“Starting with technology and working toward the improvement of every life on the planet allows us to think holistically about addressing global challenges.”

— Inge G. Thulin
Chairman of the Board, President and Chief Executive Officer of 3M Company
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On the cover:

**3M Design illuminated creativity at Milan Design Week with the Urban Tree Lounge, an installation combining sustainability, materials design and architecture.**
As the global population marches toward 9 billion people, it is creating an even more urgent need to address sustainability challenges — from air pollution and water shortages to food safety and clean energy. Our greatest opportunity to overcome these challenges lies with innovation and collaboration. As a science company, 3M partners with our customers and communities to make the world cleaner, safer and stronger. Starting with technology and working toward the improvement of every life on the planet allows us to think holistically about addressing global challenges.

Our investments in sustainable technologies are guided by our customers’ needs. These include glass bubbles that make cars lighter and more fuel efficient, films that make smartphones and buildings more energy efficient, and low global warming potential immersion fluid that cools data centers.

Beyond collaborating with customers, 2015 was a year of many partnerships toward building a better future:

- We joined other global companies to help municipalities implement recycling programs through the Closed Loop Fund. This landmark partnership will invest $100 million to protect the environment, generate revenue for cities and create thousands of jobs.
- We made an agreement to purchase electricity from a wind farm, helping us work toward our renewable energy goals for 2025.

“Starting with technology and working toward the improvement of every life on the planet allows us to think holistically about addressing global challenges.”

– Inge G. Thulin
Chairman, President and CEO
• We announced a revised pulp and paper sourcing policy providing leading-edge protection for forests, critical habitats and forest communities worldwide.

• During 3M’s Global Volunteer Day, 3Mers from 80 international locations renovated schools, built outdoor learning centers and engaged thousands of students on the power of science to improve lives. This supports our broader work to encourage young people to enter STEM-related fields.

Also in 2015, our Pollution Prevention Pays (3P) program celebrated its 40th anniversary, having prevented over 2.1 million tons of pollution and saving nearly $2 billion (USD) since 1975.

With an eye toward the future we launched our 2025 sustainability goals. These goals range from investing in sustainable materials and energy efficiency to water management and helping our customers reduce their greenhouse gas emissions through the use of our products. We have also set goals around building a diverse workforce and worker and patient safety in health care and industrial settings. We continue to invest in developing products that help our customers reach their environmental goals, as well as increasing our social sustainability efforts as demonstrated by our ongoing commitment to the UN Global Compact and its principles.

Moving forward, our emphasis on applying 3M science to improve lives will continue to grow, as will our emphasis on collaboration — with our customers, partners and communities.

Inge G. Thulin
Chairman of the Board, and
President and Chief Executive Officer, 3M
Message from our Chief Sustainability Officer

Jean Bennington Sweeney

3M is driven by our Vision:

3M Technology advancing every company
3M Products enhancing every home
3M Innovation improving every life

Sustainability is embedded in every aspect of that vision.

Our world is changing more rapidly than ever before and the global community faces evolving challenges of access to clean water; access to education and jobs; access to adequate healthcare; a changing climate; and a demand for raw materials that strains our world’s resources. As a company rooted in scientific exploration, we are applying our technological expertise to help solve some of these challenges that serve as barriers to the improvement of every life on the planet.

We believe the path to progress begins with a clear purpose and that the best ideas empower people to think, create and live with intent. A sense of purpose is at the heart of how we approach every idea, every product, every life and every community we touch.

We invite you to learn more about our progress toward this ambition, as well as our strategy and goals moving forward, outlined in this report. And then, join us on this journey toward creating a better world.

Jean Bennington Sweeney
Chief Sustainability Officer

“A sense of purpose is at the heart of how we approach every idea, every product, every life and every community we touch.”

– Jean Bennington Sweeney
Chief Sustainability Officer
Who We Are
Improving lives since 1902.

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

In cash and product donations invested in 3M communities since 1953.

3Mers use actual work time to follow their own ideas and insights in pursuit of innovation.

Global citizens living a passion for applying science to life.

In cash and product donations invested in 3M communities since 1953.

Chosen by RobecoSAM to be included in the Dow Jones Sustainability Index.

Hours volunteered by 3Mers in 2015 alone.

Our visionary Pollution Prevention Pays Program has prevented over 2.1 million tons of air, water and waste pollution over the last 40 years.

You are rarely more than 10 feet away from 3M Science.

Operations in over 70 countries and serving customers in nearly 200 countries.

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Our Sustainability Strategy

Building on our long-standing leadership in environmental stewardship and commitment to customer-inspired innovation, we focus our Sustainability strategy on overcoming the global challenges that serve as barriers to improving every life.
Our Sustainability Strategy

As a company rooted in scientific exploration, we are applying our technological expertise to help solve some of the world’s biggest challenges around:

- Raw Materials
- Water
- Energy and Climate
- Health and Safety
- Education and Development

Importantly, overcoming global challenges requires recognizing their interdependence: the importance of water access and its impact on health; energy and dependence on raw materials, etc. It also requires a deep commitment across the organization and collaboration with partners, customers and communities.

In 2013, we created a Sustainability Center of Excellence to integrate Sustainability across our businesses. We continue to invest significantly to drive Sustainability throughout our operations, product development, marketing and more – working closely with our suppliers and our customers. We now embed Sustainability into the strategic planning process for every region, every market, every business at 3M.

Internally, we’re working to create a results-driven culture, as well as a purpose-driven culture. Our leaders are driving a sustainability culture top-down while supporting and encouraging ideas and commitment from the bottom up.

And with our customers and partners, we’re continuing to demonstrate that 3M is a unique and indispensable strategic partner; one that can solve business problems using our core strengths and our Sustainability expertise. We are moving from provider of products to partnering with customers to understand their Sustainability goals and challenges and working together to overcome them.

Our Every Life ambition

*Our Every Life ambition* is the platform by which we tell our story, and the “north star” toward which we focus our overall intent. We work to imagine a world where every life is improved – where natural resources are reliably available, people have access to education and opportunity, and communities are safe, healthy, connected and thriving.

We aim to help make that world a reality. But an ambition that big won’t be easy. So we at 3M pledge the following:

- We will push ourselves to create the science and technology to achieve these goals.
- We will encourage individual passion and curiosity – within the company, with our partners, and within our communities.
- We will acknowledge that we cannot succeed alone and commit to stimulating and supporting collaborations to improve every life on earth.

Our Approach to Goal-Setting

Our 2025 sustainability goals serve as a roadmap for our journey toward improving every life. Our ambition is to realize a world where every life is improved – where natural resources are reliably available, people everywhere have access to education and opportunity, and communities are safe, healthy, connected and thriving.

The power is in partnership. Connection and collaboration is how we have operated at 3M since 1902. Moving forward, we’re increasingly focusing this collaboration on working with our customers and communities to achieve their sustainability goals.

We have been setting global environmental goals since 1990. A strong part of our company history, these goals have helped dramatically reduce our own environmental footprint and established us as a leader in environmental stewardship.

We are proud to expand beyond our own operations by focusing more on supporting the Sustainability goals and needs of our customers and our communities. While we recognize the importance of what we do in our own operations, and will continue to improve accordingly, we see that far greater impact can be realized when we partner to understand and overcome the challenges we face in partnership with others. In addition to environmental challenges, we recognize the connectedness of
social challenges we face in pursuing a better world. Our strategy, goals, and report are organized around these challenges and how we’re addressing them for the sustainability of our business, our planet, and our daily lives. To learn more about how we identified and prioritized these key challenges, see the materiality section of this report.

To learn more about our goals moving forward, please see the 2025 Goals section of this Report.
3M 2016 Sustainability Report

3M Awards 2015

Dow Jones Sustainability Index

For the 16th consecutive year, 3M was selected as a member of the Dow Jones Sustainability Index, a global stock index that recognizes and tracks the performance of leading sustainability-driven companies worldwide. As one of the most highly regarded rankings in terms of sustainability performance, this index is created by research analysts who perform an in-depth study of environmental, social and economic performance.

The World’s Most Ethical (WME) Companies®

The Ethisphere® Institute ranked 3M as one of The World’s Most Ethical (WME) Companies® in the Industrial Manufacturing category. This standing recognizes companies that go beyond making statements about doing business ethically and translate those words into action. WME honorees promote ethical business practices internally and exceed legal compliance minimums and shape future industry standards by introducing best practices. The Ethisphere® Institute is an independent center of research that promotes best practices in corporate ethics and enables organizations to enhance relationships with employees, business partners, investors.

EcoVadis Supplier Sustainability Ratings

EcoVadis awarded 3M a Gold Recognition Level for achievements in the top 1% of suppliers assessed in corporate social responsibility (CSR) in global Supply Chains.

Other Featured Awards

- 3M was ranked 170 out of 500 in the 2015 Newsweek Green Rankings.
- 3M ranked in the top 100 on Forbes’ inaugural list of America’s Best Employers.
- 3M ranked 32nd in Most Reputable Companies in the World.
- 3M ranked 12th in World’s Most Respected Companies (Forbes).
- 3M Health Care received the Practice Greenhealth 2015 “Champion for Change” Award.
- 3M is now in the top 100 of Fortune 500 companies.
- 3M received the Association of Cable Communicators (ACC) Beacon Award for the excellent work done during the Discovery Education 3M Young Scientist Challenge.
- 3M was ranked #24 out of 100 in Workforce Magazine’s 2015 list of best companies for human resources.
- 3M was ranked #30 on Corporate Responsibility Magazine’s list of 100 Best Corporate Citizens in 2015.
- 3M made Fortune’s annual list of the 50 most admired companies in the world.
- The Cause Marketing Forum awarded 3M and DoSomething the 2015 Silver Halo Award for Best Education Campaign.
Our Goals and Progress

We have been setting goals since 1990. See our progress and our next steps.
Delivering on our 2015 Sustainability Goals

Setting goals to drive Sustainability progress is nothing new at 3M. We have been setting global environmental goals since 1990. A strong part of our company history, these goals have helped dramatically reduce our own environmental footprint and established us as a leader in environmental stewardship. Our 2015 Sustainability Goals program continued our drive to reduce our own environmental impacts, but also expanded our targets to include social responsibility efforts and economic success factors.

