident Reporting are evaluated to identify performance status and corporate-wide opportunities. Metrics are tracked and reported for continuous improvement at the facility, business unit, regional and corporate levels. Initiatives such as improving the quality and level of implementation of safety and health management system elements (including preventive measures) at each 3M site results in increased awareness, mature programs, and reduced injury and illness rates. In 2011, 3M set key corporate-wide safety and health objectives to continuously improve related management systems and to proactively reduce negative Safety and Health impacts. Significant achievement was made in meeting those objectives. The 2013 results are listed in the table on pages 87-90. Continuous improvement objectives have been identified for achievement by year-end 2018.

OUR FOOTPRINT

3M has been monitoring, measuring and working toward improving leading indicators of performance while simultaneously increasing the growth of the company. As a result of our efforts, lagging indicators such as worldwide recordable and lost time rates have continued to decrease.

3M follows the U.S. Occupational Safety and Health (OSHA) recordkeeping rules and formulas to record and measure injury and illness rates worldwide. All 3M employees and contingent employees, regardless of facility type but within 3M’s operational control, are covered by our injury and illness recordkeeping rules. In addition, contractors are asked to submit notification to 3M of worker hours and any injuries occurring while performing work in accordance with a 3M contract.

Fatal Incidents

Sadly, 3M experienced the tragic loss of one employee and one contractor in the workplace in 2013.

A 3M employee was fatally injured when she pinned herself between a warehouse storage rack and the powered industrial vehicle she was operating while trying to push a loaded pallet from underneath the storage rack. Training had been completed by the employee, however the investigation concluded that a shortcut was being taken. Justification for the shortcut could not be determined. Additional layers of protection were incorporated into this operation to address organizational performance and gaps in training.

A sub-contractor supervisor died from injuries sustained when he was struck by a steel beam at a new construction site. The steel beam that was being staged on the ground prior to lifting it into the building framework. As the tension on the beam was released, it became unstable and tipped over and struck the supervisor.

Injury and Illness Rates

Global incident rates for injuries and illnesses continue to trend downward. There has been a 42 percent reduction in days away from work case rates (LTIR) since 2006. The most frequent cause of injuries is from contact with objects or equipment.

The implementation of the new risk management process is primarily designed to prevent fatal and serious injury events related to occupational exposure to either energy sources or hazardous conditions which result in severe or fatal injuries or illnesses to employees. This new risk management process is the framework we use to identify potential risks and establish controls to prevent workplace accidents and illnesses.

Overall, we are pleased with our progress. While there is much work to be done, we remain committed to achieving our GOALS & RESULTS.
## GLOBAL SAFETY & HEALTH OBJECTIVES

<table>
<thead>
<tr>
<th>CORPORATE SAFETY &amp; HEALTH OBJECTIVES</th>
<th>TARGET</th>
<th>MILESTONES</th>
<th>2013 RESULTS</th>
</tr>
</thead>
</table>
| Implement standardized tool for risk characterization and prioritization | year - end 2013 | • Conduct training on use of tool  
• Integrate into global EHS auditing system  
• Integrate into potential hazard reporting | A standardized Risk Assessment & Prioritization (RAP) tool was developed and is being used for prioritizing audit findings and reducing the risk levels of potential hazards. The RAP tool was also integrated into the incident investigation process to determine the effectiveness, strength and reliability of safeguards and controls for the prevention of incidents. |
| Enhance and improve worldwide incident reporting data quality for statistical accuracy and metrics evaluation | year - end 2013 | • Conduct Six Sigma Improvement Project  
• Establish timeline and work teams to complete project recommendations  
• Implement project recommendations | The Six Sigma project was completed in June 2012 and resulted in significant changes to the approach used for the investigation of incidents. All incidents, near miss cases and potential hazards are given a risk assessment using the new RAP tool that was incorporated into the 3M incident management system. The data entry process was also improved to minimize reporting errors. |
| Increase quality of incident investigation reports and action items to drive better understanding of contributing factors and improvements in the control of hazards. | year - end 2013 | • Define, pilot and refine a quality assessment tool  
• Conduct training on use of tool  
• Implement use of tool  
• Adjust tool as needed for improvement | A layer of protection approach was defined as the basis for incident investigations. This method has been incorporated into the 3M incident management system. Training on the use of this new method is ongoing. |
| Implement a standardized method for the identification, evaluation and control of machine hazards | year - end 2013 | • Assess methods and tools currently in use  
• Select method(s) that provide greatest control of machine hazards  
• Pilot at locations where high-severity events related to machine hazards have occurred  
• Implement final method(s) and tools | The assessment resulted in the selection of two methods for machine hazard analysis. The RAP tool is used to assess all layers of protection related to equipment operation. An additional risk tool is used to evaluate the strength of safety control circuitry necessary to prevent severe injuries. Training for both methods is ongoing. |
| Conduct facility EHS perception surveys and implement improvement activities | year - end 2013 | • Conduct EHS perception surveys at all 3M manufacturing facilities  
• Develop and implement facility EHS culture improvement plans  
• Collect and share best practices for EHS culture improvement | 84 percent of 3M manufacturing facilities had completed an EHS perception survey at the end of 2013. Best practices taken from the improvement plans were shared across 3M. |
| Implement new global audit management system | year - end 2013 | • Define and deliver new software  
• Conduct training for lead auditors  
• Pilot and implement use of tool | Software has been developed and deployed for use. Training for lead auditors has been conducted as scheduled and the tool is in use globally. |
| Complete baseline exposure assessments worldwide | year - end 2013 | • Complete Comprehensive Chemical & Noise Baseline Qualitative Exposure Assessments in new Industrial Hygiene software system for all sites | New Web-based exposure assessment and management system has been implemented to support a comprehensive strategy across all sites globally. The system implementation included Web-based and hands-on training of over 250 users worldwide to complete >500,000 process-task-chemical assessments. Comprehensive task-based exposure assessments for all materials and chemicals are used across every site globally. |
## GLOBAL SAFETY AND HEALTH OBJECTIVES

### CORPORATE SAFETY AND HEALTH OBJECTIVES

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<th>TARGET</th>
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</tr>
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</table>
| Implement Air and Noise Monitoring Certification program to enhance protection and performance | • Develop Air and Noise Monitoring Certification program  
• Certify an Air and Noise Monitoring resource for each site where monitoring is conducted | An updated Air & Noise Certification training program including proficiency testing was completed in 2012. Implementation began in late 2012 with a total of 27 percent of sites globally having an assigned certified resource. |
| Improve global implementation of 3M Ergonomic Program                   | • Assist acquisitions to implement ergonomic program  
• Assess MSD risk exposure data and re-evaluate job assessment criteria  
• Expand location and regional ergonomics self sufficiency | New acquisition sites were visited on schedule to begin implementation of the 3M ergonomics program. MSD risk assessments were conducted as planned. Regional workshops are ongoing to improve expertise of EHS personnel globally in the use of ergonomics risk reduction tools. |
| Develop and Implement new medical surveillance applicability analysis system | • Integrate new medical surveillance applicability analysis module into the global exposure assessment system  
• Develop and deliver training on new module for all global users. | In progress |
| Job tasks associated with targeted high hazard activities are evaluated for adequate control using the 3M Risk Assessment & Prioritization (RAP) tool. | • Affected sites meet 95 to 100% of requirements for:  
- Work performed near mechanical hazards;  
- Work performed at height;  
- Operation of mobile equipment or vehicles; | In progress |
| Process Hazard levels are determined for every process in the covered facility using the Hazardous Process Evaluation Tool (HazPET) | • Affected sites meet 95 to 100% of HazPET requirements | In progress |
| E-A-Rfit system implemented for all high priority sites                 | • Develop and deliver training for effective implementation of E-A-Rfit system.  
• Implement E-A-Rfit across all sites with large hearing conservation programs. | In progress |
| Validate protection factor for first tier priority operations with required respirator use. | • Build reports to efficiently identify all first tier priority operations and relevant air sampling data for applicable respirator tasks.  
• Complete validation of all respirator assessments for first tier priority operations. | In progress |
Optimizing Our Environmental Footprint

3M is committed to managing and minimizing its Environmental Footprint. Our strategy and resulting actions are categorized in the following sections: Environmental Management Systems and Compliance, Climate and Energy, Raw Material Scarcity, and Water Quality and Availability.

Pollution Prevention Pays (3P)

3M’s Pollution Prevention Pays (3P) program celebrated its 38th anniversary in 2013. In those 38 years, the program has prevented more than 1.9 million metric tons of pollutants and saved nearly $1.8 billion (USD) based on aggregated data from the first year of each 3P project. The 3P program helps prevent pollution at the source, in products and in manufacturing processes rather than removing it after it has been created. When the 3P program was launched in 1975, the concept of applying pollution prevention on a company-wide basis and documenting the results was an industry first.

Active and thriving today, the 3P program invites participation from all sectors of the Company, including research and development, manufacturing, logistics, transportation, and packaging employees. The program is a key element of our

Amanda Jarvis is an Environmental, Health and Safety Specialist and a steward lead for 3P at 3M Rockland, Massachusetts. 3M Rockland had 285 short tons of waste (pollution prevented) saved in seven 3P programs recognized in 2013. Amanda credits the site’s division leadership for its strong support of the 3P and environmental, health and safety programs. Although Rockland recently integrated into 3M, the team enthusiastically embraced the 3P program with 9 projects in two years, and 38 employees were recognized for 2013 3P projects. The team takes pride in continuously improving and reducing its environmental footprint, and Rockland’s competitive nature leads it to pursue the 3P projects that most significantly impact pollution prevention. Amanda says the 3P program’s longevity and continued success is indicative of 3M’s commitment to pollution prevention.

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The program depends directly on the voluntary participation of 3M employees. Innovative projects are submitted and then reviewed and selected based on defined criteria by a 3P committee representing R&D; engineering; Environmental, Health and Safety; manufacturing; and supply chain organizations. Selected project teams receive recognition for their achievement.

Environmental Management Systems & Compliance

OVERVIEW

Setting and implementing global environmental policies, management systems and tracking as well as maintaining key performance metrics enables 3M to continually integrate and drive environmental stewardship throughout the Company. Environmental stewardship is integrated into each of the five business units globally, ensuring consistency and innovative environmental thinking. As reflected by our environmental performance indicators and 2015 Sustainability Goals, environmental stewardship is a core corporate commitment backed by decades of proven performance.

APPROACH

In 1975, 3M’s commitment to environmental stewardship was formalized when the Board of Directors adopted the 3M Environmental Policy. It is a comprehensive statement of 3M’s environmental commitment, emphasizing preventing pollution at the source. The executive Environmental, Health and Safety (EHS) Committee, reporting to the Corporate Operating Committee, provides oversight of 3M’s environmental programs.

Environmental Management Systems

3M’s multifaceted strategy for implementing environmental management systems and global auditing of environmental compliance for our operations is key to understanding any potential gaps and gaining resolution quickly. All manufacturing facilities are required to complete a Global Environmental Management Self-Assessment at least annually, which consists of a detailed evaluation of each facility’s systems alignment for ensuring environmental compliance and management system performance. Following is a list of topics covered in the self-assessment:

- Regulatory Applicability
- Regulatory Change Management
- Air Regulatory Compliance and Conformance
- Air Emission Control Operation
- On-Site Waste Management
- Off-Site Waste Recycle and Disposal
- Wastewater
- Rainwater and Stormwater
- Water Supply and Use
- Groundwater and Remediation
- Storage Tanks
- Energy Management
- Environmental Policies and Standards
- Incident Prevention Reporting and Investigation
- Incident Reporting and Investigation
- Planning and Goals
- Training and Communications

The elements reflect procedures, systems and processes that are comprehensive and mandatory to maintain compliance with legal or other requirements. Additional ISO 14001 elements and associated questions are provided to enable sites to conduct further review of their Environmental Management System. Data from the assessments is validated through audits, site visits by subject matter experts and other data systems.

Tracking Operational Performance

3M has extensive global environmental data management systems in place to identify, track and manage relevant information indicative of corporate-wide environmental management and performance. This includes management systems covering a full range of environmental compliance and operational performance metrics relevant to 3M operations, some of which are provided in this report.

Information and performance data on a majority of these program elements are tracked and reported through corporate electronic reporting systems. Scorecards published quarterly include environmental performance data at the facility, division, business unit and corporate levels and are reviewed by executive management for performance on selected indicators. This enables 3M to monitor and identify successes, risks and opportunities for improvements and reductions worldwide.

Ensuring Regulatory Compliance

3M operations are subject to global environmental laws and regulations, including those pertaining to air emissions, wastewater and stormwater discharges, hazardous substances or materials of concern, and the handling and disposal of solid and hazardous wastes. These laws and regulations are enforceable by national, state and local authorities around the world. 3M is committed to compliance with all global environmental requirements and regulations. Key elements of the environmental auditing program include:

- To measure and assure that procedures, practices and programs comply with environmental regulations
- To identify potential environmental concerns and establish plans to address them
- To apprise management on compliance matters
- To assure 3M environmental policy and standard expectations are met
Following are several key elements of the auditing program:

- Exceedances: emissions or other environmental parameters above permitted or allowable regulatory levels
- Significant Spills: Spills that are deemed above a designated risk level based on internal company set volume and response level required to adequately respond.
- Agency Notices: Notices received by 3M for allegations from an environmental regulatory or permitting requirement
- Fines: Compensation paid by 3M to address an administrative fine or penalty imposed by an environmental regulatory agency.

We implemented WIMS in 2010 as the new corporate-wide database for reporting all EHS incidents. As we’d previously used several different systems, the consolidated WIMS has led to continuous improvement related to increased awareness of responsibilities, understanding of the holistic system and more consistent reporting requirements. In turn, this has provided more accurate reporting by the 200-plus sites globally since 2010.

OUR FOOTPRINT

EMS Implementation & Environmental Compliance

In addition to 3M’s Global Environmental Management System annual self-assessment, approximately 89 percent of sales value of production (SVOP) have ISO 14001-certified (or equivalent) management systems that are reviewed by an independent third party. SVOP is defined as the Sales Value of all output of a location. This includes not only Finished Goods sold within the producing country, but also the Sales Value of products transferred out of a facility to other locations within country, or as an intercompany sale.

3M’s environmental auditing program is audited periodically by 3M’s Corporate Auditing department.

Tracking Environmental Incidents

All global 3M-owned facilities that are within 3M’s operational control are required to internally report environmental exceedances, spills, agency notices and fines through 3M’s Worldwide Incident Management System (WIMS). These are defined as follows:

- Exceedances: emissions or other environmental parameters above permitted or allowable regulatory levels
- Significant Spills: Spills that are deemed above a designated risk level based on internal company set volume and response level required to adequately respond.
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3M had 85 significant unplanned releases (spills) to the environment in 2013. This includes releases that have been designated with 3M severity evaluation of level 2 (significant) or level 3 (severe/most significant) based on several risk factors (including regulatory compliance, volume released and response requirements) with the 3M WIMS system. The increased number of significant global spills is due to improved understanding and reporting processes within 3M. We plan to use the improved data to better drive spill-prevention activities.

Global environmental fines reported herein include more than the GRI definition of significant and reportable in 3M’s Annual Report (10K), as global fines regardless of significance are tracked and reported through WIMS. The increase in 2010 was the result of fines incurred at one of our U.S. manufacturing sites.
Exploring Energy-Efficient Technologies and Solutions for the Chinese Market

3M announced earlier this year that it was selected as a partner in the U.S.-China Clean Energy Research Center (CERC) Building Energy Efficiency consortium. The CERC, established in 2009 by President Barack Obama and President Hu Jintao, is intended to facilitate joint research and development on clean energy technology by teams of scientists and engineers from the U.S. and China.

As part of the Building Energy Efficiency consortium, 3M will participate in research on building-efficiency strategies, tools and practices in areas such as building envelope technologies and integration of new construction materials for building energy efficiency.

Among other projects, the consortium will collaborate during the remaining years of its charter on a number of demonstration buildings in China to incorporate 3M energy-efficiency technologies. It will study these products at work in various Chinese environments, as well as with locally sourced Chinese building components.

“3M’s participation in the consortium will not only help us drive the growing market for large-scale energy efficiency and sustainability projects forward, but will give all members the opportunity to learn firsthand about the energy efficiency needs of the Chinese market,” said Stefan Babirad, Ph.D., technical director for 3M Industrial Adhesives and Tapes Division. “This partnership will also allow us to gain invaluable customer feedback to help shape future innovations.”

Helping Data Centers Manage Energy Efficiency

In addition to dramatically reducing our own GHG emissions, 3M has introduced several products into the marketplace to enable meaningful reduction in GHG emissions for our customers. One example includes our 3M™ Novec™ Engineered Fluids, which have recently enabled a new paradigm in data center cooling that dramatically reduces energy use, GHG emissions and municipal water consumption for evaporative cooling. In the past year, the technology and customer applications for the Company’s two-phase immersion cooling products in data centers have been recognized with numerous awards. For example, one data center in Hong Kong using 3M Novec™ technology reports 4,000 times energy efficiency improvements over traditional data center cooling approach. Watch this video to learn more about how data centers are using this technology to be more energy-efficient.

Energy & Climate

OVERVIEW

3M has a history of proactive leadership in addressing both the challenges and opportunities presented by climate change and energy conservation. We operate under the philosophy that early action is paramount to being a leader in this space, and our programs and results prove our success.

This proactive leadership can perhaps best be understood through five areas of action:

1. Executive-level commitment to these important topics and our related principles, commitments and risk-mitigation planning efforts
2. Industry-leading efforts to reduce our own greenhouse gas (GHG) emissions
3. Extensive public policy engagement on both climate change and energy conservation
4. A decades-long track record of improving energy efficiency at our facilities
5. Serving our customers through a wide range of innovative products that help them improve energy efficiency and reduce their carbon footprint

OUR APPROACH

Guiding Principles

3M’s approach to global climate change is based on several principles:

- 3M supports the long-term goal of sustainable development; the Company is committed to continuous and measurable improvement in environmental performance as a means of achieving that goal.
- 3M believes that sufficient information exists to take voluntary, responsible action to reduce its GHG footprint.
- 3M recognizes the activities of the United Nations Framework Convention on Climate Change and intends to participate in the ongoing dialogue on strategies to address potential global climate change issues.
- 3M endorses a voluntary approach that involves all nations. If reductions are mandated by regulation or legislation, 3M endorses a uniform market-based approach that includes all nations; this approach should also include provisions for emissions trading and credit for early action.
- 3M supports continued research to assess the scientific and economic impacts of strategies to address climate change, while considering the interrelationship to other environmental regulations and issues.
- 3M applies its environmental goals and standards, including those pertaining to GHG reductions, consistently around the world.

1) Executive-Level Commitment

Climate change and energy efficiency are issues of great importance throughout 3M up to the Corporate Operating Committee and CEO. Top-level executives have empowered the Corporate EHS Committee to take proactive steps and be responsible for all final decisions on climate change and energy strategy. This includes setting Company reduction goals and policies.

In addition, for climate change strategy and GHG emission advice, the Corporate EHS Committee has appointed the corporate Climate Change Steering Team. Complementing the efforts of the Climate Change Steering Team, 3M’s business continuity planning process and our crisis management program review help manage risks facing the Company’s physical operations and supply chains (e.g., severe weather events).
Engaging Our Stakeholders: Creating Smarter Cities

Urban centers are the driving force in generating Europe’s economic growth. And with almost 70 percent of the European Union population living in urban areas, smarter cities represent an enormous opportunity to improve the quality of life for millions of people.

As part of its Europe 2020 strategy for growth and jobs, the European Commission launched the Smart Cities Initiative in July 2012. The initiative’s goal is to foster smart, inclusive and sustainable growth in Europe. Eco-innovation is seen as an essential enabler of resource efficiency and a source of green growth to help EU member states exit the economic crisis, keep manufacturing in Europe and meet environmental goals.

At 3M, we recognized early on that doing business in new, smarter ways would not only create a more viable Company, it could also enable us to meet our social responsibilities and reduce our impact on the environment. This passion for embedded sustainability made our participation in the Smart Cities Initiative a natural fit. So, in 2013, we engaged with key 3M stakeholders to better understand what they value in smart cities and to share what we’re doing as a Company to help make cities smarter.

- **Smart City Consumer Research:** To understand what people living in urban areas felt were the most important attributes of smart city living, we conducted a survey in May 2013 with 500 European city dwellers across the United Kingdom, Italy, Germany, France and Sweden. We asked them a range of questions related to mobility, day-to-day living, health and energy. Our results indicate that EU citizens cite a good transportation system and being environmentally friendly as the most popular descriptions of a smart city.

- **Sustainable Solutions for Smart Cities Event:** In June 2013, 3M hosted an event in Brussels for hundreds of our customers and industry thought leaders to showcase examples of how 3M is creating sustainable solutions for smart cities. We invited both 3M leaders and external partners to speak at the event, highlighting 3M solutions that spanned smart grid applications, e-mobility and transportation uses, and health care and quality of life needs. Following the event, all attendees were invited to provide feedback via an online survey, and 80 percent of respondents indicated that the event was a valuable experience.

To address the issue of climate change, 3M has committed to the following:

- Develop and maintain an inventory of our Scope 1 and 2 GHG emissions.
- Continue to improve energy efficiency in manufacturing and administrative operations, including all aspects of direct and indirect use of fossil fuels.
- Manage emission of our GHG to optimize reductions and cost benefits.
- Assess the potential use of renewable energy sources at 3M operations.
- Increase the use of energy efficiency products within 3M operations and encourage their use by 3M suppliers and customers.
- Incorporate an evaluation of environmental and energy impacts throughout the full product life cycle (from raw material acquisition through manufacturing, use and disposal) as part of the Company’s Life Cycle Management assessment process.
- Invest in research and development to create new products and technology that will reduce the generation and emissions of GHG.
- Develop partnerships and participate in a positive dialogue with governmental agencies and other organizations engaged in tackling climate change.

**Risk-Mitigation Planning**

Severe weather and long-term trends could affect 3M’s operations and supply chain. To address these and other risks, 3M has developed and maintains a systematic Business Continuity and Planning Process and Crisis Management Program. To implement this process and respond to specific incidents, 3M’s Corporate Crisis Management Program coordinates efforts of local crisis management teams maintained at each 3M facility and international subsidiary.

Corporate and local plans take into account natural disaster, infectious disease, employee safety, protection of assets, customer service and other business continuity requirements that may impact specific facilities and businesses. Every year, the local crisis management team must review and update its plan to reflect current conditions. It also performs a tabletop or actual crisis response exercise. 3M Corporate Auditing and Corporate Security monitor facility compliance with the Corporate Crisis Management Program.

3M mitigates supply chain risks through a variety of management practices, including multisourcing raw materials, pre-qualification of potential outsourcing manufacturers, maintaining appropriate stocks of raw materials and contingency plans with key suppliers to ensure allocation to 3M in the event of supply disruption.

**2) Reducing Our GHG Emissions**

GHG emission reductions are achieved through a variety of methods at 3M and include, but are not limited to, increasing the use of more sustainable raw materials, improving process and equipment efficiency, upgrading equipment, reducing our demand for energy use, and implementing and maintaining pollution control technologies. All reduction efforts are integral to the Company’s overall success and assist the Company with the challenge of addressing climate change. Further details regarding our GHG impressive emission reduction achievements can be found in the Goals & Progress and Our Footprint sections that follow.

**3) Public Policy Engagement**

3M is actively engaged in public policy development to address climate change. One such important direct engagement is with the National Climate Coalition (GCC). 3M is a founding member of GCC, an organization committed to dialogue and policy development with decision-makers in the U.S. Environmental Protection Agency (EPA) and many state agencies throughout the U.S.

In 2013, GCC made great advancements through engagement with U.S. EPA, many state environmental agencies, the
Bipartisan Policy Center (BPC) and Resources for the Future (RFF). This work has accelerated in 2014, with the primary goal to create effective climate change regulation in the U.S. (absent legislative action) that serves to reduce GHG emissions from the utility sector and encourage additional GHG reductions, all while enabling U.S. businesses to remain competitive in the global marketplace.

4) Improving Our Energy Efficiency

3M has identified a broad approach to managing our energy footprint, which includes evaluating the energy impact of new products and manufacturing processes being developed in our laboratories; new equipment and facilities being designed and built by our engineering staff; and reducing our energy footprint of our manufacturing and administrative facilities. In addition, 3M actively shares information about the energy management program with external stakeholders, such as suppliers, customers and other interested organizations.

At 3M, energy management extends beyond energy-efficiency efforts in factories and buildings. It is a team effort guided by the global Corporate Energy Policy. Energy management responsibilities are coordinated by the Corporate Energy Management team, with oversight by 3M’s Corporate Energy Manager and Senior Engineering Vice President and with active support from the CEO. The team involves personnel from environmental operations, facility operations, finance, sourcing, engineering, energy management, corporate marketing and public affairs. Each department provides cross-functional contributions, ensuring that:

- Energy-efficient technologies are being used and opportunities are being identified in the design process.
- Renewable energy opportunities are identified and financed.
- Data is tracked routinely and consistently by facilities.

5) Innovative GHG-Reducing Products for Our Customers

Many examples of the products we bring to market that help our customers reduce their GHG emissions can be seen found in the 2014 edition of our Environmental Solutions Catalog.

In addition to offering products that help our customers reduce their carbon footprint, 3M is actively involved in measuring the carbon footprint of many of our products.

3M conducts product carbon footprint evaluations as part of the product Life Cycle Assessment process on select products and is engaged with key stakeholders to improve and refine common metrics for such analysis.

3M defines a product carbon footprint as GHG (CO2 equivalent) emissions resulting from a product across its entire life cycle — including raw material acquisition, manufacturing, transport, storage, use and disposal of the product. To calculate carbon footprints, 3M applies currently available standards and tools.

One of the challenges in this area is the wide range of potential approaches and assumptions being used for such calculations. To address these issues, 3M supports further development of common metrics and is working with the World Resource Institute and World Business Council for Sustainable Development (WRI/WBCSD), peer companies, governments and environmental organizations. The goal of these efforts is to enable 3M and others to provide cost-effective, accurate and useful information to customers and other stakeholders.

Using product carbon footprint information, 3M has offset GHG emissions from certain products through the purchase of carbon offsets. To consistently manage carbon offsets, 3M adopted a Product Carbon Footprint Offsets Standard. This standard addresses the requirements for the calculation of product carbon footprints and the management of product carbon offsets.

For additional information about how 3M is tackling climate change, visit www.3M.com/Sustainability.

GOALS & RESULTS

3M is a leader in setting and achieving visionary goals to improve our energy efficiency and make a positive impact on the environment through early reduction of GHG emissions. When others were talking about making reductions, the Company took leadership actions to achieve those reductions in real life. These goals and leadership actions have led to tremendous results, as demonstrated by our actual performance and the external recognition we have received.

The Company first set an energy conservation goal in 1990 and has been setting such goals ever since. As a result of our leadership in energy management, the U.S. EPA has recognized 3M with the ENERGY STAR Sustained Excellence Award for an industry-leading 10 years.

In addition, the Company was among the first to set GHG emission reduction goals. Two GHG reduction goals have been set and achieved with strong results. From 2002 through 2013, the Company reduced GHG emissions by an astounding 57 percent on an absolute basis. This industry-leading performance contributed to the Company being recognized with several external awards, including the Gigaton Award from the Carbon War Room and the Climate Leaders Award from U.S. EPA.

Industry-Leading Goals & Achievements

Reducing our GHG emissions by 57 percent in only 11 years (2002–2013) has provided a direct and immediate benefit to the environment. This reduction is even more impressive when one considers it is an absolute reduction (e.g., it occurred even as the Company grew sales and production during this timeframe). The Company’s reductions from the 2002 base through 2013 resulted in a cumulative reduction of nearly 100 million metric tons of GHG emissions to the atmosphere compared with the emission level during the base year. This calculation even takes into account the investment in acquisitions of $9.5 billion (not including Infilon) that 3M has made since 2002, meaning that even as the Company expanded in scope, substantial reductions in GHG emissions have been achieved.
To put this in perspective, the value the Company has provided to society throughout that time period is equivalent to any of the following:

- Removing nearly 2 million cars from the road
- Removing over 800,000 homes from the grid
- Eliminating the need for more than two coal-fired power plants in the U.S.

We continue to focus on appropriately managing our GHG emissions and seek to achieve further reductions in the years to come. Given our progress to date, fluctuations in our own GHG emission levels year-to-year have occurred and remain possible. For example, over the past six years, the Company’s GHG emissions have increased in three years and decreased the other three years. This fluctuation occurs for a variety of reasons, including the growth of products across our portfolio, the number of acquisitions we made, and overall economic conditions in the markets we serve.

It is important to note that even as those yearly fluctuations occur, a large benefit to society has already been provided, and additional significant net reductions continue to be realized each year. In addition, the growth of products across the Company’s portfolio is beneficial in that many of those products help our customers reduce their GHG emissions and meet their own climate change goals.

GHG emission inventory and accounting initiatives have been a key priority for 3M. Our GHG management strategy includes a rigorous accounting system to generate an annual inventory of worldwide emissions. In addition, the process and associated GHG emissions reported from 1990–2007 were validated by an external third-party consultant. Since 2002, the global 3M inventory has been developed, maintained and verified by 3M’s ISO/IEC 17025 accredited laboratory in accordance to the World Resource Institute (WRI)/World Business Council for Sustainable Development (WBSCD) GHG Protocol.