The 2015 Sustainability Goals were:

**Environmental Stewardship**
- Reduce volatile air emissions 15% by 2015 from 2010 base year, indexed to net sales
- Reduce waste 10% by 2015 from 2010 base year, indexed to net sales
- Improve energy efficiency 25% by 2015 from 2005 base year, indexed to net sales
- Reduce greenhouse gas emissions 5% by 2011 from 2006 base year, indexed to net sales (this goal was set in 2007)
- Develop water conservation plans in 3M locations where water is categorized as scarce or in a stressed area.

**Social Responsibility**
- Develop community stakeholder engagement plans at 3M facilities
- Promote a road to Environmental, Health and Safety (EHS) Excellence at new 3M Sites

**Economic Success**
- Review at least 80% of supplier spending in the following countries: China, India, Korea, Malaysia, Taiwan, Thailand, Brazil, Mexico, Russia, and Turkey to drive conformance with 3M EHS, Transportation & Labor/Human Relations Standards by 2015
- Enhance the environmental sustainability attributes of new products

We successfully achieved our environmental stewardship goals on VOC air emission reduction, water conservation planning, greenhouse gas emission reduction and energy efficiency. We have encountered multiple challenges in waste reduction, including currency translation issues, and are re-doubling our efforts in this area.

Our environmental stewardship goals are indexed to net sales, however internally we track progress indexed to pounds of production (product output). Our pounds of production have increased at a faster rate than sales from 2010 to 2015 yielding more favorable results.

We are proud of our performance against our Social Responsibility and Economic Success goals as well, and in our 2025 Sustainability Goals, we are significantly expanding our commitments in these important areas.
2015 Goals and Results

Goal Achieved
Energy reduction
nearly 30% from 2005 baseline*

Goal Achieved
VOC reduction
31% since 2010 baseline*

Pollution Prevention Pays Program
Celebrated its 40th anniversary in 2015
has prevented over 2.1 million tons of pollutants
and saved nearly $2 billion (USD)

Water use reduction
42% since 2005*

More than 300,000 volunteer hours from employees and retirees

Supplier collaboration with 98% of production paper purchases on sustainable paper sourcing

Between 2002 and 2015, we voluntarily achieved a 69% absolute reduction in our greenhouse gas emissions.

(*Indexed to net sales)
# 3M 2015 Goals and Results

## Social Performance, Employees

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<tr>
<td>Total Global Employees at Year-End</td>
<td>Headcount</td>
<td>84,200</td>
<td>86,600</td>
<td>89,600</td>
<td>90,700</td>
<td>90,400</td>
<td>-0.331</td>
<td>7.36</td>
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<tr>
<td>Total Number Part-Time Employees</td>
<td>Total Number</td>
<td>2,530</td>
<td>2,430</td>
<td>2,580</td>
<td>2,560</td>
<td>2,520</td>
<td>-1.56</td>
<td>-0.395</td>
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<td>Total Number Full-Time Employees</td>
<td>Total Number</td>
<td>81,700</td>
<td>84,100</td>
<td>87,000</td>
<td>88,200</td>
<td>87,900</td>
<td>-0.340</td>
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<td>Percentage of Female Employees to</td>
<td>%</td>
<td>33.60</td>
<td>33.70</td>
<td>33.70</td>
<td>33.90</td>
<td>33.90</td>
<td>0.000</td>
<td>0.893</td>
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<td>Total Employees</td>
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<tr>
<td>Percentage of Female Employees in</td>
<td>%</td>
<td>24.00</td>
<td>24.60</td>
<td>25.30</td>
<td>26.10</td>
<td>26.90</td>
<td>3.07</td>
<td>12.10</td>
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<tr>
<td>Management Positions</td>
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## Financial Performance

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<tbody>
<tr>
<td>Net Sales</td>
<td>Million $USD</td>
<td>29,600</td>
<td>29,900</td>
<td>30,900</td>
<td>31,800</td>
<td>30,300</td>
<td>-4.72</td>
<td>2.36</td>
</tr>
<tr>
<td>Operating Income</td>
<td>Million $USD</td>
<td>6,180</td>
<td>6,480</td>
<td>6,670</td>
<td>7,140</td>
<td>6,950</td>
<td>-2.66</td>
<td>12.50</td>
</tr>
<tr>
<td>Net Income Attributable to 3M</td>
<td>Million $USD</td>
<td>4,280</td>
<td>4,440</td>
<td>4,660</td>
<td>4,960</td>
<td>4,830</td>
<td>-2.62</td>
<td>12.90</td>
</tr>
<tr>
<td>Per Share-Basic</td>
<td>Actual ($USD)</td>
<td>6.05</td>
<td>6.40</td>
<td>6.83</td>
<td>7.63</td>
<td>7.72</td>
<td>1.18</td>
<td>27.60</td>
</tr>
<tr>
<td>Per Share-Diluted</td>
<td>Actual ($USD)</td>
<td>5.96</td>
<td>6.32</td>
<td>6.72</td>
<td>7.49</td>
<td>7.58</td>
<td>1.20</td>
<td>27.20</td>
</tr>
<tr>
<td>Total Debt to Total Capital (total capital =</td>
<td>%</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
<td>34.0</td>
<td>48.0</td>
<td>41.20</td>
<td>92.00</td>
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<td>debt plus equity)</td>
<td></td>
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<tr>
<td>Capital Expenditures</td>
<td>Million $USD</td>
<td>1,380</td>
<td>1,480</td>
<td>1,670</td>
<td>1,490</td>
<td>1,460</td>
<td>-2.01</td>
<td>5.80</td>
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<tr>
<td>Research, Development and Related Expenses</td>
<td>Million $USD</td>
<td>1,570</td>
<td>1,630</td>
<td>1,720</td>
<td>1,770</td>
<td>1,760</td>
<td>-0.565</td>
<td>12.10</td>
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<tr>
<td>Employee Compensation and Benefits</td>
<td>Million $USD</td>
<td>8,060</td>
<td>8,350</td>
<td>8,730</td>
<td>8,840</td>
<td>8,790</td>
<td>-0.566</td>
<td>9.06</td>
</tr>
<tr>
<td>Payments to Providers of Capital</td>
<td>Million $USD</td>
<td>1,770</td>
<td>1,800</td>
<td>1,900</td>
<td>2,390</td>
<td>2,700</td>
<td>13.00</td>
<td>52.50</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>Million $USD</td>
<td>1,670</td>
<td>1,840</td>
<td>1,840</td>
<td>2,030</td>
<td>1,980</td>
<td>-2.46</td>
<td>18.60</td>
</tr>
<tr>
<td>New Product Vitality Index (NPVI) as</td>
<td>%</td>
<td>31.70</td>
<td>33.10</td>
<td>33.00</td>
<td>32.80</td>
<td>32.10</td>
<td>-2.13</td>
<td>1.26</td>
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<tr>
<td>Percentage of Net Sales</td>
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### Air Emissions - Metric

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<tbody>
<tr>
<td>Absolute Scope 1 Emissions (Direct)</td>
<td>Million Metric Tons CO2e</td>
<td>4.06</td>
<td>4.37</td>
<td>5.59</td>
<td>4.39</td>
<td>3.77</td>
<td>-14.10</td>
<td>-3.50</td>
</tr>
<tr>
<td>Absolute Scope 1 Emissions (Direct)</td>
<td>Metric Tons CO2e</td>
<td>4,060,000</td>
<td>4,370,000</td>
<td>5,590,000</td>
<td>4,390,000</td>
<td>3,770,000</td>
<td>-14.10</td>
<td>-3.50</td>
</tr>
<tr>
<td>Absolute Scope 2 Emissions (Indirect)</td>
<td>Million Metric Tons CO2e</td>
<td>2.03</td>
<td>2.25</td>
<td>2.36</td>
<td>2.24</td>
<td>1.86</td>
<td>-17.00</td>
<td>-13.50</td>
</tr>
<tr>
<td>Absolute Scope 2 Emissions (Indirect)</td>
<td>Metric Tons CO2e</td>
<td>2,030,000</td>
<td>2,250,000</td>
<td>2,360,000</td>
<td>2,240,000</td>
<td>1,860,000</td>
<td>-17.00</td>
<td>-13.50</td>
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*2002 Inventory recalculated according to US EPA GHG-MRR/IPCC AR5 methodology (2.7% increase in absolute emissions over original reported value).

### Community Engagement

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<tr>
<td>Total Global Giving</td>
<td>Million $USD</td>
<td>66.30</td>
<td>60.30</td>
<td>61.60</td>
<td>81.30</td>
<td>72.80</td>
<td>-10.50</td>
<td>9.76</td>
</tr>
<tr>
<td>Total Cash Donations</td>
<td>Million $USD</td>
<td>27.90</td>
<td>30.30</td>
<td>30.30</td>
<td>30.90</td>
<td>34.10</td>
<td>10.40</td>
<td>22.20</td>
</tr>
<tr>
<td>Total In-Kind Donations</td>
<td>Million $USD</td>
<td>32.40</td>
<td>31.30</td>
<td>51.00</td>
<td>62.90</td>
<td>38.70</td>
<td>-38.50</td>
<td>19.40</td>
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### Environmental Performance

#### Environmental Management System - Metric

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<tr>
<td>Total Number of Significant Spills</td>
<td>Total Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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Significant spill spills included in the organization’s financial statement

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<tr>
<td>Number of Significant Fines</td>
<td>Total Number</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
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Significant fine, fine or penalty over $10,000

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<tr>
<td>Total Monetary Value of Significant Fines</td>
<td>Million $USD</td>
<td>0.065</td>
<td>0</td>
<td>0.063</td>
<td>0.131</td>
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<tr>
<td>Total Number of Non-Monetary Sanctions</td>
<td>Total Number</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
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</thead>
<tbody>
<tr>
<td>Environmental Liability Accrued at Year End</td>
<td>Million $USD</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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### Total Greenhouse Gas Emissions

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</thead>
<tbody>
<tr>
<td>Total Scope 3 Emissions (Upstream)</td>
<td>Million Metric Tons CO2e</td>
<td>8.12</td>
<td>10.70</td>
<td>10.60</td>
<td>11.10</td>
<td>9.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Scope 3 Emissions (Upstream)</td>
<td>Metric Tons CO2e</td>
<td>8,120,000</td>
<td>10,700,000</td>
<td>10,600,000</td>
<td>11,100,000</td>
<td>9,500,000</td>
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</table>

Note: Net GHG emissions based on the categories evaluated. Due to change in boundaries, Scope 3 Upstream emissions should not be compared on a year-on-year basis.