The total GHG inventory encompasses the Company's diversity and complexity. A total of approximately 600 facilities, including R&D, manufacturing, distribution centers and administrative support offices within 3M’s operational control, are accounted for in the current inventory. Both Scope 1 (direct) and Scope 2 (indirect) emissions as categorized by WRI are included. 3M tracks and reports both absolute and indexed to net sales emissions data.

GHG emission data for 2012 and 2013 cannot be directly compared to years before as the WRI-based GHG accounting rules 3M has historically used were modified for 2012 and 2013 to comply and be consistent with the requirements of the U.S. EPA Mandatory Greenhouse Gas Reporting Rule (EPA GHG-MRR). In addition, use of the U.S. EPA GHG-MRR resulted in the re-categorization of some chemical emissions from Non-Kyoto to Kyoto gas and vice versa, which resulted in a significant change to 3M’s Kyoto/Non-Kyoto GHG emissions distribution as compared to the time period prior to 2012. Accordingly, the 2012 (and now 2013) inventory methodology serves as a new framework for future GHG reporting by 3M and other companies subject to the EPA GHG-MRR. 3M has recalculated our 2002 emissions inventory due to the 2012-2013 emission factor changes. This recalculated 2002 emissions inventory now serves as the new baseline to compare our emission reduction in future years.

Better Tracking of GHG Emissions From Our Suppliers and Customers

With the publishing of the WRI/WBSCD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard in October 2011, 3M has been working on developing a Scope 3 emissions inventory. 3M places a high value on sound science and decision-making so data reported is in accordance to the WRI/WBSCD Corporate Value Chain (Scope 3) Accounting and Reporting Standard. When available for a Scope 3 category, primary data was used to calculate the GHG emissions. When primary data was not available or the complexity of the supply chain did not allow for direct calculation, an input/output model calculation method was used. The input/output model calculations were based on the level of sourcing financial spend for each GHG emission category and was conducted in collaboration with Climate Earth Inc. for categories 1, 2, 6 and 7 (see scope 3 table on page 81).

In 2013, a third-party audit of the input/output model data was conducted in accordance with the WRI/WBSCD Corporate Value Chain (Scope 3) standard to verify and determine the quality of the data reported and reliability of the calculation method for 2012. Regarding category 11, use of sold products, 3M has only started to estimate these emissions. We have a Climate Change Solutions product catalog with many products that reduce GHG emissions for our customers. Preliminary estimates on our three largest Climate Change Solutions products indicate a reduction of approximately 20 million metric tons CO2 eq in 2012 based on sales. Further work is being conducted on other Climate Change Solutions products, as well as 3M products that use energy.

Future GHG Reduction Goals

As noted above, the early and rapid success the Company achieved presents a unique challenge when considering additional GHG reduction goals. The Company, in essence, has already set and achieved multiple GHG reduction goals in an accelerated time period (e.g., a 58 percent absolute reduction has already been achieved). The Company continues to evaluate potential future goals to further strengthen and demonstrate our commitment to help address climate change. The following considerations are part of our active effort to establish a third GHG goal:

- How do our external stakeholders feel the Company can best address climate change (e.g., advancing new products and technologies that allow society to reduce GHG emissions)?
- What role should renewable energy play in our future goals?
- How might the Company’s extensive supplier base play a role in combating climate change? As these questions are addressed, 3M will make a final decision on how to proceed with a future greenhouse gas reduction goal.
- Are there opportunities for the Company to expand external partnerships and work with communities to realize future GHG emission reductions?

Setting Energy Performance Goals & Evaluating Progress

As previously noted, 3M has a long history in setting and achieving energy conservation goals. In 2010 as part of our 2015 Sustainability Goals, 3M set a global target to increase energy efficiency by 25 percent in 2015 from a 2005 base year. That goal was achieved in 2010, so we established a new internal goal to improve by an additional 15 percent for a total increase of 40 percent in energy efficiency. We are presently on track to meeting our new goal.

We also identified three areas of focus that will make a step-change in the energy and carbon intensity of our operations. The implementation of combined heat and power systems and heat recovery systems at certain 3M locations has a large potential to improve efficiency and reduce carbon emissions. The implementation of advanced energy information systems in our manufacturing facilities is expected to give operations personnel information they can use to more effectively manage energy use.

To meet global goals, 3M reviews its Strategic Energy Management Plan annually to prioritize programs. Longer-term action items are added periodically to achieve greater efficiency. The plan uses input from stakeholders, including manufacturing directors, plant managers, operations employees and executive management. The plan aims to continuously improve results; leverage engineering expertise; drive plant-level efficiency improvements; maintain top management support; and protect 3M.

To meet these goals, 3M has established energy targets. The following table shows the energy efficiency targets set by 3M.

<table>
<thead>
<tr>
<th>ENERGY GOALS HISTORY AND RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Goals (T10)</strong></td>
</tr>
<tr>
<td><strong>2020</strong></td>
</tr>
<tr>
<td><strong>2005</strong></td>
</tr>
<tr>
<td><strong>2013</strong></td>
</tr>
</tbody>
</table>

Total Reduction 2000-2013: 49%
OUR FOOTPRINT

Total Greenhouse Gas Emissions (Absolute)
(Scope 1 and Scope 2)

Greenhouse Gas (GHG) Emissions (Indexed to Net Sales)
(Scope 1 and Scope 2)

2002-2013 GREENHOUSE GAS EMISSIONS-ABSOLUTE

2002-2013 GREENHOUSE GAS EMISSIONS-INDEXED TO NET SALES

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*Under US EPA G4-MEMS/PCG ARS methodology, 96% of total reported emissions are from 2009 gases.
**2001-2007 inventory reallocated according to US EPA G4-MEMS/PCG ARS methodology (2.7% increase over original reported value)
### Total Greenhouse Gas Emissions (Scope 3): Upstream and Downstream - Absolute

<table>
<thead>
<tr>
<th>Scope 3 Category</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Boundary</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstream Emissions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Purchased Goods and Services</td>
<td>7,620,000</td>
<td>8,155,000</td>
<td>8,357,000</td>
<td>From climate earth using Input/Output Model based on 3M spend</td>
<td></td>
</tr>
<tr>
<td>2. Capital Goods</td>
<td>498,000</td>
<td>584,000</td>
<td>647,000</td>
<td>From climate earth using Input/Output Model based on 3M spend</td>
<td></td>
</tr>
<tr>
<td>3. Fuel-and-Energy Related Activities (not including scope 1 or scope 2 emissions)</td>
<td></td>
<td></td>
<td></td>
<td>Electric transmission &amp; distribution losses included in Scope 1 and 2</td>
<td></td>
</tr>
<tr>
<td>4. Upstream transportation and distribution</td>
<td>Not Evaluated</td>
<td>Not Evaluated</td>
<td>Not Evaluated</td>
<td>A complete data set was not available for Climate Earth to use Input/Output Model based on 3M spend</td>
<td></td>
</tr>
<tr>
<td>5. Waste generated in operations</td>
<td>29,000</td>
<td>Estimated &lt;1% of Total Upstream Emissions</td>
<td>Under Evaluation</td>
<td>Only a partial characterization of emissions from operational waste could be made - improvements are planned for the next reporting year.</td>
<td></td>
</tr>
<tr>
<td>6. Business Travel</td>
<td>Not Evaluated</td>
<td>58,600</td>
<td>57,000</td>
<td>Environmental Lab calculated from 3M primary data on business travel</td>
<td></td>
</tr>
<tr>
<td>7. Employee Commuting</td>
<td>Not Evaluated</td>
<td>352,437</td>
<td>353,000</td>
<td>From Climate Earth using Input/Output Model based on 3M employee population</td>
<td></td>
</tr>
<tr>
<td>8. Upstream leased assets</td>
<td>Included in scope 1 or scope 2 emissions reporting</td>
<td></td>
<td></td>
<td>Net GHG emissions based on the categories evaluated</td>
<td></td>
</tr>
<tr>
<td><strong>Total Upstream</strong></td>
<td>8,147,000</td>
<td>9,150,000</td>
<td>9,414,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Downstream Emissions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Downstream transportation and distribution</td>
<td>Not Evaluated</td>
<td>1,510,000</td>
<td>1,230,000</td>
<td>Environmental Lab calculated from 3M primary data on downstream transportation</td>
<td></td>
</tr>
<tr>
<td>10. Processing of sold products</td>
<td>Not Evaluated</td>
<td>Not Evaluated</td>
<td></td>
<td>With over 55,000 products and the diversity of products across many market sectors, this complexity and the unknown application (downstream processing) of many products does not allow for calculation, or even a reasonable estimate, for this category.</td>
<td></td>
</tr>
<tr>
<td>11. Use of sold products</td>
<td>Not Evaluated</td>
<td>Under Evaluation</td>
<td></td>
<td>An evaluation of customer GHG reductions from use of sold products is being conducted. The primary products with GHG emission reductions are being evaluated. Continuing work will be conducted on other products with both GHG reductions and GHG emissions during use. The GHG reductions and emissions from these other products are expected to be de minimis compared with the magnitude of primary product use reductions.</td>
<td></td>
</tr>
<tr>
<td>12. End of life treatment of sold products</td>
<td>Not Evaluated</td>
<td></td>
<td></td>
<td>With over 55,000 products and the diversity of products across many market sectors, this complexity and the unknown disposal (end of life treatment) of many products does not allow for calculation, or even a reasonable estimate, for this category. This is unknown as many products are part of our customers' products.</td>
<td></td>
</tr>
<tr>
<td>13. Downstream leased assets</td>
<td>Not Evaluated</td>
<td>Included in scope 1 or scope 2 emissions reporting</td>
<td></td>
<td>3M Operational Control</td>
<td></td>
</tr>
<tr>
<td>14. Franchises</td>
<td>Not Evaluated</td>
<td>None</td>
<td>0</td>
<td>3M Financial Control</td>
<td>No franchises under 3M financial control</td>
</tr>
<tr>
<td>15. Investments</td>
<td>Not Evaluated</td>
<td>None</td>
<td>0</td>
<td>3M Financial Control</td>
<td>No investments under 3M financial control</td>
</tr>
<tr>
<td><strong>Total Downstream</strong></td>
<td>–</td>
<td>1,510,000</td>
<td>1,230,000</td>
<td>Net GHG emissions based on the categories evaluated</td>
<td></td>
</tr>
</tbody>
</table>

**Scope 3 Notes:**

1. The data reported is in accordance to the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
2. An input/output model calculation methodology based on spend by commodity was used in collaboration with Climate Earth for categories 1 and 2, and based on employee headcount by country for category 7.
3. A third party audit of the input/output model data in accordance to the WRI/WBCSD Corporate Value Chain (Scope 3) standard was conducted in 2013 to determine the quality of the data reported and the reliability of the calculation method.
4. Estimated Scope 3 data uncertainty is ±50% (WRI/WBCSD, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011)
3M Italy: Sustainable Building Design
From the Ground Up

3M Italy’s newest headquarters building was built in 2010 in Pioltello, Italy, and is a best-in-class sustainable facility for the Company. Designed to enhance the use of renewable energy, create a motivating office environment and a sense of well-being for employees, and reduce energy and resource needs, the building earned an Italian CENED Class A energy classification under the European Union’s Energy Performance of Building Directive.

The same technologies, solutions and products that 3M presents to markets have been used extensively in this building. The facility is a linear 11,300 m2 building, 105 m long and 21 m wide, with a terraced form stepping down from five to two stories. It’s also gas-free, with all cooling and heating capacity provided through a geothermal system where underground water is later released to the water ditches of Parco della Besozza to support its ecosystem. Thanks to its sustainable design, the building allows for 1,500,000 kWh of energy savings annually.

Sustainable highlights of the building include the following:

- Effective control of solar light and protection from UV rays help reduce the demand for air conditioning in hot summer months. In the winter, 70 percent of the glass facade is exposed to direct sun, thanks to the correct design of shading devices.
- Close proximity to public transportation stations, bicycle ways and shuttle buses enables many commuting options.
- The site offers outdoor activities for employees and on-site changing rooms for employees commuting by bicycle.
- Photovoltaic panels (493 m2) supply 100,000 kWh of energy to the building annually. The photovoltaic system reduced the emissions of OIL (23.6 tons), CO2 (62 tons) and NOx (0.17 tons) in one year.
- A geothermal system reduced the emissions of OIL (195 tons), CO2 (417 tons) and NOx (1.46 tons) in one year.
- The building won the MIPIM AWARD 2011 in the Green Buildings category (the world’s premier real estate event in Cannes for professionals), the U.S. Architectural Award in 2010, and Premio Innovazione Amica dell’Ambiente.

The building allows for 1,500,000 kWh of energy savings annually.

Total Energy Use
3M’s commitment to improving energy efficiency is evident in the figures and goals summary that follows. From 2000 through 2013, 3M reduced energy usage by 49 percent indexed to net sales. Having exceeded its energy-reduction goal ahead of schedule, 3M set an internal target to improve energy use per unit of product an additional 3 percent annually (2010–2015). Achieving these goals would help prevent 1.3 million metric tons of related CO2 emissions.

All manufacturing locations and other locations greater than 30,000 square feet (2787 square meters) report energy use and energy costs into an electronic reporting system monthly. Data is analyzed at the facility, division, business unit and corporate levels quarterly for 3M’s major business as part of 3M’s EHS Management System Scorecard previously described.

Investing in Renewable Energy
3M continues to evaluate, invest in and incorporate on-site renewable energy sources within our own operations where feasible while continuing to expand and collaborate with external partners. We estimate that approximately 1 percent of 3M energy used today is from renewable sources generated on-site in our own operations. We also partner with utility providers that incorporate renewable energy into their own operations, thereby passing those benefits onto their customers, including 3M.

Energy Highlights

- 3M received the 2014 Energy Star Sustained Excellence Award (10th consecutive year).
- We formed partnership to develop novel solutions for transportation, IT and electronics.
- We leveraged grants to advance CO2 recycling, fuel system, battery and solar technologies.
- We formed Engineering Energy Steering Committee to support the policy of building energy efficiency into corporate engineering projects.
- We launched the Global Energy Data Validation and Utility Review to identify savings within facilities, emphasizing the importance of engaging with supporting utilities to understand and verify data accuracy.
- We achieved ISO 50001 certification at a fourth site, and more sites are Pursuing certification.


Collaborating With The Nature Conservancy to Protect Biodiversity While Improving Seed Yields

In the Brazilian Amazon, indigenous territories occupy 22 percent of the Amazon and many of its best-preserved areas. But they suffer from illegal encroachment from loggers. Last year, Brazil adopted its National Indigenous Territories Environmental Management Policy to strengthen indigenous peoples’ control of their lands and direct millions of dollars to needed sustainable development and conservation projects. 3M provided a $500,000 gift to The Nature Conservancy to support implementation of the Indigenous Territories Environmental Management Policy, which will help to address indigenous peoples’ rights, as well as protect pristine habitat in the Brazilian Amazon.

Raw Material Scarcity

OVERVIEW

Raw materials are used in the primary production of manufactured goods. They are also often altered to be used in a variety of processes and applications. Material diversity and availability based on shifts in supply and demand impact technological, operational and geographic developments across the global economy. Raw material scarcity implies that long-term global demand will exceed world supply.

Efficiencies in product design, reconfiguration of new sources, and consideration or recovery of alternative material streams are just a few potential solutions that we use to address material shortages impacting 3M’s global supply chains. Close cross-functional collaboration is key to strategically unlocking new, improved and unique partnerships.

Maximizing Raw Material Usage

Raw material usage is a measurement of overall product and process yield throughout our manufacturing process and a key metric for 3M. It’s indicative of operational excellence in our product designs and manufacturing processes. We base it on a formula that quantifies product output versus all outputs from the process and product and includes all by-products.

The diversity of manufacturing technologies, processes and products at 3M provides opportunities for creative waste usage solutions for the Company. Accurate waste identification is a continuous education process and provides a foundational opportunity to further advance waste minimization and recycling at all our locations. One business’s by-product may connect as another business’s raw material. As we continue to grow internationally, integrating consistent, yet resourceful, waste management practices in accordance to 3M standards remains a key objective.

As such, we continuously look for ways to recover, reuse and recycle by-products and other waste material when feasible. And when it’s not usable, we responsibly dispose of waste materials. The concept of maximizing raw material usage is important both internally and externally to address the global challenge of resource efficiency and scarcity. Improving our raw material usage through product design and operational considerations provides cost benefits throughout our supply chain in material use, energy and transportation efficiency.

Waste from manufacturing sites accounts for the majority of waste in 3M’s environmental footprint. We estimate an additional 4 percent of the waste we generate comes from nonmanufacturing sites, including laboratories, distribution centers and office facilities. 3M’s waste metrics include 3M manufacturing operations with total output greater than 4536 metric tons per year (10,000 pounds), which represents 97 percent of SVOP.

APPROACH

Optimizing Efficiencies in Operational Waste & Recycling

3M’s Waste Management Standard applies to all 3M locations and provides a framework for managing all waste types from the time of generation until reused, recycled, treated or disposed. The Standard sets a baseline for several core waste program elements and encourages waste minimization and recycling whenever possible. Per the Standard, each location is assigned a Waste Management Coordinator who is responsible for ensuring that personnel receive applicable waste training. Compliance with all 3M and other regulated waste requirements is evaluated through the internal environmental auditing program.

3M Corporate Environmental Operations identifies and measures efficiency improvement progress toward raw material usage and waste reduction for sites within our global manufacturing footprint. The results and raw data are used to identify, quantify and prioritize projects to improve utilizing Lean Six Sigma Continuous Improvement methodology. Results are reviewed quarterly and annually within regions, businesses and divisions against goals and tracking metrics.

Specialized teams within the organization work on a variety of projects and programs, ranging from basic office recycling to more complex projects such as developing and capturing intrinsic waste materials generated off a manufacturing line. Through an evaluation process, all aspects of diversion benefits or risk are reviewed. Some programs have initiated and implemented excellent reuse programs, which are then shared as a best practice throughout the organization for replication.

3M continues to work with our customers and manufacturing partners to manage or develop recycling programs to continue to support our community commitment to sustainability.

Air Quality Management

An important component to 3M’s sustainability strategy is our commitment to improving air quality globally. Air emissions from 3M operations include volatile organics, particulates and substances listed on the U.S. EPA Toxic Release Inventory or global equivalent.

As a Company with many solvent-based products, 3M inherently generates volatile organic compounds (VOCs) in many of our manufacturing processes. Emissions of VOCs at many of our manufacturing facilities require permits with rigorous tracking requirements. Even where tracking is not required from a regulatory perspective, 3M’s manufacturing principles require accurate information on its major sources of emissions to understand the level of emissions and to identify opportunities for reductions. 3M has developed internal programs to minimize its emissions. For these reasons, 3M tracks and reports VOC emissions based on raw material usage and pollution control device utilization.

3M processes do not generate significant amounts of other criteria pollutant emissions (i.e., NOx, CO, SO2 and PM) when compared with many other industrial sectors and utilities and to 3M’s VOC emissions. For many 3M manufacturing processes, NOx, SO2, CO and PM are created as an indirect by-product or are generated by combustion. In many locations, emissions of these pollutants have been determined to be below thresholds that would require permitting, tracking and reporting. Therefore, we have chosen to focus our air quality improvement efforts around tracking and reducing our VOC emissions, for which we have been very successful.

With the increasing complexity of air quality regulations globally, reductions in actual air emissions and a solid air...
2013 Sustainable Supplier Expo

In November 2013, 3M hosted its first Sustainable Supplier Expo. We invited new and existing product and package suppliers, both local and globally based, to share sustainability solutions with 3M employees. The purpose of the event was to:

- Educate 3M product and package commercialization team members on sustainability topics related to converted materials, raw materials, chemicals and emerging technologies.
- Obtain solutions to enhance the environmental attributes of 3M’s products and packages, enabling growth.
- Enable new connections with sustainable suppliers.

Suppliers at the event represented a wide variety of materials and technologies, including renewables, printing, bio materials, paperboard, thermofrom, resins and more. The event was well-received by both 3M employees and suppliers, with more than 50 percent of employees who attended reporting that they planned to follow up with suppliers to explore ways to increase 3M’s sustainable product and package offerings. Most suppliers indicated that they would be interested in attending future 3M Supplier Expo events.

“The sustainability expo was a great event and good opportunity to network with others relative to sustainability. I am planning to follow up with some of the 3M Alliance partners, as well as see if more of our 3M labels can be produced with recyclable materials.” — Paul Amos, Building and Commercial Services Division Marketing Manager

The Sustainable Supplier Expo served as a catalyst for sparking new sustainable material ideas that will benefit 3M’s entire value chain.

Implementing & Maintaining Pollution Control

Although 3M has made significant progress in reducing air emissions from our operations through pollution prevention thinking (i.e., elimination at the source) and improving process efficiencies (e.g., Lean Six Sigma), 3M implements and maintains pollution control equipment when necessary. A variety of pollution control technologies are evaluated and utilized to control and reduce our air emissions. These include thermal oxidizers, baghouses, scrubbers and cyclones. 3M maintains rigorous preventative maintenance schedules to ensure proper operation and ongoing air pollution control effectiveness for VOCs, particulate matter and other air emissions.

In the future, 3M is looking to expand the use of alternative control technologies to reduce energy and natural resource usage of pollution control equipment, while still providing required air pollution control efficiencies. Biological air pollution control systems are an innovative solution to control VOC emissions in certain 3M processes. In pilot and select full-scale installations, 3M has demonstrated its technology on appropriate air streams to reduce VOC emissions while significantly reducing operating costs, GHG emissions and eliminating natural gas usage.

Integrating Green Chemistry Initiatives

To integrate more sustainable raw materials, select 3M divisions use the 12 Principles of Green Chemistry (developed by Paul Anastas, with the U.S. EPA, and John Warner, currently President of Warner Babcock Institute for Green Chemistry), a holistic set of principles and framework for putting Green Chemistry into practice, as a tool for product development. Green Chemistry is the design, development and implementation of chemical products and processes to reduce or eliminate the use and generation of substances hazardous to human health and the environment. The products and processes must be more environmentally benign, more economical and better performing than alternatives.

Recycling Plant in Bavaria Eliminates Waste, Conserves Resources

In June 2013, 3M and its subsidiary Dyneon GmbH broke ground on a new pilot plant for specialty plastics recycling in Bavaria, Germany. The facility is designed to recycle polytetrafluoroethylene (PTFE), a Specialty plastic material that is indispensable in the fields of automotive engineering, manufacturing and environmental protection, where it’s used in high-tech applications.

Supported by a nearly €1 million EUR ($1.4 million USD) grant from the German Federal Environment Department, the new plant expects to begin operations by fall 2014. Once open, the pilot plant will recycle up to 500 tons of PTFE production waste and “end of life plastics” (post-consumer PTFE) each year.

Until now, PTFE wastes had to either be incinerated for energy recovery or required cost-intensive disposal in special landfills. With the new facility in Bavaria, however, they can be recycled for reuse in new manufacturing processes without any loss of quality.

Experts estimate that during the processing of PTFE in Europe alone, up to 5,000 tons of PTFE waste are produced annually. The pilot plant in Bavaria with its recycling capacity of 500 tons will save an estimated 2,500 tons of chlorine while eliminating 5,000 tons of CO2 emissions and 5,000 tons of waste acid. In addition to reducing environmental impacts, the plant will also save valuable primary resources, such as fluorine.

All waste recycling, reuse, treatment and disposal practices are required to comply with applicable regulations and the 3M Disposal of Chemical Waste Policy, including waste stream profiles, content identification and labeling. Waste management practices and technologies are required to be approved where the emphasis is on using only the most environmentally safe and appropriate waste management practices available.

The facility is designed to recycle polytetrafluoroethylene (PTFE), a specialty plastic material that is indispensable in the fields of automotive engineering, manufacturing and environmental protection, where it’s used in high-tech applications.
The principles can generally be grouped into four main categories: Hazard Reduction, Lower Impact Products & Processes, Resource Reduction & Conservation, and Use of Renewable Raw Materials.

3M’s Material Resource Division, a major internal supplier of many materials within 3M, created a new product design tool that mandates in its division the evaluation of new chemistries and products against the 12 principles. These principles are as follows:

1. Prevent Waste Generation
2. Atom Economy
3. Less Hazardous Chemical Syntheses
4. Designing Safer Chemicals
5. Safer Solvents and Auxiliaries
6. Design for Energy Efficiency
7. Use of Renewable Feed Stocks
8. Use of Most Direct Synthetic Route
9. Catalysis
10. Design for Degradation
11. Real-Time Analysis for Pollution Prevention
12. Inherently Safer Chemistry for Accident Prevention

The Material Resource Division engages researchers and manufacturers at every stage of development to meet or exceed 3M’s 2015 Sustainability Goals waste reduction targets. Green Chemistry is now a formal part of all scale-up efforts, most notably in an assessment of new programs as they move through research to full-scale production. These assessments are documented to enable rapid implementation and broad application of Green Chemistry advancements, regardless of their origin. These efforts enable the Material Resource Division to effectively introduce alternative sustainable options aligned with increasing regulatory trends and to minimize costs as petroleum prices continue to rise, giving 3M a considerable advantage in raw materials pricing.

GOALS & RESULTS

3M has been setting total waste reduction goals since 1990. Using 1990 as a base year, we’ve reduced our total waste by 68 percent (Indexed to Net Sales through 2013). A history of our waste reduction achievements are highlighted below. By continuing to improve our raw material usage globally, additional progress may be achieved despite continued growth.

The increase in the total amount of waste in 2013 is due in large part to additional waste generation at two facilities; however, there are some general trends that are also impacting the ability to meet our waste goal. Our current waste processing improvement at our manufacturing facilities through redesigns. These efforts require priority, resources and collaboration within our business, sales, marketing, engineering and laboratory groups, in addition to our supply chain and manufacturing functions.

3M’s increase in the production of composite materials such as multilayered films — which provide significant advantages in large part to additional waste generation at two facilities; however, there are some general trends that are also impacting the ability to meet our waste goal. Our current waste processing improvements are driven by product and process technology redesigns. These efforts require priority, resources and collaboration within our business, sales, marketing, engineering and laboratory groups, in addition to our supply chain and manufacturing functions.

• Although we continue to gain benefit by continuous improvement at our manufacturing facilities through incremental process improvements, our current and future direction for significant improvements in waste reduction are driven by product and process technology redesigns. These efforts require priority, resources and collaboration within our business, sales, marketing, engineering and laboratory groups, in addition to our supply chain and manufacturing functions.

• 3M’s increase in the production of composite materials such as multilayered films — which provide significant advantages
for our customers — pose a challenge in the ability to recycle the material using current technologies. 3M continues to explore options for recyclability.

- The Green Fence Initiative in China enforces limitations on materials imported and accepted for recycling in that country. This is resulting in more material, particularly recyclable plastics that must be processed domestically. Limited U.S. infrastructure has caused a reduced demand for material recycling and a lower price for material that could be recycled, making it a less viable option.

VOC Emissions
3M’s commitment to managing and minimizing its VOC emissions is demonstrated with continued results. 3M has had an external VOC emission reduction goal since 1995, resulting in 98 percent reduction in VOCs emitted indexed to net sales. 3M’s results have been driven by plant activities, control device installation and lab reformulations. 3M has a 15 percent reduction goal in place for 2015 and is on track to meet this goal.

A Focus on Packaging
Identifying solutions to minimize product packaging impacts continues to be a raw material focus for 3M. 3M is committed to enabling 100 percent of its packaging to be environmentally sensitive, responsibly sourced, and preferred by our internal and external customers, while providing added value and an economic advantage for 3M.

Our efforts are guided by key product packaging objectives:

- Cost-effective, practical, innovative material solutions through research, development, validation and sharing
- Responsible design and sourcing, while maintaining performance
- Clear and scientifically based substantiated benefits
- Regulatory compliance by 3M and suppliers
- Continued leadership and collaboration internally and externally

Improving Our Packaging Footprint
The commitment to drive innovative, sustainable packaging solutions occurs globally across all levels of packaging from primary to intermediate, as well as shipper and transport levels. The 3M global packaging team inspires and implements creative packaging designs that will function throughout the distribution environment and enable products to arrive safely to the customer.

The global packaging team works with business partners to define packaging strategies, ensure effectiveness and optimization for use, and search for ways to continuously improve packaging as business requirements or emerging technologies change or improve. Packaging improvements may involve increasing the recycled content of the material, changing to a package that users can recycle, integrating a renewable material or creating a package that is reusable. Before a new package is implemented, it receives a technical review and/or package ship test to ensure the new design will function throughout the supply chain.

3M’s diversity of products and packaging in a variety of global markets offer both key challenges and opportunities that include:

- Diverse packaging requirements from marketing, manufacturing, supply chain, customers and merchandising
- Global materials and substantiation
- Different regulatory and industry requirements
- Waste stream and recycling infrastructure
- Cost-effective and bio-material solutions
- Infrastructure and administration of reusable packaging

Continuous Improvement for Existing Packaging
One of 3M’s current primary packaging reduction metrics is continuous improvement. They are projected and estimated reduction targets are set and based on a realistic stretch for acceptable improvement. They are projected and estimated based on relative known opportunity for optimization.

For additional information, including 3M’s Waste Management Standard, view our sustainability policies and standards at www.3M.com/Sustainability.