### Total Greenhouse Gas Emissions (indexed to net sales)

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</thead>
<tbody>
<tr>
<td>Total Volatile Organic Compounds Emissions (indexed to net sales)</td>
<td>Metric Tons per Net Sales (MM $USD)</td>
<td>0.204</td>
<td>0.200</td>
<td>0.176</td>
<td>0.174</td>
<td>0.157</td>
<td>-2.75</td>
<td>-23.0</td>
</tr>
</tbody>
</table>

2015 Goal Achieved: Volatile Organic Compound (VOC) Reduction 15% by 2015 from 2010 base (indexed to net sales); baseline year was 0.228 metric tons per net sales (MM $USD).
### Waste - Metric

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</thead>
<tbody>
<tr>
<td>Total Waste Generated</td>
<td>Metric Tons</td>
<td>179,000</td>
<td>179,000</td>
<td>192,000</td>
<td>205,000</td>
<td>211,000</td>
<td>2.93</td>
<td>17.90</td>
</tr>
<tr>
<td>Total Hazardous Waste</td>
<td>Metric Tons</td>
<td>41,300</td>
<td>39,700</td>
<td>39,400</td>
<td>41,100</td>
<td>44,100</td>
<td>7.30</td>
<td>6.78</td>
</tr>
<tr>
<td>Total Nonhazardous Waste</td>
<td>Metric Tons</td>
<td>138,000</td>
<td>140,000</td>
<td>153,000</td>
<td>164,000</td>
<td>166,000</td>
<td>1.22</td>
<td>20.30</td>
</tr>
<tr>
<td>Total Waste Recycled and Reused</td>
<td>Metric Tons</td>
<td>212,000</td>
<td>215,000</td>
<td>229,000</td>
<td>235,000</td>
<td>231,000</td>
<td>-1.70</td>
<td>8.96</td>
</tr>
<tr>
<td>Onsite Recycle &amp; Reuse</td>
<td>Metric Tons</td>
<td>47,900</td>
<td>51,100</td>
<td>66,000</td>
<td>69,500</td>
<td>65,400</td>
<td>-5.90</td>
<td>36.50</td>
</tr>
<tr>
<td>Offsite Reuse</td>
<td>Metric Tons</td>
<td>34,900</td>
<td>33,800</td>
<td>32,000</td>
<td>31,900</td>
<td>31,800</td>
<td>-0.313</td>
<td>-8.88</td>
</tr>
<tr>
<td>Offsite Recycle</td>
<td>Metric Tons</td>
<td>129,000</td>
<td>128,000</td>
<td>131,000</td>
<td>134,000</td>
<td>134,000</td>
<td>0.000</td>
<td>3.88</td>
</tr>
</tbody>
</table>

### Energy - Metric

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Energy Use (Absolute)</td>
<td>MMBTUs</td>
<td>26,600,000</td>
<td>27,700,000</td>
<td>28,700,000</td>
<td>29,100,000</td>
<td>28,100,000</td>
<td>-3.31</td>
<td>5.64</td>
</tr>
<tr>
<td>Total Energy Use (Absolute)</td>
<td>MWh</td>
<td>7,810,000</td>
<td>8,110,000</td>
<td>8,400,000</td>
<td>8,520,000</td>
<td>8,250,000</td>
<td>-3.31</td>
<td>5.64</td>
</tr>
<tr>
<td>Total Energy (indexed to net sales)</td>
<td>MMBTUs per Net Sales (MM $USD)</td>
<td>902</td>
<td>931</td>
<td>930</td>
<td>912</td>
<td>929</td>
<td>1.86</td>
<td>2.99</td>
</tr>
<tr>
<td>Total Fuel Oil #1, #2, #6</td>
<td>MMBTUs</td>
<td>549,000</td>
<td>1,490,000</td>
<td>1,490,000</td>
<td>1,630,000</td>
<td>1,330,000</td>
<td>-18.40</td>
<td>142</td>
</tr>
<tr>
<td>Total Jet Fuel</td>
<td>MMBTUs</td>
<td>184,000</td>
<td>163,000</td>
<td>143,000</td>
<td>161,000</td>
<td>153,000</td>
<td>-4.97</td>
<td>-16.80</td>
</tr>
<tr>
<td>Total Propane</td>
<td>MMBTUs</td>
<td>133,000</td>
<td>132,000</td>
<td>138,000</td>
<td>192,000</td>
<td>201,000</td>
<td>4.69</td>
<td>51.10</td>
</tr>
<tr>
<td>Total Gasoline and Diesel</td>
<td>MMBTUs</td>
<td>202,000</td>
<td>226,000</td>
<td>190,000</td>
<td>209,000</td>
<td>269,000</td>
<td>28.70</td>
<td>33.20</td>
</tr>
<tr>
<td>Total Coal</td>
<td>MMBTUs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Natural Gas</td>
<td>MMBTUs</td>
<td>15,100,000</td>
<td>14,800,000</td>
<td>15,500,000</td>
<td>15,900,000</td>
<td>14,400,000</td>
<td>-9.43</td>
<td>-4.64</td>
</tr>
<tr>
<td>Total Electricity Consumption</td>
<td>MMBTUs</td>
<td>9,600,000</td>
<td>9,980,000</td>
<td>10,300,000</td>
<td>11,100,000</td>
<td>10,600,000</td>
<td>-4.50</td>
<td>10.40</td>
</tr>
<tr>
<td>Total Steam Consumption</td>
<td>MMBTUs</td>
<td>933,000</td>
<td>840,000</td>
<td>902,000</td>
<td>1,010,000</td>
<td>1,130,000</td>
<td>11.90</td>
<td>35.70</td>
</tr>
<tr>
<td>Total Heating Consumption</td>
<td>MMBTUs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tbody>
</table>
### Health and Safety

<table>
<thead>
<tr>
<th>Metric</th>
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</thead>
<tbody>
<tr>
<td><strong>Global Lost Time Incident Rate</strong></td>
</tr>
<tr>
<td>Per 100 3M Employees (200,000 work hours)</td>
</tr>
<tr>
<td><strong>Global Recordable Incident Rate</strong></td>
</tr>
<tr>
<td>Per 100 3M Employees (200,000 work hours)</td>
</tr>
<tr>
<td><strong>Work Related Fatalities - 3M Employees</strong></td>
</tr>
<tr>
<td>Total Number</td>
</tr>
<tr>
<td><strong>Work Related Fatalities - 3M Contractors</strong></td>
</tr>
<tr>
<td>Total Number</td>
</tr>
<tr>
<td><strong>Work Related Fatalities - Total Number</strong></td>
</tr>
<tr>
<td>Total Number</td>
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</tbody>
</table>

### Supplier Responsibility

<table>
<thead>
<tr>
<th>Metric</th>
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<tbody>
<tr>
<td><strong>Total Number of Supplier Reviews, cumulative number</strong></td>
</tr>
<tr>
<td>Cumulative Number</td>
</tr>
<tr>
<td><strong>Review 80% of Supplier Spend in Top 10 High Risk Countries for Alignment with 3M Supplier Policy and Standards</strong></td>
</tr>
<tr>
<td>%</td>
</tr>
</tbody>
</table>

Values listed in the table above have been rounded and therefore do not match the raw values exactly. All calculations on the tabulated data use the full precision of the number. Due to rounding, calculations performed using values from the above table may not match the result of the same calculation performed in the same table.
2025 Goals

**Raw Materials**
- Invest to develop more sustainable materials and products to help our customers reach their environmental goals.
- Reduce manufacturing waste by an additional 10%, indexed to sales.
- Achieve “zero landfill” status at more than 30% of manufacturing sites.
- Drive supply chain Sustainability through targeted raw material traceability and supplier performance assurance.

**Water**
- Reduce global water use by an additional 10%, indexed to sales.
- Engage 100% of water-stressed/scarce communities where 3M manufactures on community-wide approaches to water management.

**Energy & Climate**
- Improve energy efficiency indexed to net sales by 30%.
- Increase renewable energy to 25% of total electricity use.
- Ensure GHG emissions at least 50% below our 2002 baseline, while growing our business.
- Help our customers reduce their GHGs by 250 million tons of CO2 equivalent emissions through use of 3M products.

**Education & Development**
- Invest cash and products for education, community and environmental programs.
- 100% participation in employee development programs to advance individual and organizational capabilities.
- Double the pipeline of diverse talent in management to build a diverse workforce.

**Health & Safety**
- Provide training to 5 million people globally on worker and patient safety.
Taking Action

Our materiality strategy drives our work in areas most significant to us and our stakeholders.
Materiality Overview

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. Sustainability materiality assessments are vital components of a company’s sustainability strategy and reporting.

For more than 40 years, 3M has been a leader among global corporations in Sustainability actions and measures, beginning with the creation of our groundbreaking Pollution Prevention Pays (3P) Program in 1975…and leading to a broad portfolio of sustainable products today.

As a global corporation, we believe that we have a significant responsibility to society in general, and especially to the communities in which we live and work. Fulfilling our responsibility is important both from an environmental stewardship perspective and as a key competitive strategy.

We have 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, we can deepen our social license to operate and develop corporate strategy, goals, targets, programs, initiatives and a stakeholder engagement strategy to advance sustainability globally.

Data provided in our Sustainability Report includes information on the most material issues identified that have the potential to impact our reputation and that are of high importance to internal and external stakeholders. We are a diversified company, so several other environmental-related topics and key performance indicators that have relevance and are important to various sectors of the company are also included in the report.

Starting 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.

In 2014, the research with Globescan concluded, resulting with a key output: 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 our 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.

The material aspects defined in the Sustainability Materiality Matrix have been identified through our materiality assessment process. The sustainability materiality assessment determined the material aspects for a wide variety of 3M stakeholders outside of 3M as listed in this report. External 3M stakeholders were surveyed with a survey sample that was inclusive across geography, stakeholder type, and function.