Water Quality & Availability

Water is the most valuable natural resource for life and thriving ecosystems; therefore, our planet’s consumption must be nurtured and thoughtfully managed. We recognize that reducing water consumption in our operations and improving water quality are important elements of optimizing our environmental stewardship. Quantitatively, the availability of water must meet the needs of current and future consumer demands. In addition, water quality must comply with local regulations and be reliable in the long term.

Water is an important component to the manufacturing and support systems of several of our products. Because of this, 3M continues to actively understand, manage and work toward reducing our corporate water footprint while providing innovative solutions to our customers. We respect our ecological and ethical responsibility and have a vested interest in preserving and improving water availability and quality relative to our operations and the communities we serve.
OUR APPROACH

3M’s Water Management Standard provides a company-wide framework, including both general and specific elements for water management. The standard requires 3M operations to manage their water resources through understanding the balance of water use, compliance with regulatory requirements, systematic and prioritized conservation practices, and reporting usage. Water resources include water intake, effluent water discharge and rainwater.

To inventory, track and understand water use in our operations for improved efficiency, 3M sites are required to report water data quarterly into a corporate tracking system. Additional water source, use and discharge information is collected and provided through an annual assessment and survey process. Aggregated data is evaluated to determine our progress and identify opportunities for increased efficiency in higher-use focus areas.

GOALS & RESULTS

Understanding Local Water Use & Stress

To further mitigate water risks and focus where water is scarce and/or stressed, 3M’s Corporate Operating Committee endorsed a water conservation goal as part of the Company’s 2015 Sustainability Goals. The goal is focused on water conservation planning in projects in progress. We continue to work with remaining sites to develop plans and understand potential local impacts.

Future Water Goals

With an eye on our footprint and the strength of our technologies and collaboration, we acknowledge we can continue to make a difference in water availability and quality around the world. 3M is in the process of evaluating future water goals relative to our operations, our products, and our collaboration with our communities and other stakeholders.

OUR FOOTPRINT

Understanding our full supply chain water footprint is important. We know that today, 3M manufacturing sites account for a majority of 3M’s Environmental Operational Footprint. 3M estimates an additional 4 percent of water use from nonmanufacturing sites, including laboratories, distribution centers and office facilities. The water data provided below includes manufacturing sites that produce more than 4.50 metric tons (10,000 lbs) of product (97 percent of SVOP).

Although 3M does not currently have a quantitative water goal, as our business continues to grow, conservation efforts indicate an 11.9 percent decrease in absolute water use and a 39.6 percent decrease in water use globally from 2005 to 2013 (indexed to net sales).

Further understanding of where water is originally sourced for use in our operations provides insight into our potential impacts within local watersheds. In 2013, based on 3M’s detailed water assessment and survey across sites, results indicate that 63 percent of water is sourced from groundwater sources, 35 percent is sourced from surface water sources, and the remaining is from surface water and externally recycled sources. Results also indicate a majority of 3M water use in operations is for processing products in manufacturing and heating or cooling of those processes and associated operations. We estimate that approximately 37 percent of the total water used is also recycled or reused for secondary use within operations in 2013. We believe this data is extremely conservative given our operations; therefore, we continue to improve our data accuracy through monitoring and measurement.

Water conservation efforts have been achieved through recycling, reuse, and improvements to our buildings and manufacturing processes. A majority of our water-intense manufacturing operations are located in the U.S. and Europe, in areas that are not water-stressed or water-scarce. However, they also contribute significantly to our conservation efforts. As the Company continues to grow globally, thoughtful consideration is placed on the type of operations and availability of water sources.

For more information about 3M’s Water Management Standard, visit www.3M.com/Sustainability.
We also selectively review supplier performance relative to these policies. When noncompliance is detected, 3M will attempt to work with the supplier to correct the situation. We expect the supplier to develop a corrective action plan to bring its operations into compliance, and if a supplier does not develop such a plan or fails to implement it, 3M will move to terminate the business relationship.

3M communicates its sustainability expectations to suppliers through contract clauses, specifications and links to 3M’s website, and in direct business meetings. Improving energy efficiency and reducing waste are common supplier meeting agenda items.

In addition, 3M employees who have responsibility for sourcing suppliers and managing supplier relationships receive training on all aspects of supply chain sustainability, including slavery and human trafficking prohibitions. Most recently 3M has provided training on understanding and managing environmental preference factors in supplier selection. We use product responsibility databases and tools to better manage environmental and health and safety information related to 3M products. We’ve undertaken extensive efforts with 3M suppliers to gather product composition and origin information and other EHS data to ensure compliance with applicable laws wherever 3M does business.

3M has implemented many compliance programs related to material composition and origin. The latest programs address legally harvested plant materials and U.S. SEC disclosure rules regarding the mineral origin of tin, tantalum, tungsten or gold (3TG) in our products (see the Ensuring Supply Chain Compliance section of this document for additional information).
Ensuring Supply-Chain Compliance

OVERVIEW

In August 2012, the U.S. Securities and Exchange Commission (SEC) adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies, beginning in 2014, to publicly disclose their use of conflict minerals (tin, tantalum, tungsten, and gold), commonly referred to as 3TGs, originating in the Democratic Republic of Congo or a neighboring country. 3TGs are necessary to the functionality or production of some of the products that 3M manufactures or contracts to manufacture. For more information, including a link to our SEC Form SD filing, see 3M Working with Suppliers webpage.

Over the past several years, regulations addressing the harvesting of timber and other plant materials have been established in a variety of countries. Among these are the Lacey Act in the U.S., the European Union Timber Regulation and the Australia Illegal Logging Prohibition Act. Although the specific compliance requirements vary, in general, companies like 3M that use paper or other plant-based materials in products or manufacturing must demonstrate “due care” that these materials were obtained in a legal manner.

APPROACH

In order to comply with supply chain requirements like those described above, 3M engages in many initiatives:

- For existing relevant suppliers, we have implemented a prioritized supplier inquiry and verification process.
- Requirements are embedded in our supply chain policy and expectations for new and existing suppliers.
- We establish compliance language in supplier contracts, purchase orders and material specifications as appropriate.
- We develop our own policies to address the challenge represented by the compliance initiatives. For example, in 2013, 3M adopted a paper sourcing policy that defines 3M’s commitment to the responsible sourcing of paper.

Supplier Initiatives & Partnerships

3M strives to engage in a variety of initiatives that aim for a positive impact for our company, our supply chain and the communities where we live and work. Some examples of supplier initiatives and partnerships with organizations to influence supply chain-related issues are provided here.

Supporting Conflict-Free Sourcing Initiatives

3M is a member of the Conflict-Free Sourcing Initiative (CFSI), an organization established by the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative (EICC-GeSI), which develops tools and guidance for companies on conflict minerals. In 2013, 3M was active in CFSI development of the industry white paper titled Reasonable Practices to Identify Sources of Conflict Minerals: A Practical Guide for Downstream Companies.

CFSI also develops standards for assessing smelters and refiners to determine if processed materials originated from conflict-free sources. During the past year, 3M contributed to the CFSI audit. The fund supports responsible minerals sourcing and conflict-free compliance by providing financial assistance to smelters for first-year independent audits under the Conflict Free Smelter (CFS) Assessment Program, in order to certify conflict-free status.

Driving Supply-Chain Sustainability

In 2013, 3M co-led the Global Environmental Management Initiative (GEMI) Supply Chain Work Group, which began development of a new Supply Chain Sustainability (SCS) Tool. The GEMI SCS Tool will provide much-needed insight and support for both sustainability and purchasing professionals by linking market-oriented sustainability claims, economic input-output and life-cycle assessment (LCA) results, and supply chain sustainability performance metrics. The tool will take advantage of a top-down “hotspot” approach and bottom-up “attributional LCA” approach to prioritize environmental aspects within a firm’s supply chain while assessing the most relevant improvement opportunities for commonly purchased products.

For additional information about 3M suppliers, please visit www.3M.com/Suppliers.

Embracing Supplier Diversity in Germany

For more than 30 years, 3M has partnered with Werkstatt für Menschen mit Behinderung (WfB), a sheltered workshop, as a service provider for 3M’s European Distribution Center in Jüchen, Germany. About 30 people with disabilities from WfB work as fully integrated members of the team at 3M’s Jüchen warehouse.

With the support of two group leaders, the team is engaged in customization and packaging activities, and is committed to having fun in the workplace, which enriches the work atmosphere for all employees at the warehouse. Due to the high quality and reliability of the WfB teams, 3M has awarded them several 3M Supplier Awards over the years.

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3M Health & Safety Family Alliance

3M Taiwan established the 3M Health & Safety Family alliance in 2013. This alliance brings together local suppliers, vendors and contractors to advance Environmental, Health and Safety knowledge and performance for all participants.

3M hosted over 50 attendees from 16 firms at our Yangmei facility. This effort was recognized by the Taoyuan County government with a ceremony of certification as a Core Health and Safety Family, and 3M Yangmei was recognized as one of the Outstanding Health and Safety Organizations in Taiwan by the Taiwan Council of Labor Affairs.

3M Taiwan arranged for an independent assurance of our supplier audit process. SGS North America, an industry-leading program verification service validated the effectiveness of the process methodology through a review of key documents, interviews with relevant employees and validation with an external supplier.

Although SGS validated that our program for evaluating supply chain sustainability risk is robust and effective, we are always looking for ways to advance this work and extend 3M’s sustainability initiatives within our sphere of influence. The UN Global Compact Principles will serve as a common framework to guide our sustainability efforts with suppliers.

“On the basis of the methodology described and the review performed, we are satisfied that the 3M Supplier Sustainability Standard Audit Program verified is robust and effective for the evaluation of the supply chain sustainability risk.”

Collaborating With Our Communities

OVERVIEW

3M works hard to create a better world for everyone, and our sustainability approach revolves around philanthropy within global communities. We team with a variety of organizations to gain diverse viewpoints on sustainability, a better understanding of our stakeholders’ positions and a mechanism to learn from the successes and failures of our peers.

Impacting Lives Through 3Mgives

In June 2013, the 3M Foundation Board approved a new strategic plan for global philanthropy to support educational, community and environmental giving while aligning with 3M business drivers, such as innovation, portfolio management and business transformation. A Global Advisory Committee was formed to inform and influence the strategy, drive internal coordination and collaboration, as well as to leverage cash, product and volunteer time giving.

Key accomplishments include the following:

- We rebranded the program as 3Mgives to make it more contemporary and engaging for stakeholders.
- We refocused giving priorities from five areas to three, with the objective of making larger strategic investments producing measureable outcomes.
- Our giving targets now focus on Education (45 percent of investments), Community (40 percent of investments) and Environment (15 percent of investments).
- 3Mgives has enhanced partnerships with 3M businesses to create shared value for the Company and community.
- We increased communication about the program’s results, sharing best practices across 3M and with other companies.
- We established the Global 3M Women’s Leadership Forum to drive global initiatives impacting the inclusion and advancement of women around the world.
- We integrated 3M Employee Resource Networks into 3Mgives to advance diversity, inclusion and business growth opportunities across internal and external activities.

APPROACH

3M decentralizes global community giving and involvement so our subsidiaries in each country can develop and administer programs consistent with both the 3Mgives strategy and local cultures. For example, in the United States, 17 Community Relations Councils develop regional strategies and direct local charitable giving.

Since 1953, 3M and the 3M Foundation have invested over $1.3 billion in cash and product in 3M communities around the world. Significant international contributions add to this total. Today, Belgium, Spain, Italy and Brazil maintain their own foundations, and all other international subsidiaries manage corporate giving programs that benefit education, social services or the environment.

3M is not only a company that creates; it is a company that cares, improving lives each day. In 2013, 3M awarded more than $650 million to nonprofit organizations. These global donations were bolstered by many thousands of employee and retiree volunteers serving hundreds of thousands of hours.

Quality Education For Every Child from Cradle to Career

For 60 years, 3Mgiving has furthered STEM (Science, Technology, Engineering and Math) and Economics education by making investments in nonprofit, school and district initiatives. Since these disciplines open doors to higher education and future careers in current and emerging industries, 3M also invests in quality programs for youths ages 0–21 that lead to personal responsibility, school success, high school graduation, college readiness, post-secondary education and employment. The education programs we support reach over 7.6 million kids each year.

To advance education, 3M supports teachers and students through grants and volunteerism, helping them understand the implications of their roles in the global economy and the implications of personal and public policy decisions.

3M K–12 Focus:

- Spark student achievement in STEM and economics.
- Increase student readiness and access to post-secondary education.
- Make learning relevant by making connections with everyday life and future careers.
- Engage employees and retirees as volunteers.

3M Higher Education Focus:

- Retain and graduate students pursuing careers in science, engineering and business, especially underrepresented groups.
- Advance teaching and learning in science, Engineering and business.
- Build connections with K–12 education to help students prepare for college and to provide professional development for teachers.

Youth Development Focus:

- Lower the high school dropout rate by preparing kids for kindergarten, supporting quality out-of-school programs and engaging students in STEM disciplines.
- Promote youth development through preventive programs and quality out-of-school programs.
- Advance school readiness in early childhood programs.

Engaging Locally

The collaboration, discussions and interactions 3M has with its corporate, regional and local stakeholders strengthen the company’s connection to the community, help address local challenges and build on relevant capabilities. As part of 3M’s 2015 Sustainability Goal to develop stakeholder engagement plans, we began work in 2013 to enhance the local and regional stakeholder engagement process to further align with corporate strategic focus areas. Approximately 115 prioritized manufacturing facilities around the world have completed a stakeholder engagement plan. A framework that enables continuous progress and prioritization was developed with these key features:

- Local Stakeholder Identification and Mapping
- Local Sustainability Materiality Assessment and Alignment Prioritization
- Partnerships and Planning
- Impact Measurement for Engagement Effectiveness
- Reporting and Communications

3M is piloting this new framework and will implement it globally in the near future.
Our Employees Care

Our employees have created many volunteer programs still going strong since 1973. We encourage volunteerism to enhance the quality of life in our communities, to share information about community needs and volunteer opportunities, and to recognize the sharing of time and talents to make a difference.