All material aspects defined within this report per our comprehensive sustainability materiality assessment are deemed material for all entities within the 3M organization. As a large corporation, 3M has diverse global operations and serves diverse markets worldwide. While the prioritization for the various aspects may vary within 3M operations and geographies, they are still material.

**Material aspects include:**
- Economic Performance
- Raw Material
- Energy
- Water
- Emissions
- Effluent and Waste
- Environmental Compliance
- Employment
- Occupational Health and Safety
- Training and Education
- Freedom of Association and Collective Bargaining
- Child Labor
- Forced or Compulsory Labor
- Local Communities
- Anti-Corruption
- Customer Health and Safety
- Product Service and Labeling
- Product Responsibility Compliance

In addition to the topics above, and based on insights gained through our materiality assessment process, we have continued to increase communication of our Sustainability efforts. In 2015, we launched our Every Life ambition, a platform for sharing and connecting our Sustainability efforts with key internal and external stakeholders. More details on this platform are in the strategy section of this report.

**Materiality – Today and the Future**

3M has a long history of environmental stewardship with proven results that help the company be successful and also provide positive benefits to our many stakeholders. That is why we made such an active effort to involve stakeholders when we developed our newest set of Sustainability Goals – goals that further advance our environmental stewardship efforts and go well beyond to provide profound societal benefits.

Our 2025 Sustainability Goals were developed from the sustainability materiality assessment and with input from governmental regulatory bodies, non-governmental organizations, shareholders, employees, customers, suppliers, academia and many others. We look far beyond compliance and think holistically about how our operations and products affect the world and how we can truly use 3M technology and innovation to advance every company, enhance every home and improve every life.

Our 2025 Sustainability Goals reflect 3M’s vision, brand and commitment to continuously improve. We want to let everyone know that the goals we set are both the right thing for the company and for the world.
Stakeholders increasingly expect companies to do things that benefit society in more direct ways and are not solely focused on benefits to the company. At 3M, we took this to heart and worked to establish wide-ranging goals that do just that. Our goals focus around Energy and Climate, Raw Materials, Health and Safety, Water and Education and Development.

We set these goals while understanding that we have to be successful as a company while also supporting the communities where we operate. It’s a two-pronged approach that is both practical and thoughtful; it’s both analytical and filled with the integrity 3M is known for.

Sustainability is all about finding those intersections where our goals move us forward toward growth and also supports the company Vision to advance, enhance and improve.

At 3M, Sustainability also includes collaborating to find better solutions for customers. As the world population grows, particularly in emerging economies, global challenges must be addressed together to ensure we can all live healthy, fulfilling lives. That’s why we are committed to partnering with customers to identify and collaborate on solutions to address their goals.

3M Sustainability Materiality Matrix
View of Customers, External and Internal Stakeholders
We are accelerating innovation to deliver meaningful sustainability solutions.

3M has a long-standing reputation as a company committed to innovation and continues to dedicate a large percentage of revenue (5.8 percent) to research and development (R&D) around the world. In addition to having extensive resources at our headquarters in Minnesota, 3M has rapidly expanded R&D operations globally and now operates laboratories in 36 countries and 8,300 researchers worldwide. 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-the-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 sales by 2017. 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 launch new product platforms to advance our commitment to improving our business, our planet and every life.

Our Approach

By leveraging strategic partnerships with several stakeholders both internally and externally, 3M is enabled 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 (NPI) 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.
3M Tech Forum: Innovation through Collaboration

Established in 1951, the 3M Technical Forum is the central organization within 3M for productive technical interaction at the interpersonal grass-roots level. Through the collective knowledge and global relationships of over 11,000 technical employee members and over 40+ technical chapters and committees, this interconnected global network continues to build our technology platform knowledge and share ideas and expertise to spark solutions for our customers.

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 consumer brands known and respected around the world, including Scotch®, Post-it™, Scotch-Brite™, Filtrete™, Command™, Nexcare™ and Scotchgard™ Brands. Learn more about 3M’s Technology Platforms.

Driving Growth through Sustainable Product Stewardship

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.

Our Approach

Sustainability, along with understanding, evaluating and minimizing the environmental, health, safety and regulatory (EHS&R) impacts are at the core of 3M’s product innovation process. Responsibility for product stewardship at 3M is shared across a matrix of functions positioned within businesses, regions, and corporate staff groups. Together, individuals across this matrix work to support 3M’s core value of respect for our social and physical environment.

Product Responsibility Liaisons (PRLs) or Product Stewards, embedded within 3M businesses and countries of operation, act as champions of EHS&R and sustainability. They help assure our products meet or exceed EHS&R requirements stemming from 3M policies, governmental regulations and from our customers. It is from this place that we infuse sustainability into product innovation from concept to launch. They act as the conduit between the Business Teams and the Corporate Staff Groups (Environmental, Toxicology, Industrial Hygiene, and Safety) assuring appropriate risk assessments are made and improvements incorporated into product development.

PRLs work with the business teams to minimize the EHS&R impacts of our products not only as manufactured products, but throughout the life cycle of the product. Their assessment includes the impacts through raw material selection, manufacturing, customer use, and final disposal.

Life Cycle Management and Analysis

3M has multiple programs in place to evaluate life cycle impacts of products. 3M’s Life Cycle Management (LCM) process is in place to ensure that the environmental, health and safety opportunities and risks are addressed globally for all 3M products and internal material transfers throughout their
life cycle. Regardless of their source, all 3M products—whether 3M-developed, developed jointly with another company, or acquired from a third party—are subject to review. Any product purchased from an outside supplier for sale as a 3M product receives the same product life cycle consideration as an internally developed and manufactured product. LCM evaluations are a required component of a 3M business unit’s New Product Introduction process.

3M's Life Cycle Management Policy states that LCM evaluations are to be conducted on all new products before commercialization, and on a prioritized basis for existing products. The LCM evaluation helps identify opportunities associated with environmental, health and safety performance and to characterize and manage EHS risks and regulatory compliance throughout a product’s life cycle and supply chain. The Electronic Lifecycle Management System (ELMS) is an internal 3M proprietary global database system that standardizes the LCM process and stores product and process EHS&R information and assessments for all stages of a product’s lifecycle.

In 2015 two new modules (LCM and Hardgoods) were added to seven existing modules in our Global Product EHS Self-Assessment Program. Under this Program, each country subsidiary documents and rates their level of expertise in product EHS&R processes against 3M expectations. Based on a Health of the Organization evaluation, a schedule has been developed and implemented to conduct audits against the Product EHS modules.

In addition to the LCM program which applies to all 3M products, we also conduct ISO 14040-compliant life cycle assessment (LCA) studies for a number of 3M products. 3M’s global strategy for detailed quantitative LCA is first and foremost based on using sound science. In 2014, 3M issued an internal global LCA Standard that defines and outlines how a product life cycle assessment must be conducted if it is to be used for external communication of the LCA data. This includes use in marketing claims, environmental product declarations and regulatory reporting. The Standard requires that all product LCA data (including product carbon footprint assessments) used for external communication be based on sound statistical and scientific principles, follow an international LCA standard and include a quantitative data uncertainty determination. The Standard provides guidance on acceptable international LCA standards and mandates independent internal and third party review prior to external communication of the LCA data.

At 3M, we primarily complete cradle-to-gate LCAs as the majority of our products have use and disposal life cycle phases that are difficult to characterize. In addition to product LCAs, we have completed cradle-to-gate LCAs representing a number of internal chemicals produced and then transferred to other divisions for further processing. This includes several adhesives that are key components of numerous final products. While it is not possible to complete full LCAs for all 3M products, evaluation of these intermediates allows us to have a better understanding of the potential environmental impacts of key components and processes.

In 2015, the 3M LCA teams in the US and Europe again received process certifications from The International EPD® System to demonstrate that appropriate procedures are in place to produce scientifically-sound technically-defensible LCAs and Environmental Product Declarations (EPDs). Rather than conduct independent third-party reviews for each individual product LCA or EPD, the teams will continue to undergo an annual recertification process. The underlying management system, along with a selection of LCAs and EPDs generated since the previous accreditation, will undergo an annual third-party audit to demonstrate continued conformance with the program rules and ISO standards. Project-specific independent third-party reviews are also conducted for selected studies. The global certification of the LCA process for multiple parts of our organization is thought to be the first of its kind. This certified management system will streamline the LCA/EPD process and reduce the time and cost associated with third-party review of individual LCA studies. This will enable us to complete LCAs for a larger portion of our diverse product portfolio.
Package Engineering had a focused effort in 2015 to evaluate five industry packaging design sustainability decision tools and determine which would best support the global package design process. The team identified and evaluated the five industry tools by receiving demos from each provider. The toolset is currently in pilot phase with the global Package Engineering team and will enable the cross-functional teams to make data-driven decisions.

Life Cycle Management

Deepening Sustainability in Solution Development

3M began a project in 2013 -- which was piloted in 2015 -- to build capabilities that further enhance the extent to which our new products improve lives in socio-environmental terms. 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. Through this new process, the development teams will evaluate their new product and identify opportunities for improvement to create innovative sustainability-focused solutions that impact all phases of a product's life cycle from material selection to manufacturing to customer use and end of life. This will build on our long-standing Life Cycle Management process and tools for assessment to further integrate sustainability into our product development culture and processes, getting to the core of who we are at 3M.

We know that 3M employees care about sustainable product development. 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 and Communications

Potential Hazard Communication and Composition Disclosure

3M is committed to compliance with all applicable laws and regulations in the conduct of our business activities, including the environmental, health, safety, and regulatory requirements for hazard communication. Communicating the potential hazards of 3M materials supports 3M core values and is an integral part of keeping stakeholders informed about 3M materials. The means of communicating the potential hazards of 3M materials includes safety data sheets, product labels, product literature, transportation classification documentation, and any other internal and external communication about the potential hazards of a 3M material. Per 3M Policy, each business unit must evaluate the potential hazards of 3M materials and transmit, in the local country language(s), information concerning the potential hazards to employees, contractors, and customers as appropriate to meet all...
applicable regulatory requirements and 3M standards and guidelines, and to promote informed decisions about the materials' proper and safe handling, use, and disposal. 3M Safety Data Sheets disclose all chemical components of the product down to 1% of mass based concentration, or lower if tied to more stringent hazard-based requirements.