Employees can participate in a variety of ways:

- Volunteer service on nonprofit boards or community projects
- Service on 3M advisory committees that shape funding priorities and assist with grant reviews
- 3Mgives Volunteer Match, which contributes to nonprofit organizations where employees volunteer at least 20 hours per year and retirees volunteer at least 25 hours per year
- 3Mgives College and University Match throughout the year, with special matches for hunger relief and the environment
- 3Mgives Volunteer Award for outstanding volunteer service

Skills-Based Volunteering: Technical & Business Assistance for Collaborative Solutions

- Finance workshops. Workshops by Finance volunteers help nonprofits with budgeting, ROI, cash flow and long-term financial metrics.
- Optimized production. 3M engineering experts use optimized lean production and warehouse layouts to help Food Banks operate more efficiently and collect, warehouse and distribute food.
- Loving math. 3Mers across the country coach MathCounts and FIRST® Robotics teams at local schools.
- Science encouragement. 3M Visiting Wizards, 3M STEP (Science Training Encouragement Program) and 3M TECH (Technical Teams Encouraging Career Horizons) motivate students with classroom science experiments, STEM career days and student mentoring.
- Board service. More than 200 employees and retirees serve on nonprofit boards to share leadership, financial, marketing, technical and legal skills.
- Child and student law. 3M Legal pro bono work includes partnerships with the Children’s Law Center of Minnesota and Southern Minnesota Regional Legal Services. Work has led to clarification on all Minnesota students’ rights.
- Computer experts. 3M’s social media, marketing and e-Transformation experts help with projects such as inner-city school websites.

Senior Leadership Involvement: Executives at all Levels Lead With Personal Commitment

- Side by side. Senior leaders volunteer alongside other employees at sponsor events during the United Way campaign.
- Leading by example. Many Vice Presidents, General Managers and Operating Committee members lead by example, volunteering year-round.
- Championing causes. Senior leaders serve as champions for volunteer programs.
- Rallying the troops. Our CEO and Senior Vice President rally volunteers and present annual 3Mgives Volunteer Awards.
- Board visibility. 3M leaders serve on nonprofit boards and committees.

Innovative Practices: Tapping Into 3M Innovation for Community Solutions

- 3Mgives Alumni Volunteer new Store-to-Door program helps seniors remain independent by taking grocery store phone orders shopping for groceries and clipping coupons. 3Mgives Alumni Habitat for Humanity marked 18 years in 2013 with a total 64 homes built and substantial work on 92 more homes.
- 3M Sales Force for the Kids. A clever sales force program for volunteering at local Boys & Girls Clubs provides a way for 3M sales employees, who typically work from home and find it harder to participate in corporate volunteer programs, to give back.
- Science encouragement. With engaging science experiments, 3M Visiting Wizards spark kids’ excitement about how science affects their lives.
- Science training. 3M Science Training Encouragement Program (STEP) mentors coach students in science fields and offer summer jobs for real-life experience.

GOALS & RESULTS

Contributions from 3M and 3M Foundation support education, community and environmental organizations that meet the following requirements:

- Are established, well-managed nonprofit groups classified as charitable organizations for tax purposes and are located in, or within programs that serve, 3M communities
- Provide broad-based community support with a reputation for high-quality service delivery and measurable results
- Develop close relationships with community members to identify changing needs
- Maintain strategic partnerships with 3M businesses that advance corporate and community interests, such as investing in the future workforce
- Build the 3M brand and provide opportunities for employee engagement

2013 United Way Spirit of America Award

For its philanthropy, volunteer engagement and community impact, 3M earned the 2013 United Way Spirit of America Award. United Way WorldWide’s highest national honor. We were recognized for setting the standard for improving educational outcomes and creating more sustainable communities.

- 3M raised $8.5 million for 109 communities nationwide through its 3Mgives Campaign in partnership with United Way. In addition, employees volunteered approximately 200,000 total hours. Globally, 33 3M employees serve on United Way boards in the U.S., as well as in Brazil, Chile, Argentina, Colombia and China
- Education programs that 3M supports reach more than 7.6 million young people each year. Programs include sponsorship of FIRST Lego and Robotics teams; Particel, a science-learning site for teens; science fairs; and support of Generation Next, a community collaboration in our headquarters to help close the achievement gap among low-income students. Thousands of 3M employees, including 1500 through the 3Mgives Alumni Stores, volunteered approximately 200,000 total hours. Globally, 33 3M employees serve on United Way boards in the U.S., as well as in Brazil, Chile, Argentina, Colombia and China
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Sparticl: Making Science Fun for Teens

What makes science fun and relevant to teens, parents and teachers? That was the question 3M and Twin Cities Public Television answered with the launch of Sparticl, a science website for teens that meets them where they are: online. Sparticl provides homework help and answers everyday science questions, engaging students through videos, games and sharing. Parents and teachers appreciate Sparticl’s thoughtful design, and quality content that is safe and easy to access.

Developed by Twin Cities Public Television and sponsored by 3M, Sparticl is free to viewers of all ages and brings together the best science content, video and games online, framing them by topic areas that align with teen interests. Sparticl is accessible by computer or mobile device.

Here’s what one teen has to say:

"From now on, I’ll definitely go on there and look for anything I need to research because it’s harder to go out on like Google, for instance, and choose. You have all these options and thousands and thousands of hits for each category, but it is hard to determine which ones are good. And so Sparticl has simplified the process and it says, okay, here are 10 articles on dog comprehension or something like that, and they have 10 articles on that specific category and you can choose from those 10 and you know all of them are reliable, and they provide really detailed and specific information and they are useful. They are not just any old site, they have selected really high-quality ones."

Sparticl launched October 1, 2013, and six months later there were over 250,000 visitors from 90 countries around the world using the site with new visitors each day. Super users can join Sparticl and access other features including avatars and sharing with friends.

### 2013 Total Global Giving by Focus Area

<table>
<thead>
<tr>
<th>GIVING AREA</th>
<th>CASH</th>
<th>IN-KIND</th>
<th>TOTAL</th>
<th>%</th>
<th>VOLUNTEER HOURS</th>
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</thead>
<tbody>
<tr>
<td>Education</td>
<td>$14,194,008</td>
<td>$12,148,628</td>
<td>$26,342,636</td>
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<td>46,978</td>
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<tr>
<td>Community</td>
<td>$14,098,422</td>
<td>$18,514,456</td>
<td>$32,612,878</td>
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<td>202,388</td>
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<tr>
<td>Environment</td>
<td>$1,994,809</td>
<td>$656,758</td>
<td>$2,651,567</td>
<td>4%</td>
<td>4,746</td>
</tr>
<tr>
<td>Total Giving</td>
<td>$30,287,239</td>
<td>$31,319,642</td>
<td>$61,607,081</td>
<td>100%</td>
<td>254,112</td>
</tr>
</tbody>
</table>

### 2013 Total Global Giving by Region

<table>
<thead>
<tr>
<th>REGION</th>
<th>TOTAL DONATIONS ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$8,748,396</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>$21,538,843</td>
</tr>
<tr>
<td>Europe</td>
<td>$21,538,842.52</td>
</tr>
<tr>
<td>Latin America</td>
<td>$6,300</td>
</tr>
<tr>
<td>Middle East / Africa</td>
<td>$4,800</td>
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<tr>
<td>Canada</td>
<td>$1,117,693</td>
</tr>
<tr>
<td>Total Global Giving</td>
<td>$61,607,081</td>
</tr>
</tbody>
</table>

3M’s decentralized community giving information outside of the US is collected through a manual, self-reporting process rather than through traditional accounting systems due to the complex nature of giving. An internal reporting database accessible to all countries has been developed for 3Mgives data reporting. As of year-end 2013, 27 countries with charitable investment giving programs reported their data highlighting the additional giving in 2013 globally.
Providing Healthy Smiles for Children in Argentina

The Sonríe program was developed by 3M Argentina in 2012 to facilitate oral care access to children ages 3–10. Oral diseases are the main cause of school absences among low-resources populations in Argentina, so 3M established the program with support from Fundación Caminando Juntos (United Way Argentina) and in collaboration with Buenos Aires University’s (UBA) Odontology School and Tigre’s municipality, targeting two schools in neighborhoods where visits to the dentist are infrequent.

Students and teachers from UBA’s Odontology School developed a system that allows oral care inside the school through 3M’s PRAT technique, a noninvasive technology for treating and healing cavities. Different from conventional treatment, PRAT is not painful, does not need local anesthesia nor expensive electrical equipment, and reduces treatment time and costs.

In addition to providing medical care and treatment, the Sonríe program includes special classes to instill positive oral care behavior, such as the importance of brushing teeth, flossing and visiting the dentist regularly.

In 2013, more than 150 children benefited directly from oral care thanks to Sonríe, and for many children it was their first visit with a dentist. 3M Argentina is currently looking to scale the program to additional schools.

Improving Water Quality & Wildlife Habitat Through Education and Research

In late 2013, 3M provided a $49,996 grant to the Catawba Science Center in Hickory, North Carolina, for the organization to establish an ecological study of the upper section of the Catawba River basin. The project, which launched in January 2014, will engage local teachers and students in studying the stressors of water quality and ecosystems.

As part of the study, the Catawba Science Center will outfit six great blue herons with special, solar-powered Global Positioning Systems (GPS). Students from local schools will adopt the birds and monitor each heron and its habitat, and they’ll learn about a variety of subjects along the way, including renewable energy, satellite tracking, geo-location, and mapping and triangulation as they follow the journey of their heron. Additional technology will be used for water quality sampling, data analysis, recording of water quality and invertebrate studies as they map their heron’s habitat.

3M Brazil Institute: Formare School Collaborates With Iochpe Foundation to Foster Healthy and Safe Communities Through Youth Development

The 3M Brazil Institute and Iochpe Foundation-Formare Professional Education Program partnered to develop a program for young students seeking vocational training to join the workforce in their communities.

The Formare project began in August 2013 to offer professional education courses for youths ages 17–18 from low-income families. 3M Institute administers classes and coordinates the program, which is hosted at the 3M Sumaré and Manaus sites. The courses, which last approximately seven months, help youths develop careers and prepare themselves for the job market. The production assistance coursework, which is certified by the Ministry of Education, includes 600 hours of theoretical and practical classes and is divided into basic, intermediate and advanced modules. In the advanced session, students participate in professional practice, where they take what they’ve learned outside the walls of a classroom. This unique partnership enables and prepares underprivileged youths with an opportunity to advance their skills and contribute to healthier, safer communities. In 2013, 15 3M volunteers contributed their time and talent to help 20 students complete the coursework and advance their skills.
Partnering to Conserve Natural Resources, Create Jobs, and Reduce Greenhouse Gas Emissions

The 3M Foundation is helping The Nature Conservancy take on conservation priorities in Northern Australia by supporting its work on the 457,000 acre Fish River Station. This property, which contains rare mammals, also encompasses the important floodplains of the Daly River, species and resources we must nurture to maintain biodiversity.

Since 2010, the Conservancy has worked with indigenous rangers and other partners to remove more than 2,500 feral animals from the property, reduce wildfires and abate more than 40,000 tons of potential greenhouse gas emissions through the overall project management. The Fish River Station program serves as a model for other indigenous-run conservation programs across Northern Australia.

The 3M Foundation and The Nature Conservancy also launched a program so indigenous people in Australia can earn carbon credits by reducing greenhouse gas emissions on their land. The community can then sell earned credits to people and businesses wishing to offset their emissions.

Tangible Impact: The Indigenous Land Corporation sold the first indigenous-produced Australian Carbon Credit Units last year and earned $517,000 for ongoing conservation management. The carbon credits will finance ongoing conservation work on their lands, helping to simultaneously stop deadly wildfires, reduce greenhouse gas emissions and provide jobs for indigenous people.

Partnering to Drive Improved Workplace Safety and Skills

WorldSkills International is a nonprofit membership association open to companies and organizations that promote vocational education and training in their respective countries or regions. It is dedicated to achieving higher standards and status for vocational education and training on a worldwide basis.

3M’s Global involvement with WorldSkills began in 2011, when the Company became a global industry partner benefitting from a unique opportunity to work alongside 50-plus member countries committed to sustainable growth. It provides a forum for 3M to engage and influence workforce safety, best practices and skills enhancements within a multitude of vocational skills areas — from welding to floristry to automotive repair to catering.

3M has a strong sponsorship presence at WorldSkills local, regional and global events through in-kind donations such as welding shields, respirator marks, hearing protectors and more. The Company will support the next Global Competition in Sao Paulo in 2015.

Providing Safe, Renewable Energy Sources in Kenya

For children around the world living in extreme poverty, the day ends when the sun sets. And with it, a chance for education. In the Kibera section of Nairobi, Kenya, every daylight hour is spent fighting for survival and collecting firewood, drinkable water and food. Education provides a way out, but with no access to electricity, studying after sundown is impossible. Ruston Seaman, President and CEO of New Vision Renewable Energy, had a plan to permanently improve the lives of people living off the grid. He used his renewable energy expertise to design a lamp that would be solar-powered, easily assembled and cheaply made. There was only one problem: It wasn’t bright enough. Seaman collaborated with 3M’s renewable energy division to identify a 3M reflective film that would improve the lamp’s performance. 3Mgives donated enough Solar Mirror Film for 44,000 lamps, giving Seaman the power to help 44,000 families living in darkness. The solar-powered lamps created a lasting sustainable change in people’s lives, freeing families from the hazards and costs of using kerosene fuel. Parents feel safer at night, and children can finally pursue their studies. It’s light that will last for lifetimes.
For an industry-leading tenth consecutive year, 3M earned the U.S. Environmental Protection Agency’s ENERGY STAR® Partner of the Year-Sustained Excellence Award for its comprehensive worldwide energy conservation efforts. No other company has achieved this distinction for that many consecutive years or as many as ten times.

3M has been included in the Dow Jones Sustainability Index every year since the inception of the Index in 1999 (14 years). We have achieved this by consistently being one of the leading companies in the Industrial Conglomerates sector. The Dow Jones Sustainability Index (DJSI) family is derived from and fully integrated with the Dow Jones Global Total Stock Market Index (DJGI). The top 10% of the leading sustainability companies of the largest 2,500 companies in the DJGI across multiple industry groups and geographies.

3M was recognized as one of America’s most community-minded companies in “The Civic 50,” an annual survey that identifies and recognizes companies for their commitment to improve the quality of life in the communities where they do business. 3M ranked fourth in the “materials” category. Developed by the National Conference on Citizenship, Points of Light and Bloomberg, the survey measures civic engagement programs of S&P 500 companies based on five factors: organizational commitment; strategic investment; business integration; fostering civic culture; and measuring impact.

3M ranked No. 5 on Booz & Company’s Global Innovation 1000 study’s survey ranking of the 10 most innovative companies. Booz & Company, a global management consulting firm, surveyed nearly 400 innovation leaders from companies worldwide to determine which companies are seen as the most innovative. The study again found that higher R&D spending doesn’t guarantee better payoffs. The 10 most innovative companies identified by the 2013 study financially outperformed the world’s top 10 spenders, despite actually spending less on R&D.

3M ranked No. 24 on Interbrand’s 2013 Best Global Green Brands list of companies. Brand consultancy firm Interbrand commended 3M for its sustainability goals and performance, for making sustainability central to all its business activities, and for the numerous awards it garnered in 2013, including the Sustained Excellence Award from the EPA. To make the list, companies must perform well in both sustainability performance and perception.