Environmental Product Declarations

It’s our policy (3M’s Advertising and Product Representation Principle) 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 Marketing Claims Support Team assists businesses in the substantiation of 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 is provided in 3M’s Environmental Claims Guide located on the internal 3M Intranet site. Specifically, the following information is provided for each of more than 50 potential environmental marketing claims (e.g. biodegradable, compostable) that have been identified as relevant to 3M: Possible Claim Terminology, Definitions, Practical Guidance, Substantiation Necessary, Applicable Standards, Additional External Resources, and Contact Information (for questions internally).

3M uses the Corporate Life Cycle Assessment Standard as an additional tool to standardize reports and communicate LCA results to the user/consumer. These communications may be through Environmental Product Declarations (EPD) or other environmental marketing claims. Due to the complexity and broad range of products we offer, EPDs are not generated for all 3M products. Currently, regional and business strategic decisions are made based on core product volume and market and/or customer demand as to which products will require a Life Cycle Assessment for claims substantiation or to support development of an EPD.

3M is actively involved in the American Chemistry Council Value Chain Outreach Committee (ACC VCOOC), the American Center for Life Cycle Assessment (ACLCA) including the Industry Committee, and the Society for Environmental Toxicology and Chemistry (SETAC) North American LCA Advisory Group, as well as in standard development as a voting member of the US Technical Advisory Group (TAG 207) for ISO 14000 series standards and the ASTM Committee E60 on Sustainability and other global organizations.

Goals

Our 2025 goals are helping to address customer demands regarding sustainability. They are focused on addressing significant global sustainability challenges involving raw materials, water, energy and climate, health and safety, as well as education and development. The goals reflect 3M’s expanding sustainability strategy by placing a greater focus on supporting the environmental goals of our customers and the communities in which we operate.
Sustainable by Design

Design is not only about the products we manufacture, but also the way we express who we are as a company; that’s where brand design comes in. For over a century, 3M has leveraged multiple creative disciplines of design, including product, packaging, UX, and graphic design, to enhance and deliver innovative solutions to the world. Our understanding and approach to design has had an impact all across the globe. As 3M evolves, we want to bring to life our strengthened, strategic design ethos through core elements of our visual identity system such as color, typography, imagery, texture and integration across the global organization. 3M’s foundation of science expertise and problem-solving capability can be awe-inspiring, but the power of such impact also relies on our ability to creatively communicate our brand identity and connect with our customers to build meaningful relevance.

Our new visual design system brings the 3M brand identity to life first through the foundational strength of the power of three. 3M is a diverse, multi-faceted organization that thrives on a culture both creative and collaborative. Core to our visual system is the integration of triangular shapes, conveying our multiple dimensions with a look that is sophisticated and precise in every detail.

To mobilize consistency of look and feel around the globe, our new visual identity is designed to be a set of smart tools—not a rigid template system—from a vibrant color palette that represents our variety and versatility to dynamic, human-focused photography that reflects the impact of our design and innovation on life moments. We call this 3M Science. Applied to Life™

Learn how our internal design workbook, Compass, guides 3M designers to address sustainability issues throughout the innovation process.

Efficient Packaging for Your Favorite Dressing: 3M™ Tegaderm™

3M has made a long-standing commitment to efficient paper and packaging use. We have reduced designed packaging weight for seven straight years, for a cumulative reduction of ~9,000 metric tons (mT). One example of a recent success story is the redesign of the pouch used for our 3M™ Tegaderm™ Transparent Film Dressing.

After being challenged to reduce waste on the packaging for this product, we came up with an innovative patented process allowing for nesting of the pouch used for each sterile dressing and reducing by 30% the amount of materials needed. The new design is user-friendly, and it even won an award from the 3M Pollution Prevention Pays program. It reduced waste for us at the plant and for our customers in hospitals across the world. The seal adhesive for the pouch is made without natural rubber latex, and the carton used for the box packaging is made from 100% recycled content with at least 35% post-consumer recycled content. At 3M, we strive to continually improve what we do. We are proud to put our innovation to use not only on smart product designs but also on solutions for a greener planet.
Taking Action

**Responsible Sourcing**

Learn how we leverage our corporate values to drive our supply chain sustainability.

3M’s approach to sustainability starts with our corporate values, and the same is true for our supplier sustainability programs. To continuously drive supply chain sustainability, we strive to partner with our suppliers to understand our collective supply chains, through research, review and engagement in a transparent way. Only then, together, can we transform our supply chains to be more sustainable and successful, and assure that our suppliers are continuously working in alignment with our corporate values, just as we do every day in our own operations.

2015 was a pivotal year for our supplier sustainability programs. We successfully met our 2015 Sustainability Goal (set in 2010) to assess 80% of suppliers in 10 higher risk countries. We then set a new goal for 2025: Drive supply chain sustainability through targeted raw material traceability and supplier performance assurance. As part of this transition, 3M took steps to evaluate our supplier sustainability expectations, and how we communicate and evaluate those expectations throughout our businesses and around the world. Further, since 3M became a signatory to the United Nations Global Compact (UNGC) in 2014, we continue to consider ways we can extend 3M’s sustainability expectations to our “sphere of influence,” such as our suppliers.

Also in 2015, we conducted extensive benchmarking of peer and leading companies on their supplier expectations, and we commissioned a project by a graduate student in sustainable engineering to help us evaluate best and next practices in supply chain sustainability. This work culminated in the development of our second generation supplier expectations, the **3M Supplier Responsibility Code**. This new Code expands on the environmental, health, safety, labor and transportation expectations that we’ve had in place for 10 years in our 3M Supply Chain Policies, re-states and provides more detail on our expectations in the area of human rights, and includes additional requirements, such as expectations for business ethics and management systems. Fundamentally, the Code is based on 3M
corporate values for sustainable and responsible operations, and is also aligned with the UNGC’s 10 Principles, which are clearly represented in this new supplier code. The Code also aligns with the Electronics Industry Citizenship Coalition (EICC) Code of Conduct.

We published our Supplier Responsibility Code in April 2016, and will be communicating these expectations to our supplier community. We are updating our supplier assessment and auditing process to match the revised expectations, and globalizing our supplier engagement process to identify and address varying risks by geography and business type.

Fundamental to our supplier expectations is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules and regulations of the locations in which it operates. Suppliers must maintain compliance systems and be able to demonstrate a satisfactory record of compliance with laws and regulations in the conduct of their business. 3M also encourages suppliers to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility and business ethics.

All 3M suppliers are expected to comply with applicable laws, and those expectations are embedded in 3M contract and purchase order terms. In addition, our supply chain expectations establish a framework that 3M considers important for:

- Maintenance of fair and reasonable labor and human resource practices, including the prohibition of child labor, slavery and human trafficking
- Safe and healthy workplaces
- Management of manufacturing and distribution operations to minimize adverse environmental impact
- Compliance with material content and origin laws
- Business ethics and anti-corruption

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

Due Diligence for Supply Chain Compliance and Risk Mitigation

Supply chain due diligence is an important part of 3M’s sustainability initiatives. Our efforts center on the commodities that can have particular human rights and environmental risks associated with them, namely our use of certain minerals that have the potential to be sourced from conflict areas, and our use of timber-based products and other plant materials.

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 3TG) and whether those 3TG may originate in the Democratic Republic of Congo or a neighboring country.

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 Australian 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.

In order to comply with supply chain requirements like those described above, and to mitigate supply chain risks and drive sustainability and corporate responsibility within our supply chains, 3M engages in many initiatives:

- We have established a due diligence management system approach for both conflict minerals and legal harvesting compliance, consisting of these elements:
  - Establish strong management systems
  - Identify and assess risks in the supply chain
  - Design and implement a strategy to respond to identified risks
  - Audit supply chain due diligence
  - Report on supply chain due diligence activities
- We develop policies to address the challenges represented by these requirements.
 Responsible Sourcing of Minerals

3M deplores the violence that has occurred in the Democratic Republic of Congo and adjoining countries and is committed to supporting responsible sourcing of 3TG from the region. Accordingly, 3M has adopted a Conflict Minerals Policy, as part of 3M’s Supply Chain Policies. 3M expects its suppliers to adopt a similar policy and due diligence management system and require the same of their suppliers.

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. We encourage our suppliers and other companies to participate in CFSI, to advance the conflict-free sourcing of 3TG globally.

CFSI also develops standards for third party audits of smelters and refiners to validate their processes that assure processed 3TG originated from sources that do not fund conflict in the Democratic Republic of Congo or adjoining countries. 3M was an early contributor to the CFSI Initial Audit Fund. The fund supports responsible sourcing of 3TG by providing financial assistance to smelters for first-year independent audits under the Conflict Free Smelter (CFS) Assessment Program, in order to validate conflict-free status according to CFS auditing protocols.

 Responsible Sourcing of Forest Products

As part of our overall sustainability efforts, we have had a long-standing commitment to responsible forest management. Recognizing evolving laws and administration efforts, our intent is to go above and beyond the “due care” management system necessary to demonstrate compliance with applicable global legal harvesting laws, such as the U.S. Lacey Act and the European Union Timber Regulation. Furthermore, we want to source paper products from suppliers who share our values and are committed to protecting the world’s forests.

As a diverse global company and sustainability leader, 3M is well-positioned to positively influence practices throughout our paper supply chain. Because we do not own forest land ourselves (we are downstream users of paper and pulp), we developed our Pulp and Paper Sourcing Policy to set standards of excellence for our suppliers and their suppliers through all tiers of supply to the forest.

The 3M Pulp and Paper Sourcing Policy, adopted in the spring of 2015, is designed to assure that the virgin wood fiber used in our paper-based products and packaging comes from sources that protect forests and respect the rights of workers and people who live in or may depend on forests for their livelihood.
Under the Policy, if pulp and paper used by 3M are made from virgin fiber, they must be traceable to the forest source and must be harvested legally. We expect that our suppliers will work to assure and verify that these virgin fibers are also harvested in a manner that is protective of high carbon stock forests, high conservation values, and workers’ and indigenous peoples’ rights.

3M is committed to working together with our suppliers to help them understand and apply the necessary measures to assure responsible paper sourcing and sustainable forest management. Every six months, we report on our policy implementation progress on 3M’s Sustainable Forestry webpage.

We are partnering with The Forest Trust (TFT), a non-profit organization with a strong track record in guiding companies on the development and implementation of responsible pulp and paper sourcing and improved forest management across global supply chains. Together, we are engaging with our suppliers, to train them on the forestry issues addressed in the Policy, and support them as they trace 3M materials back through mills to the forest sources and apply their own responsible fiber sourcing programs. Through this collaboration under the framework of our Policy, we are harnessing the power of our supply chain to promote responsible sourcing and sustainability in forest management around the world.

On 3M.com/suppliers, we have posted training presentations on our Policy and on global legal harvesting laws, a Policy Guidance that provides more detail on key terms in the policy, as well as a template Due Diligence Management System document that our suppliers (or anyone) can use as a foundation for a responsible sourcing program. Overall, our goal is to improve the sustainability of the global pulp and paper supply chain by engaging with our current and potential new suppliers to promote performance improvements and their understanding and ownership of sustainable forestry practices around the world.

3M is proud to be an associate member of the World Business Council on Sustainable Development (WBCSD) Forest Solutions Group (FSG), a global platform for strategic collaboration among value chain partners to bring more of the world’s forests under sustainable management and expand markets for responsible forest products. As a condition of membership, companies involved in the FSG endorse a set of principles and responsibilities to demonstrate their shared commitment and leadership role in sustainability. 3M actively participates in FSG initiatives, including this year’s update of the membership principles and a position statement on deforestation.

In October, 3M hosted a first-ever workshop put on by the World Resources Institute (WRI) and the WBCSD FSG, to promote the WRI & WBCSD Sustainable Procurement Guide for Wood and Paper-based Products. This Guide is designed to help companies make informed choices on forest-based products and lays out 10 key challenges that underpin sustainable sourcing and provides solutions to tackle them. WBCSD member companies participated in this workshop, along
with 3M supplier representatives based primarily in the US and Europe. WRI and WBCSD representatives led the more than 30 participants through exercises and case studies highlighting the content of the Guide. 3M representatives also discussed our Pulp and Paper Sourcing Policy and implementation activities.

Since we issued our new Policy in March 2015 (and even before), we have been working to engage and understand the many tiers of our global forest products supply chain. For each supplier and supplied material, we are gathering detailed information to evaluate legality, traceability, third-party certification status, and overall policy conformance. Although complex and time-consuming, this supplier inquiry process provides 3M important information about our supply chain, and helps us identify opportunities for collaboration and improvements to advance sustainable forestry.

We have conducted numerous training and capacity building sessions on responsible paper sourcing and sustainable forestry with 3M personnel and with our suppliers. These trainings have been focused on North America, where the majority of our paper-based spend is centered, and the Asia-Pacific (APAC) region, which includes high-risk areas for deforestation and other unsustainable forestry practices. All training is conducted in the local language, and in most cases local TFT personnel have participated in or led the sessions, to provide expert perspectives specific to the region.

Supplier policy training sessions have been conducted in the US (for US and European suppliers) China (Shanghai), Taiwan and Japan, with more than 80 participants from more than 40 supplier companies. Outside of these more formal training sessions, we have had dozens of one-on-one discussions with suppliers on our policy expectations, particularly in the area of traceability, to come to common understanding of our policy expectations on providing information on mills and forest sources.

We have traced over 50 percent of our annual spend in each commodity category to at least the paper or pulp mill level, and we continue to work with suppliers to gather forest source information. Given the large number of individual forest sources contributing to the global paper supply chain, this remains the most challenging information to obtain, but also the most important to verify that 3M’s suppliers are meeting our policy’s environmental and social expectations. The key to success on this endeavor is the continuing education of our suppliers on the importance of knowing their ultimate forest sources and our policy expectations, in order to mitigate supply chain risks and drive sustainable forestry.

3M and TFT conducted three field assessments in China and one in Taiwan. These supplier assessments at the paper mill or converter level aim to verify that there are adequate systems in place for transparency and traceability that allow 3M to know the sources of the fiber and assess them against the policy. The social and environmental performance of the supplier facilities was also evaluated. 3M plans to continue to expand our field assessment work in a prioritized manner, as necessary to ensure our supply chain conforms to our policy requirements.

California Transparency in Supply Chains Disclosure

3M’s Supply Chain Policies and our next generation 3M Supplier Responsibility Code apply to the selection and retention of all 3M suppliers and establish a framework for the maintenance of fair and reasonable labor and human resource practices, including the prohibition of slavery and human trafficking. 3M’s efforts to eradicate slavery and human trafficking from its direct supply chain for tangible goods offered for sale are described in a disclosure linked from the home page of our website, pursuant to the California Transparency in
The supplier audit process covers training, social risks, labor checklists, general working conditions, emergency response procedures, and hazardous materials management - including transportation protocols and employment practices. 3M staff typically conduct on-site audits, but 3M may use third-party auditors as needed.

The assessment program has independent oversight from the 3M EHS Advisory Committee. Customer or general public concerns can be brought to 3M’s attention via phone or website, with contact information available online.

Assessing Supplier Performance

3M’s complex supply chain requires comprehensive risk assessment mechanisms to identify and mitigate potential sustainability risks throughout the supplier base, especially critical tier 1 suppliers. The focus of our risk assessment is on goods-producing suppliers that feed into our saleable products. These suppliers represent 24% of almost 24,000 tier 1 Production Materials suppliers and Contract Manufacturers. The potentially higher risk suppliers in this group account for 18% of these suppliers.

To date, over 4,500 self-assessments or on-site audits of suppliers have been conducted in prioritized countries, including China, India, Korea, Malaysia, Taiwan, Thailand, Brazil, Mexico, Russia, and Turkey over the past eight years. Suppliers reviewed in the last three years represent 86% of 3M’s 2015 spend in the listed countries.

Most suppliers met 3M’s expectations, and those requiring improvement were given specific corrective action in order to retain 3M business. Suppliers with corrective action must pass a 3M requalification assessment after completing the necessary steps. Most suppliers work very quickly to address any 3M findings. Those suppliers unwilling or unable to take the necessary corrective action in a timely manner have been terminated by 3M.

In order to lay a strong foundation for our 2025 goal of further driving sustainability into our supply chains, we have updated our supplier expectations via a new Supplier Responsibility Code, issued in April 2016, and are updating our supplier assessment process to incorporate these revised expectations. We are also globalizing our supplier risk analysis and assessment

Supply Chains Act (California SB 657). Our California Supply Chains Act (SB 657) disclosure describes our systems for verifying and auditing supplier performance in prohibiting slavery and human trafficking, as well as supplier performance in other aspects of our Supply Chain Policies. The disclosure also describes our commitment to legal and ethical practices through our membership in the UN Global Compact and implementation of 3M’s Code of Conduct. Beginning in 2017, 3M will be reporting our activities in response to the UK Modern Slavery Act of 2015.

3M’s product supply chain involves suppliers from more than 80 countries classified in over 200 sub-categories. There are 10 global commodity teams and numerous sub-teams that work with all client divisions and all 3M factories to assess criticality and develop strategies relevant to mitigating risks and increasing value within all product supply chains. 3M uses a criteria matrix to rank suppliers using multiple factors and critical suppliers are defined within each of the global commodity teams. With our broad global supply chain, we are constantly managing changes in supply markets both opportunistically to extract value and defensively where necessary to secure supply.

We screen 100% of our new suppliers against the labor, human rights, and environmental, health, safety (EHS) requirements of our Supply Chain Policies, and going forward will be screening suppliers against our Supplier Responsibility Code. For existing suppliers, we periodically monitor their performance against our supplier expectations to limit overall risk exposure. 3M has implemented a risk-based supplier assessment process to help assure that its suppliers meet expectations.

The process starts by ranking suppliers using a prioritization matrix tool that takes into account country, type of operations, and annual 3M purchases. We may ask suppliers to complete a self-assessment survey (SAS), and the SAS is used to understand supplier programs and whether they meet the intent of 3M expectations. An on-site audit may be conducted, and any deficiencies are ultimately corrected through further communication and follow-up audits.
process, and focusing our efforts on key risk areas for each geography and commodity space, such as labor rights, human trafficking, indigenous peoples’ rights, child labor, business ethics, workplace safety, and environmental impacts. In addition, we are actively seeking out opportunities to collaborate with peer companies, customers, suppliers and other partners to standardize supply chain sustainability and corporate responsibility expectations, so that we can realize much greater synergy and progress by working together toward common goals.

Supplier Diversity

Equal access to business opportunities is not just deserved, it’s a priority. Regional self-sufficiency is a focus area for 3M, and we recognize its importance for business reasons as well as in building connections with local communities. Although we collect data around the proportion of spending on local suppliers at our significant locations of operation, this data is business confidential.

3M has a long-standing commitment to sustainable business practices and supporting the economic success of our communities. This includes working with both diverse and small-business suppliers. For 3M purposes, a diverse supplier is any supplier who qualifies for one or more of the following classifications: Minority-owned business, Women-owned business, Small Business (including Small Disadvantaged, HUBZone, Woman, and Veteran/Service Disabled Veteran.)

3M proactively identifies diverse suppliers to procure goods and services, strongly encourages the use of diverse suppliers across our Sourcing organization, and reaches out through our involvement with various organizations, including the National Minority Supplier Development Council (NMSDC), Women’s Business Enterprise National Council (WBENC), Metropolitan Economic Development Association (MEDA), Small Business Administration (SBA), and others.

In 2015, 3M spent $1.5 billion dollars with small businesses, representing 27% of our total US domestic spend. We also spent $200 million dollars with diverse suppliers, which represents 3.6% of total US domestic spend.

3M continues to reassess elements of our approach, working across the industry to glean best practices.

We remain committed to supporting small business and diverse suppliers and their positive impact on the economic viability of communities.

3M establishes goals and regularly tracks the dollar value of goods and services purchased from small businesses and diverse suppliers in concert with goals set annually with the U.S. Federal Government as part of our Subcontracting Plan for Federal Government contracting. To achieve our goals, 3M is implementing a 4-part strategy aimed to: 1) increase our spend with current diverse suppliers by reviewing our existing diverse Suppliers by diversity category; 2) identify additional diverse suppliers in our existing supply base by reviewing our top non-diverse suppliers by commodity team; 3) find “new-to-3M” diverse suppliers; and 4) further disrupt the status quo by working to move some of our Tier Two dollars to Tier One and focusing on diverse suppliers in our RFP activity. Our progress is routinely communicated to leadership across the organization.