3M ranked in the top 10 on the 2013 Best Companies for Leaders, conducted by the Chally Group for CEO Magazine.

Sustainability Awards
Data Collection, Adjustments & Verification
The data provided in this report through facts and figures is based on activities during 3M’s fiscal year 2013. For some performance indicators, previous year’s data is provided to allow for annual comparisons.

Report Data Collection
Due to the size and geographical extent of our operations, it is at times difficult to obtain all data points. Therefore, to the extent possible, limitations and assumptions are stated as information in the report. The data reported in this report has been reviewed for accuracy and completeness, including the reliability of the systems used to obtain the data. Corporate staff have also verified the implementation of policies and management systems through audits and self-reporting systems.

- Financial Data: Financial information referenced in this report is collected and reported in accordance with the United States Securities and Exchange Commission through the 2014 Annual Report.
- Environmental, Health and Safety (EHS) Data: The EHS data in this report is related to release to the environment, safety performance, management systems implementation and regulatory compliance. Data collection systems are in place at applicable sites to track and collect environmental, health and safety data through the corporate-wide EHS reporting systems (e.g., Environmental Targets Database, Worldwide Incident Management System).
- Social Data: The data related to employee metrics, social practices, and community programs has been derived from various databases from within the Human Resources and 3Mgives organizations. This data has been reviewed and verified by the departments responsible for maintaining the internal reporting systems.

Sites acquired by 3M are integrated into 3M programs and reporting systems via a prioritized functional integration schedule. Timeframe for integration varies depending on subject matter reporting requirements and site systems prior to being acquired; however, on average integration ranges between one to three years.

Base Year & Other Adjustments
3M’s Annual Report (10K) and Investor Relations website document any changes to financial data. Several of 3M’s environmental goals are normalized per net sales. 3M does not adjust sales data for inflation.

3M generally does not adjust its base-year environmental metrics data to reflect changes in 3M’s organizational structure. As a result, 3M sets environmental targets that are normalized or indexed to production (tons emitted or net sales) to ensure the environmental progress we report publically is not unduly influenced by changes to our organizational structure. However, in the case of our greenhouse gas emissions data, 3M follows the World Resource Institute and World Business Council for Sustainable Development GHG Protocol. Consequently, we readjust our greenhouse gas emissions base-year data in the case of business acquisitions and divestitures.

In every case, 3M adjusts base-year and other years’ data if data collection methods change or data errors are identified. Any significant changes in the measurement methods and/or data values applied to key environmental metrics from previous years are documented within the report. Significant changes are defined by 3M’s Sustainability Report as changes greater than 5 percent of the original data point.

In 2013, 3M identified and corrected data entry errors regarding our detailed water source and recycling metrics. Water percentages were reversed for water sourced from surface water and recycled external sources. Total water recycled was also entered incorrectly. The correct percentages in 2012 were as follows: Total water recycled (36.6%), Water sourced from surface water (0.1%) and Water sourced from recycled external sources (1.3%).

In 2011, 3M returned to a more conventional definition of waste that considered recycling as neutral (contributing neither toward total waste nor toward good output). Between 2005 and 2010, 3M adopted a different definition of waste to drive the company’s waste reduction efforts toward more sustainable solutions, such as pollution prevention. 3M’s waste reduction goal and progress during this period included recycling. Waste data is reported in this report using both definitions. When total waste is discussed in general, a conventional neutral definition of recycling is used.

On June 5, 2014, 3M corrected a reference to Greener Post-it Notes (page 6) and the Sparticl launch date (page 130) in the original 2014 Sustainability Report.
Data Verification

Internal Verification: 3M has conducted an internal verification of the information provided in this report. The objectives for our assurance process included:

- Accuracy and completeness of data
- Reliability of systems used to measure and record data
- Reliability of ratios compiled from underlying data
- Adherence to the GRI G3.1 Reporting Guidelines
- Implementation of internal policies and related management systems as reported
- Presentation of a complete and fair picture in the report as a whole

Third-Party Verification: ISOS Group (“Assurance Provider”) provided independent third-party assurance for this report covering activities January 1, 2013, to December 31, 2013. ISOS group verified environmental and social metrics. See Appendix A of this report for its assurance statement.

Global Principles & Guidelines

Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that includes representatives from business, government, labor, third-party advocacy groups and academia. The GRI organization has developed a framework for sustainability reporting. Following the GRI Sustainability framework advances two important objectives: transparency and the ability to compare results from one organization to another. 3M has developed this report using GRI G3.1 Guidelines. The following table outlines where specific GRI reporting elements and indicators are addressed in the report or other reporting sources including 3M’s 2013 Annual Report (10K) (AR), 2014 3M Proxy Statement (PR) or other noted sources. Our disclosure levels are noted in the GRI Index of this report (e.g., Full, Partial, Not Reported). 3M self-declares the 2014 report as a “B+” level report. 3M plans to align its 2015 Sustainability Report with the GRI G4 Guidelines.

United Nations Global Compact Communication on Progress

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. 3M committed to the UN Global Compact principles in early 2014. This report includes an index of our Communication on Progress implementing the 10 principles within the content of this 2014 Sustainability Report.

Contact 3M

Further information regarding this sustainability report can be obtained by contacting 3M Sustainability at Sustainability@mmm.com.

Global Reporting Initiative (GRI) Content Index & UN Global Compact Report on Progress

Global Reporting Initiative Reporting Guidelines

3M has developed this report using the Global Reporting Initiatives’ G3.1 Guidelines. The following table outlines where specific GRI reporting elements and indicators are addressed in the report or other reporting sources including 3M’s 2013 Annual Report (10K) (AR), 2014 3M Proxy Statement (PR) or other noted sources. Disclosure level are also provided: Full, Partial, or Not Reported.

UN Global Compact Principles

3M committed to the UN Global Compact principles in February 2014. Below is an index cross-linking progress elements related to the 10 principles within the content of this 2014 Sustainability Report.

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
<table>
<thead>
<tr>
<th>GRI Profile Disclosure</th>
<th>UN Global Compact Principles (Cross-Reference)</th>
<th>Description</th>
<th>Cross-Reference (Hyperlinks) OR Direct Answer</th>
<th>Page(s)</th>
<th>GRI Disclosure Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td></td>
<td>Statement from the most senior decision-maker of the organization.</td>
<td>CEO Letter</td>
<td>5-6</td>
<td>Full</td>
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</tbody>
</table>
| 1.2                    |                                | Description of key impacts, risks and opportunities. | CEO Letter  
Our Strategy  
Sustainability Materiality | 5-6  
9-16  
17-22 | Full               |
| 2.1                    |                                | Name of the organization. | About 3M | 23              | Full               |
| 2.2                    |                                | Primary brands, products and/or services. | Our Products  
3M Website-Our Products | 24 | Partial            |
| 2.3                    |                                | Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures. | About 3M  
2013 Annual Report | 23-24  
AR: 3-5 | Full               |
| 2.4                    |                                | Location of organization’s headquarters. | About 3M | 23              | Full               |
| 2.5                    |                                | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues. | About 3M | 23              | Full               |
| 2.6                    |                                | Nature of ownership and legal form. | About 3M  
2013 Annual Report | 23  
AR: 1 | Full               |
| 2.7                    |                                | Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries). | About 3M  
Our Products  
2013 Annual Report | 23-24  
24  
AR: 3-5 | Full               |
| 2.8                    |                                | Scale of the reporting organization. | About 3M | 23-24              | Full               |
| 2.9                    |                                | Significant changes during the reporting period regarding size, structure or ownership. | 2014 Proxy Statement  
AR: 59-61 | Full               |
<p>| 2.10                   |                                | Awards received in the reporting period. | Sustainability Awards | 135-136  | Full               |</p>
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<th>UN Global Compact Principles (Cross-Reference)</th>
<th>Description</th>
<th>Cross-Reference (Hyperlinks) OR Direct Answer</th>
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<td>Reporting period (e.g., fiscal/calendar year) for information provided.</td>
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<tr>
<td>3.2</td>
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<td>Date of most recent previous report (if any).</td>
<td>Report Schedule and Period</td>
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<tr>
<td>3.3</td>
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<td>Report Schedule and Period</td>
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<td>About This Report (Contact 3M)</td>
<td>139</td>
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<tr>
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<td>Process for defining report content.</td>
<td>Stakeholders and Sustainability Materiality</td>
<td>17-22</td>
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<tr>
<td>3.6</td>
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<td>Organizational Boundaries</td>
<td>137</td>
<td>Full</td>
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<tr>
<td>3.7</td>
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<tr>
<td>3.9</td>
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<td>Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.</td>
<td>Data Collection, Adjustments, and Verification</td>
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<td>3.10</td>
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<td>Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).</td>
<td>Data Collection, Adjustments, and Verification</td>
<td>137-139</td>
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<td>Data Collection, Adjustments, and Verification Independent Assurance Report</td>
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### Reporting Parameters

- **3.1**: Reporting period (e.g., fiscal/calendar year) for information provided.
  - Path: Report Schedule and Period
  - Page: 137

- **3.2**: Date of most recent previous report (if any).
  - Path: Report Schedule and Period
  - Page: 137

- **3.3**: Reporting cycle (annual, biennial, etc.).
  - Path: Report Schedule and Period
  - Page: 137

- **3.4**: Contact point for questions.
  - Path: About This Report (Contact 3M)
  - Page: 139

- **3.5**: Process for defining report content.
  - Path: Stakeholders and Sustainability Materiality
  - Page: 17-22

- **3.6**: Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).
  - Path: Organizational Boundaries
  - Page: 137

- **3.7**: State any specific limitations on the scope or boundary of the report.
  - Path: Organizational Boundaries
  - Page: 137

- **3.8**: Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
  - Path: Organizational Boundaries
  - Page: 137

- **3.9**: Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.
  - Path: Data Collection, Adjustments, and Verification
  - Page: 137-139

- **3.10**: Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
  - Path: Data Collection, Adjustments, and Verification
  - Page: 137-139

- **3.11**: Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.
  - Path: Data Collection, Adjustments, and Verification
  - Page: 137-139

- **3.12**: Table identifying the location of the Standard Disclosures in the report.
  - Path: GRI Content Index
  - Page: 140-164

- **3.13**: Policy and current practice with regard to seeking external assurance for the report.
  - Path: Data Collection, Adjustments, and Verification Independent Assurance Report
  - Page: 137-139

**Appendix A**: GRI Profile

- **UN Global Compact Principles**
  - **Description**: Cross-Reference (Hyperlinks)
  - **Page(s)**: OR Direct Answer
  - **GRI Disclosure Level**: Full, Partial, Not Reported
<table>
<thead>
<tr>
<th>GRI Profile Disclosure</th>
<th>UN Global Compact Principles (Cross-Reference)</th>
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<th>Page(s)</th>
<th>GRI Disclosure Level</th>
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<tbody>
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<td>4.1</td>
<td>Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.</td>
<td>Corporate Governance 2014 Proxy Statement</td>
<td>25-34 PR: 9-18</td>
<td>Full</td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Indicate whether the Chair of the highest governance body is also an executive officer.</td>
<td>Corporate Governance 2014 Proxy Statement</td>
<td>25-34 PR: 10-11</td>
<td>Full</td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or nonexecutive members.</td>
<td>Corporate Governance 2014 Proxy Statement</td>
<td>25-34 PR: 19</td>
<td>Full</td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.</td>
<td>Shareholder and Stakeholder Input 2014 Proxy Statement (Annual Meeting of Stockholders)</td>
<td>31 PR: iii-8</td>
<td>Full</td>
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</tr>
<tr>
<td>4.5</td>
<td>Linkage between compensation for members of the highest governance body, senior managers and executives.</td>
<td>2014 Proxy Statement</td>
<td>PR: 41-73</td>
<td>Full</td>
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</tr>
<tr>
<td>4.6</td>
<td>Processes in place for the highest governance body to ensure conflicts of interest are avoided.</td>
<td>Corporate Governance 2014 Proxy Statement</td>
<td>25-34 PR: 9-18</td>
<td>Full</td>
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<tr>
<td>4.7</td>
<td>Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.</td>
<td>Corporate Governance 2014 Proxy Statement</td>
<td>25-34 PR: 9-18</td>
<td>Full</td>
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<tr>
<td>4.8</td>
<td>Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance, and the status of their implementation.</td>
<td>Governance, Values and Ethics</td>
<td>25-42</td>
<td>Full</td>
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</tr>
<tr>
<td>4.9</td>
<td>Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.</td>
<td>Managing Enterprise Risks and Opportunities 2014 Proxy Statement (Board’s Role in Risk Oversight) 2013 Annual Report</td>
<td>34-35 PR:15 AR: 9-11</td>
<td>Full</td>
<td></td>
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<tr>
<td>4.10</td>
<td>Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental and social performance.</td>
<td>2014 Proxy Statement (Compensation Committee)</td>
<td>PR: 23, 41-73</td>
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<td>GRI Profile Disclosure</td>
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<tr>
<td>4.11</td>
<td>Explanation of whether and how the precautionary approach or principle is addressed by the organization.</td>
<td>3M Environmental Policy (<a href="http://www.3M.com/Sustainability)-Policies">www.3M.com/Sustainability)-Policies</a> and Reports Optimizing Our Environmental Footprint Driving Growth through Sustainable Product Stewardship</td>
<td>91-120 59-63</td>
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<td>4.12</td>
<td>Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.</td>
<td>Human Rights Code of Conduct Engaging Our Stakeholders</td>
<td>39-42 35-39 17-20</td>
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<td>4.13</td>
<td>Memberships in associations (such as industry associations) and/or national/international advocacy organizations.</td>
<td>Engaging Our Stakeholders</td>
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<tr>
<td>4.14</td>
<td>List of stakeholder groups engaged by the organization.</td>
<td>Engaging Our Stakeholders</td>
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<td>4.15</td>
<td>Basis for identification and selection of stakeholders with whom to engage.</td>
<td>Engaging Our Stakeholders</td>
<td>17-20</td>
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<td>4.16</td>
<td>Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.</td>
<td>Engaging Our Stakeholders Frequency and level of stakeholder engagement is considered Business Confidential.</td>
<td>17-20</td>
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<td>4.17</td>
<td>Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.</td>
<td>Sustainability Materiality Process and Outcomes</td>
<td>20-22</td>
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### Performance Indicators

#### Economic

<table>
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<tr>
<th>EC1</th>
<th>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.</th>
<th>Financial Summary 2013 Annual Report</th>
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<td>Financial/Summary</td>
<td>Revenues 55-57</td>
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<td>Operating Costs AR-19</td>
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<td>Employee Compensation AR-20</td>
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<td>Operating Costs</td>
<td>Community Investments AR-48</td>
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<td>Community Investments</td>
<td>Financial/Summary AR-46-51</td>
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<tr>
<td>EC2</td>
<td>Principle 7</td>
<td>Financial implications and other risks and opportunities for the organization’s activities due to climate change.</td>
</tr>
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<td>EC3</td>
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<td>Coverage of the organization’s defined benefit plan obligations.</td>
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<td>EC4</td>
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<td>Significant financial assistance received from government.</td>
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<td>EC5</td>
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<td>Range of ratios of standard entry-level wage by gender compared with local minimum wage at significant locations of operation.</td>
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<td>EC6</td>
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<td>Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.</td>
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<td>EC7</td>
<td>Principle 6</td>
<td>Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.</td>
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<td>EC8</td>
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<td>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.</td>
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<td>EC9</td>
<td></td>
<td>Understanding and describing significant indirect economic impacts, including the extent of impacts.</td>
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<td><strong>Environmental</strong></td>
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<td>EN1</td>
<td>Principle 7, 8</td>
<td>Materials used by weight or volume.</td>
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<td>EN2</td>
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<td>Percentage of materials used that are recycled input materials.</td>
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<td>EN3</td>
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<td>Direct energy consumption by primary energy source.</td>
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<td>EN4</td>
<td>Principle 8</td>
<td>Indirect energy consumption by primary source.</td>
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<td>EN5</td>
<td>Principle 8</td>
<td>Energy saved due to conservation and efficiency improvements.</td>
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<td>EN6</td>
<td>Principle 8, 9</td>
<td>Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.</td>
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<td>EN7</td>
<td>Principle 8, 9</td>
<td>Initiatives to reduce indirect energy consumption and reductions achieved.</td>
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<td>EN8</td>
<td>Principle 7, 8</td>
<td>Total water withdrawal by source.</td>
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<td>EN9</td>
<td>Principle 8</td>
<td>Water sources significantly affected by withdrawal of water.</td>
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<td>EN10</td>
<td>Principle 8</td>
<td>Percentage and total volume of water recycled and reused.</td>
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<tr>
<td>EN11</td>
<td>Principle 8</td>
<td>Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas.</td>
</tr>
<tr>
<td>EN12</td>
<td>Principle 8</td>
<td>Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</td>
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<tr>
<td>EN13</td>
<td>Principle 8</td>
<td>Habitats protected or restored.</td>
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<tr>
<td>EN14</td>
<td>Principle 8</td>
<td>Strategies, current actions and future plans for managing impacts on biodiversity.</td>
</tr>
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<td>EN15</td>
<td>Principle 8</td>
<td>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.</td>
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<td>EN16</td>
<td>Principle 7, 8</td>
<td>Total direct and indirect greenhouse gas emissions by weight.</td>
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<tr>
<td>EN17</td>
<td>Principle 8</td>
<td>Other relevant indirect greenhouse gas emissions by weight.</td>
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<td>EN18</td>
<td>Principle 8, 9</td>
<td>Initiatives to reduce greenhouse gas emissions and reductions achieved.</td>
</tr>
<tr>
<td>EN19</td>
<td>Principle 7, 8</td>
<td>Emissions of ozone-depleting substances by weight.</td>
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<tr>
<td>EN20</td>
<td>Principle 7, 8</td>
<td>NOx, SOx, and other significant air emissions by type and weight.</td>
</tr>
<tr>
<td>EN21</td>
<td>Principle 8</td>
<td>Total water discharge by quality and destination.</td>
</tr>
<tr>
<td>EN22</td>
<td>Principle 8</td>
<td>Total weight of waste by type and disposal method.</td>
</tr>
<tr>
<td>EN23</td>
<td>Principle 8</td>
<td>Total number and volume of significant spills.</td>
</tr>
<tr>
<td>EN24</td>
<td>Principle 8</td>
<td>Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.</td>
</tr>
<tr>
<td>EN25</td>
<td>Principle 8</td>
<td>Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff.</td>
</tr>
<tr>
<td>EN26</td>
<td>Principle 7, 8, 9</td>
<td>Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.</td>
</tr>
<tr>
<td>EN27</td>
<td>Principle 8</td>
<td>Percentage of products sold and their packaging materials that are reclaimed by category.</td>
</tr>
<tr>
<td>EN28</td>
<td>Principle 8</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</td>
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<tr>
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<td>UN Global Compact Principles (Cross-Reference)</td>
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<tr>
<td>EN29</td>
<td>Principle 8</td>
<td>Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce.</td>
</tr>
<tr>
<td>EN30</td>
<td>Principle 7, 8, 9</td>
<td>Total environmental protection expenditures and investments by type.</td>
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<tr>
<td><strong>Human Rights</strong></td>
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<tr>
<td>HR1</td>
<td>Principle 2</td>
<td>Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.</td>
</tr>
<tr>
<td>HR2</td>
<td>Principle 2</td>
<td>Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening and actions taken.</td>
</tr>
<tr>
<td>HR3</td>
<td>Principle 1</td>
<td>Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.</td>
</tr>
<tr>
<td>HR4</td>
<td>Principle 6</td>
<td>Total number of incidents of discrimination and corrective actions taken.</td>
</tr>
<tr>
<td>HR5</td>
<td>Principle 3</td>
<td>Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.</td>
</tr>
<tr>
<td>HR6</td>
<td>Principle 5</td>
<td>Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.</td>
</tr>
<tr>
<td>HR7</td>
<td>Principle 4</td>
<td>Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.</td>
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<tr>
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<td>UN Global Compact Principles (Cross-Reference)</td>
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</tr>
<tr>
<td>HR8</td>
<td>Principle 1</td>
<td>Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.</td>
</tr>
<tr>
<td>HR9</td>
<td>Principle 1</td>
<td>Total number of incidents of violations involving rights of indigenous people and actions taken.</td>
</tr>
<tr>
<td>HR10</td>
<td>Principle 1</td>
<td>Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.</td>
</tr>
<tr>
<td>HR11</td>
<td>Principle 1</td>
<td>Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.</td>
</tr>
</tbody>
</table>

**Labor Proactive and Decent Work**

| LA1                    | Principle 6                                   | Total workforce by employment type, employment contract and region broken down by gender.                                      | Globally Diverse Workforce                                                                                                                                                                                                                                                                                     | 65-70   |                     |
| LA2                    | Principle 6                                   | Total number and rate of new employee hires and employee turnover by age group, gender and region.                           | Globally Diverse Workforce  
Turnover is considered Business Confidential                                                                                                                                                                                                                                                                  | 65-70   |                     |
<p>| LA3                    |                                                | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.       | Globally Diverse Workforce                                                                                                                                                                                                                                                                                     | 65-70   |                     |
| LA4                    | Principle 3                                   | Percentage of employees covered by collective bargaining agreements.                                                      | Approximately 29 percent of 3M’s global workforce is unionized.                                                                                                                                                                                                                                              |         |                     |
| LA5                    | Principle 3                                   | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. | 3M follows all applicable local laws and regulations regarding notice periods in the event of business operations changes.                                                                                                                                                                                      |         |                     |</p>
<table>
<thead>
<tr>
<th>GRI Profile Disclosure</th>
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<tbody>
<tr>
<td>LA6</td>
<td></td>
<td>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.</td>
<td>Approximately 75 percent of 3M employees are represented in formal joint management worker health and safety committees. This includes 3M employees working in manufacturing, laboratories and distribution centers. Some, but not all, administrative employees are covered by health and safety committees.</td>
<td></td>
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<tr>
<td>LA7</td>
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<td>Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and gender.</td>
<td>Global Health and Safety</td>
<td>81-96</td>
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<td>LA8</td>
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<td>Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.</td>
<td>Health and Wellness</td>
<td>76-77</td>
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<tr>
<td>LA9</td>
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<td>Health and safety topics covered in formal agreements with trade unions.</td>
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<td>LA10</td>
<td>Principle 6</td>
<td>Average hours of training per year per employee by gender and by employee category.</td>
<td>Although 3M tracks some training hours, it is not consistent globally. 3M believes indicators that align with results of the people to success of the Company are direct indicators of successful development programs (e.g. Leadership &amp; Employee engagement, Retention, Brand Recognition, New Product Vitality Index)</td>
<td></td>
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<tr>
<td>LA11</td>
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<td>Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.</td>
<td>Investing in Our People</td>
<td>71-80</td>
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</tr>
<tr>
<td>LA12</td>
<td>Principle 6</td>
<td>Percentage of employees receiving regular performance and career development reviews by gender.</td>
<td>Investing in Our People</td>
<td>71-80</td>
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<tr>
<td>LA13</td>
<td>Principle 6</td>
<td>Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.</td>
<td>Corporate Governance Globally Diverse Workforce</td>
<td>25-34 65-70</td>
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<td>LA14</td>
<td>Principle 6</td>
<td>Ratio of basic salary of men to women by employee category.</td>
<td>3M administers performance-related compensation regardless of gender.</td>
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<td>GRI Profile Disclosure</td>
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<td>LA15</td>
<td>Principle 6</td>
<td>Return to work and retention rates after parental leave, by gender.</td>
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<td>SO1</td>
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<td>Percentage of operations with implemented local community engagement, impact assessments and development programs.</td>
<td>Sustainability Performance Summary Collaborating With Our Communities</td>
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<td>Percentage and total number of business units analyzed for risks related to corruption.</td>
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<td>SO3</td>
<td>Principle 10</td>
<td>Percentage of employees trained in organization’s anti-corruption policies and procedures.</td>
<td>Code of Conduct</td>
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<td>SO5</td>
<td>Principle 10</td>
<td>Public policy positions and participation in public policy development and lobbying.</td>
<td>Public Policy and Engagement</td>
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<td>SO6</td>
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<td>Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.</td>
<td>3M Political Activities Principle 3M PAC Contributions (<a href="http://www.fec.gov">www.fec.gov</a>) Any political activities outside the United States require approval by the Executive Vice President of International Operations.</td>
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<td>●</td>
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<td>SO7</td>
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<td>Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices, and their outcomes.</td>
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<td>SO8</td>
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<td>Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations.</td>
<td>2013 Annual Report</td>
<td>AR:102-110</td>
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<td>SO9</td>
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<td>Operations with significant potential or actual negative impacts on local communities.</td>
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<td>SO10</td>
<td>Principle 1</td>
<td>Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.</td>
<td>Environmental Management System and Compliance Safety and Health Management Code of Conduct Collaborating With Our Communities</td>
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<tr>
<td>PR1</td>
<td></td>
<td>Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.</td>
<td>Life-Cycle Management and Analysis</td>
<td>59-63</td>
<td>Full</td>
</tr>
<tr>
<td>PR2</td>
<td></td>
<td>Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.</td>
<td></td>
<td></td>
<td>Full</td>
</tr>
<tr>
<td>PR3</td>
<td></td>
<td>Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.</td>
<td>Life-Cycle Management and Analysis</td>
<td>59-63</td>
<td>Full</td>
</tr>
<tr>
<td>PR4</td>
<td></td>
<td>Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.</td>
<td>3M is not aware of any significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.</td>
<td></td>
<td>Full</td>
</tr>
<tr>
<td>PR5</td>
<td></td>
<td>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.</td>
<td>This information is considered Business Confidential.</td>
<td></td>
<td>Full</td>
</tr>
<tr>
<td>PR6</td>
<td></td>
<td>Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.</td>
<td>3M is not aware of any significant fines for noncompliance with laws and regulations concerning the provision and use of products and services. See 3M’s Business Conducts Policy: Advertising and Product Representation Policy.</td>
<td></td>
<td>Full</td>
</tr>
<tr>
<td>PR7</td>
<td></td>
<td>Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.</td>
<td></td>
<td></td>
<td>Full</td>
</tr>
<tr>
<td>PR8</td>
<td></td>
<td>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.</td>
<td></td>
<td></td>
<td>Full</td>
</tr>
<tr>
<td>PR9</td>
<td></td>
<td>Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.</td>
<td>3M is not aware of any significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.</td>
<td></td>
<td>Full</td>
</tr>
</tbody>
</table>
Thank you.
The objective of the assurance engagement was to
the scope of this engagement.

already externally verified, has been excluded from
control. Financial and greenhouse gas information,
than 50% ownership) where 3M maintains operational
ownership) and partially owned subsidiaries (greater
facilities worldwide including joint ventures (greater than 50%

Indicators [“Subject Matter”]:

a selection of the GRI Standard Disclosures: Performance
indicators [“Performance Indicators”];

CRITERIA FOR ASSURANCE AND LEVEL OF
ASSURANCE

Procedures selected were based on the Assurance Provider’s
judgment and experience. The focus of all work performed
was whether any matters have come to our attention
causing us to believe that the material data found in
3M’s 2014 Sustainability Report has not been prepared in
accordance with the Global Reporting Initiative’s G3.1
Guidelines, GHG Protocol (WBCSD/WRI, 2004), SA8000
(for issues of labor and human rights) and in adherence
to the AA 1000AS Principles of Inclusivity, Materiality and
Responsiveness (for underlying reporting processes). A
materiality threshold of 5% of the quantitative assertions
was used for this review. Comparisons to previous years’
data were reviewed, but the data from baseline years did
not undergo verification.

METHODOLOGY

In order to form our conclusions, the assurance was
undertaken as a sampling exercise and covered the following
activities:

• Performed process interviews with 3M’s reporting
team and subject matter experts to verify consistency
in the management approach for collecting, aggregating
and reporting data and implementing internal quality
control procedures;

• Reviewed original sources of data for the indicators
in scope for three representative facilities (Hutchinson,
USA; Tuas, Singapore; and Itapetininga, Brazil) to
determine whether the data for these indicators,
disclosed through the Sustainability Report is accurate
and reliable;

• Reviewed key data management systems, procedures
and controls relating to the collection, aggregation
and reporting processes of the selected Performance
Indicators;

• Conducted investigations of publically available
records and databases to determine the legitimacy of
3M’s assertions in the Sustainability Report;

• Reviewed several drafts of the Sustainability Report
along with supporting data and, as necessary,
provided recommendations on discrepancies that might
affect communication to stakeholders;

• Prepared an outcomes log which documented the
following categories of findings: discrepancies and/or
or gaps for data reported; inconsistencies in the use
and/or interpretation of data contained in the data
management systems; identification of statements
in 3M’s 2014 Sustainability Report which did not
match the supporting that was data provided; and,
nonconformities of reported data for the selected
Performance Indicators to the definitions established
by GRI.

CONCLUSION

Based on the process and procedures conducted, there
is no evidence that the assertions included in 3M’s 2014
Sustainability Report are not materially correct and is a
fair representation of the data and information for the
stated period and boundaries. Therefore, we confirm that
the GRI requirements for Application Level B+ have been met.

3M took immediate corrective action to address each
issue identified by ISOS. Integrity through leadership
and executed at all levels of the organization enables
the Company’s to move beyond compliance and set the
tone for its value chain. The Company’s commitment to
quality management can only be enhanced by infusing an
additional layer of internal review at the facility level on data
and at the corporate level on assertions made within the
Report.