More on our Supply Diversity program can be found on our Supplier Diversity website.

3M values our supplier relationships and aims to recognize outstanding performance that enables 3M to be a relevant player in the marketplace and share in the Company’s vision. Our Most Valued Partner (MVP) award program seeks to recognize those elite suppliers that help 3M succeed in accomplishing our Vision of 3M Technology Advancing Every Company, 3M Products Enhancing Every Home and 3M Innovation Improving Every Life. Each year, 3M supplier professionals in our Global Sourcing organization will nominate exemplary suppliers to be recognized for world class performance in 6 different categories for products and/or services: Production Materials, Outsource Manufacturing, Indirect Sourcing (Services), Sustainability, Diversity, and Supplier Ideation. Upon review against award criteria and other nominees, 3M will name up to one supplier each year as our Most Valued Partner in each category, based on results from the previous year’s performance. 3M MVPs are invited to an award ceremony, and are able to share the recognition on their company’s website.
Learn how our technology, products and innovation come together to lead to our continued financial sustainability.

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. It also establishes a stretch goal for all employees at 3M as we have the capability to reach every company, every home and every life all around the world.

Concurrent with our vision, 3M has 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

Three key levers are driving 3M’s success, and positioning us to win in both the short and long term. In 2015, we have made significant process on each of these levers.

The first is portfolio management. In 2012, we began taking action to prioritize, strengthen and focus our
portfolio of business. We have since realigned from 6 sectors to 5 business groups and from 40 businesses to 26. This year, for example, we combined our dental and orthodontic business within our Health Care business group. Now, through a single and seamless partnership, we can offer customers an array of oral care innovations. Combining and realigning businesses is delivering significant benefits, including greater customer relevance, scale, productivity and speed. It is also making our company leaner and better positioned to allocate resource to our best opportunities as it relates to both organic growth and acquisitions. In 2015, we also strengthened our portfolio through acquisitions. In particular, our Capital Safety acquisition bolsters our already-strong position in the fast-growing personal safety business, and the acquisition of Polypore’s Separations Media business strengthens our filtration technology platform. At the same time, we divested three businesses that no longer aligned with our strategic objectives, including the library systems business.

Our second lever is investing in Innovation. It fosters a constant stream of unique and cutting-edge products, which drives organic growth. 3M’s primary growth strategy is organic, which is why research and development is the heartbeat of our company. In 2015, we invested $1.8 billion in R&D, 5.8 percent of sales, while expanding our scientific capabilities globally. We opened six customer technical centers around the world, and opened a new state-of-the-art research laboratory in the United States in March 2016.

We are moving to a more efficient business model through our third lever which is Business Transformation. 3M is committed to Business Transformation, which will make us more agile, more efficient, and most importantly, more responsive to customers. The backbone of this effort is implementation of a global Enterprise Resource Planning system. Business transformation is an important undertaking, with significant long-term benefits.

2015 Financial Summary

Key Economic Highlights for 2015:

- Earnings per share increased 1.2 percent to $7.58 per share
- Operating income margins increased 0.5 percentage points year on year to 22.9 percent
- Total worldwide net sales for the year were $30.3 billion, a decrease of 4.9 percent
- Organic local-currency sales growth increased 1.3 percent worldwide: 2.1 percent in the United States, 1.5 percent in Latin America/Canada, 0.9 percent in Asia Pacific and 0.8 percent in Europe/Middle East/Africa
- Currency impacts reduced worldwide sales by 6.8 percent and acquisitions, net of divestitures, added 0.6 percent to sales
- Return on invested capital of 22.5% and free cash flow conversion of 103%
- $7.8 billion was returned to shareholders through dividends paid and share repurchases

During the first quarter of 2016, we announced our new five-year financial objectives:

- 8 to 11 percent growth in earning per share
- 2 to 5 percent organic local currency sales growth
- 20 percent return on invested capital
- 100 percent free cash flow conversion

We are building, preparing and positioning 3M for efficient growth today and into the future.

3M has company-sponsored retirement plans covering 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 approximately $100 million to $200 million of cash to its global defined benefit pension and postretirement plans in 2016. The Company does not have a required minimum cash pension contribution obligation for its U.S. plans in 2016. The increase in U.S.
discount rates and other factors resulted in a decreased in the projected benefit obligation (PBO), however the plan’s funded status decreased slightly in 2015 as the decrease in the PBO was at a lower rate than the decrease in fair value of plan assets 2015.

The Company also sponsors employee savings plans under Section 401(k) of the Internal Revenue Code. These plans are offered to all regular U.S. employees. For eligible employees hired prior to January 1, 2009, employee 401(k) contributions of up to 6% of eligible compensation were matched in cash at rates of 60% or 75%, depending on the plan in which the employee participates. Employees hired on or after January 1, 2009, received a cash match of 100% for employee 401(k) contributions of up to 6% of eligible compensation and also received an employer retirement income account cash contribution of 3% of the participant’s total eligible compensation. Beginning on January 1, 2016, for U.S. employees, the Company reduced its match on employee 401(k) contributions. For eligible employees hired prior to January 1, 2009, employee 401(k) contributions of up to 5% of eligible compensation will be matched in cash at rates of 45% or 60%, depending on the plan in which the employee participates. Employees hired on or after January 1, 2009, will receive a cash match of 100% for employee 401(k) contributions of up to 5% of eligible compensation and will also continue to receive an employer retirement income account cash contribution of 3% of the participant’s total eligible compensation. All contributions are invested in a number of investment funds pursuant to the employees’ elections.
Taking Action

Employee Engagement and Recognition

Learn about the ways we foster employee engagement

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 and 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 organizations globally.

• Intranet Knowledge Platforms Databases: 3M’s intranet site structure 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 Spark 3M News. It enables employees to share news articles, videos and links with others both internally and externally via email and social media.
visibility and accountability. 3M also conducts a more strategically-focused survey that includes engagement measures. This survey, the Vision and Strategies Alignment 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.

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. Results have improved with each administration, up to 83 percent favorable in the most recent survey, which is well above the threshold for strength (70 percent favorable).

Employee Engagement
Results from 2013 Vision and Strategies Alignment Survey

- **90%** Reported they persevere 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 say 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.

Measurement, Feedback and 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 three 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
Employee Rewards and 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

Employee Engagement for Sustainability

3M also has a robust approach to engaging employees in “sustainable thinking” at work and at home. A few key elements include:

- Global communications - every employee with a 3M email address routinely receives email communications from executive leadership regarding global challenges, environmental days of recognition (Earth Day, World Water Day, International Women’s Day, etc.) in an effort to further educate the global workforce on both challenges and ideas for improving how we live and work.
- Sustainability Week - In 2015, 3M hosted its third annual “Sustainability Week” celebration – a globally celebrated series of activities including Sustainability brainstorm sessions, a product innovation competition featuring executive judges and global employee voting.
Taking Action

Engaging Our Stakeholders

See how our stakeholder-driven approach to sustainability materiality serves as a foundation for our sustainability strategy and reporting.

Overview

Stakeholder engagement can help guide companies on doing business the right way. It can also have a direct impact on a company’s financial success (sales, share price and investments), on its operations, and on its reputation. 3M has created a robust, stakeholder-driven approach to sustainability materiality that serves as a foundation for our sustainability strategy and reporting. Through understanding critical sustainability issues from both internal and external perspectives, 3M can strengthen its social license to operate and develop corporate strategy, goals, targets, programs, initiatives and a stakeholder engagement strategy to advance sustainability globally.

As a science-based company, our stakeholders include customers and consumers, investors, government agencies, industry organizations, subject-matter experts and academia, non-government organizations, other corporations and more.

Major Stakeholders and Key Actions

Employees

- Respecting human rights and diversity
- Supporting, optimizing and promoting development and growth
- Ensuring a safe and healthy work environment
- Ensuring equal opportunity
- Providing competitive compensation and benefits
- Attracting and retaining the highest talent by being a company for which employees are proud to work
Local Communities

- Supporting and engaging in citizenship activities across our value chain
- Providing economic and social value to communities, while minimizing environmental impact
- Supporting safe and healthy communities

Media

- Ensuring 3M is represented accurately with current information

Memberships and 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. Key engagements include the following listed below.

Employees

- Committee to Encourage Corporate Philanthropy
- The League of American Bicyclists
- The Science Museum of Minnesota

Investors

- Dow Jones Sustainability Index
- CDP
- MSCI
- National Investor Relations Institute

Suppliers, Contractors and Industry Associates

- Partnering with suppliers and contractors that meet or exceed expectations
- Supporting collective efforts to deliver business results
- Collaborating to identify, resource and amplify sustainability initiatives
- Respecting human rights for workers across our value chain

Academia and Scientific Organizations

- Engaging on technical scientific research to develop innovative solutions for society

Nonprofit Organizations and NGOs

- Partnering to understand societal concerns
- Providing support to advance and solve global issues

Customers

- Providing diverse innovative product solutions that help our customers deliver on their promises
- Offering a diversified portfolio of products increasingly demonstrating sustainability attributes
- Providing sustainable products to address and help solve global environmental challenges

Government/Regulators

- Complying with laws, regulations and policies
- Supporting and engaging on development and modification of changes

Investors

- Delivering profitable returns on investment
- Disclosing timely, concise and relevant information (related to Economic, Environmental and Social Issues)
- Responding to inquiries
- Upholding corporate values

Media

- Ensuring 3M is represented accurately with current information

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Investors

- Dow Jones Sustainability Index
- CDP
- MSCI
- National Investor Relations Institute
Government/Regulators
• The Commission for Environmental Cooperation
• United Nations & U.N. Global Compact
• U.S. Department of Energy (DOE)
• U.S. EPA Green Power Partnership
• U.S. EPA Energy Star Program
• International Labour Organization

Industry Trade Associations
• Air & Waste Management Association
• Alliance to Save Energy
• American Chamber of Commerce (AmCham)
• American Chemistry Council (ACC)
• American Industrial Hygiene Association
• CAPS Research
• The Conference Board
• The Conflict Free Sourcing Initiative (CFSI)
• European Chemistry Industry Council (CEFIC)
• Green Chemistry & Commerce Council (GC3)
• London Benchmarking Group
• Minnesota Chamber of Commerce
• National Association of EHS Managers
• National Association of Manufacturers (NAM)
• National Climate Coalition
• Pressure Sensitive Tape Council
• Water Quality Association

Customers
• The Closed Loop Fund
• Corporate Eco Forum
• Retail Industry Leaders Association
• Sustainable Brands
• World Business Council for Sustainable Development

Labor and Human Rights
• US Business Leadership Network

Nonprofit Organizations/NGOs
• Alliance to Save Energy
• Forum for the Future
• Friends of EU Emissions Trading Scheme (ETS)
• TFT (The Forest Trust)
• The Nature Conservancy
• Net Impact
• Practice Greenhealth
• World Resources Institute (WRI)
• WorldSkills
• World Wildlife Fund (WWF)

3M’s stakeholder engagement strategy continues to evolve. We continually look to our stakeholders to help us increase understanding, broaden our awareness, seek technical input and expertise and evaluate possible collaborations and strategic partnerships. We rely on their counsel and expertise to help guide us. We believe stakeholder engagement should be based on
candid and authentic dialog, grounded in the company’s values and should contribute to the evolution of our strategic priorities.

Levels of engagement with stakeholders vary greatly by geography, type and function. For example, 3M employees globally are engaged frequently through sustainability communications and events with diverse topics based on our material aspects, while we may engage annually for an industry association meeting. We may also have engagements around a specific issue.

In October 2015, 3M hosted the first annual 3M Sustainability in Health Care Summit at the 3M Innovation Center in St. Paul, Minnesota. The goal of the conference was to advance sustainability in health care by sharing challenges and best practices. Executives from over 40 private and military hospitals and non-profit organizations participated, some experts in applying sustainability in their organizations, and some just starting out. We are planning to make this Summit an annual event, to continue to advance sustainability in the health care sector.

In another example, the Commission for Environmental Cooperation (CEC), in collaboration with Natural Resources Canada (NRCan), Mexico’s Comisión Nacional para el Uso Eficiente de la Energía (National Commission for the Efficient Use of Energy) (CONUEE) and the US Department of Energy (DOE), is partnering with private sector facilities in Canada, Mexico, and the United States to promote the adoption in North America of the ISO 50001 international energy management system (EnMS) standard. The CEC’s North American Energy Management Pilot Program provides partner companies with increased capacity to implement and become certified to ISO 50001 and, possibly, the Superior Energy Performance™ (SEP) program managed by the DOE. Three 3M facilities are participating in this project: San Luis Potosi, Cottage Grove, and Brockville.

We also receive stakeholder input via shareholder inquiries and proposals, as well as general outreach.

To help us think more broadly about our humanitarian impact, in both 2014 and 2015, we used the Net Impact Conference to start and encourage a dialog around the idea of social sustainability and 3M’s ability to “improve every life” in partnership with others. In early 2016, we continued to expand this conversation by creating an art exhibit at South by Southwest that posed the question of what everyone can do to address the global challenges ahead as we look to a growing population. We continue to push this conversation and gain insights from stakeholders using a robust Sustainability-focused social media and online strategy. We look forward to continuing to learn more about this topic from a variety of thought leaders in the years ahead.

Businesses today are operating in a new landscape where broad sets of stakeholders expect an increased level of transparency, access and engagement. To further facilitate this process 3M hired a full-time professional to manage global stakeholder engagement. It is part of our effort to strengthen 3M by better communicating with our customers, consumers, investors and other stakeholders around the world. A dedicated, full-time focus will allow us to have a more strategic and proactive approach to engagement on a variety of topics, which will keep us well-connected and ahead of issues that could affect our business. It is through this position that we will facilitate consultation between stakeholders and the board on economic, environmental and social topics.

We engaged with many external stakeholders in setting our new 3M 2025 Sustainability Goals. These goals are aligned with the key global challenges, as well as the United Nations 2030 Sustainable Development Goals. As such, they present unique opportunities for partnerships and collaboration, which 3M is actively seeking out.
Our partnerships with diverse organizations around the world lead to better sustainability solutions.

3M improves lives through innovative social investments in Education, Community, and Environment. Our goal is to create a better world for everyone, and our approach includes annual social investments in our global communities. Through these investments, we strive to increase access and student achievement in STEM (science, technology, engineering and math), improve standards of living in communities where we operate, and build environmentally sustainable communities.

Improving Lives through 3Mgives

In 2015, 3M aligned activities to harness the power of its business expertise and employee resources to maximize our impact on 3M communities. It was a landmark year for 3Mgives with investments and programs that aligned community outcomes to business strategies.

3M began the year with our chairman of the board, president and CEO, Inge Thulin, leading the Greater Twin Cities United Way Centennial Campaign. Under his leadership, 3Mers across the country invested $6.1 million and the company matched those dollars resulting in 3M giving a total of $15 million to more than 2,500 agencies and projects – record results for our community. The impact was tremendous – more than 1 million lives in 150 communities were improved.

3M’s community impact is global. The company expanded its Global Volunteer Day to 88 international locations in 2015. More than 16,000 3M volunteers helped to improve the lives of young people from Beijing to Brussels to Buenos Aires through pre-school to high school projects.

3M furthered its reach into diverse communities particularly through the leadership and community engagement work of 3M Employee Resource Networks, including the Women’s Leadership Forum. For example, 3M’s Latino Resource Network and the African American Network mentored students from a St. Paul high school and hosted a career awareness event at 3M Headquarters. The Military Support Network distributed...
3M products to veterans who are homeless and 3M’s Native American Network packed school supplies for the American Indian School in St. Paul.

We continue to enhance employee engagement by leveraging the skills and passion of 3Mers around the globe. In 2015, 3M invested in the 3M Catalyst Leadership Way program to send 3M senior executives to engage their professional skills to support community sustainability initiatives in Mumbai and Chennai, India.

The company is also encouraging greater giving around the globe to align community investments with 3M’s global operations. In 2015, 3M developed the International Giving Fund in partnership with United Way Worldwide to facilitate investments in community organizations outside of the United States. These investments include funding STEM education projects with 3M Mexico, 3M Argentina, and 3M Brazil; environmental sustainability projects with 3M Canada; and supporting projects that help meet basic needs for children of migrant workers near 3M China.

In addition to financial resources, 3M leveraged its diverse product portfolio to support our communities—in 2015, 3M invested more than $36 million in product and services (Fair Market Value) to strategic community partners. For example, as founding partner with a $5 million commitment, 3M gave more than $1.6 million worth of products at Fair Market Value to help construct and enhance the visitor experience at the National Museum of African American History and Culture on the National Mall in Washington, D.C. The museum is scheduled to open in the fall of 2016.

3M has identified game-changing social programs by building upon new models of investments with innovative and effective organizations. For example, the company invested in the Closed Loop Fund, a collaborative social impact fund that provides municipalities with access to capital to build comprehensive recycling programs. 3M expanded its partnership with DonorsChoose.org, an organization that helps to fund teacher projects in under-resourced schools. Through a partnership with DoSomething.org, 3M engaged thousands of students in STEM in a fun and contemporary way.

Approach

3M gives, the social investment arm of 3M, is governed by the 3M Foundation Board of Directors and Corporate Contributions Committee comprised of senior level executives in the company. The 3M Foundation Board of Directors guides the social investment strategy including giving area, budget allocation and high-level strategy advice for execution by 3M gives staff.

3M leaders from each region develop and administer programs consistent with the overall 3M gives strategy and local culture and social needs. For example, in the United States, 18 Community Relations Councils develop regional strategies and direct local social investments in partnership with the 3M gives team. In addition, 3M gives regularly convenes a Global Advisory Council comprised of senior leaders from countries around the globe to inform and develop our global giving strategy.

Since the inception of the 3M Foundation in 1953, 3M has invested $1.45 billion in cash and in-kind donations in communities around the world. These global investments were bolstered by employees and retirees volunteering millions of hours.

Investing Our Resources. Investing Ourselves.

K-12 Education

3M’s education goal is to increase student achievement for all students in STEM (science, technology, engineering and math). To that end, 3M has supported innovative and impactful STEM and business educational initiatives for many years. As a company that has thrived on applying science to life, 3M understands the importance of inspiring the next generation of scientists, innovators and inventors. 3M invests in educational initiatives that help young people understand how science impacts their daily lives and encourages and supports interest in science, reflecting the company’s commitment to applying science to life. Our goals are to:

• Promote equity by driving quality education to all communities
3M Science Encouragement Programs

3M’s STEM support is not new; the company has worked with Saint Paul Public Schools (SPPS) for more than 40 years. Through that partnership, 3M developed several Science Encouragement Programs. One such program is 3M STEP (Science Training Education Program). STEP provides juniors and seniors from SPPS the opportunity to participate in the process of scientific discovery at 3M. Through mentoring and classroom instruction by 3M scientists, and paid summer employment in a 3M lab, STEP students increase job skills, gain insight into scientific careers and enhance their personal development. As of 2015, more than 1500 students have participated in the program. Many have gone on to pursue careers in science and several are working at 3M. In fact, a former STEP student is now a division scientist!

3M strives to help SPPS create positive outcomes and opportunities for students with more than $1 million invested annually and hundreds of eMentors. Our investments have contributed to great results for all students in SPPS. Student achievement in STEM has increased for the district and more students are pursuing degrees in STEM-related fields while attending top-tier schools. 3M believes that all students, regardless of race, gender or any other factor, should have fair opportunities to succeed. In 2015 the disparity between graduation rates for Black and White students decreased three percentage points from 18 percentage points to 15 percentage points. The district also saw graduation rates higher than the state average for American Indian, Hispanic, Black, and English Learners in 2015.

DoSomething.org

3M partnered with DoSomething.org to develop a fun and contemporary way to engage young people (13 – 18 years old), especially young women in STEM. 3M scientists worked with the DoSomething team to launch Science Sleuth 2.0, an adventure where students use STEM principles to solve a mystery. At the end of the adventure, students had the opportunity to learn more about 3M scientists and to donate $10 provided by 3M to a STEM project in a classroom in need. DoSomething.org enabled us to expose a much broader audience to STEM principles than ever before. Our goal was to move students from the pre-contemplation level (science is not my thing) to contemplation (science can be interesting and fun). This program also provided an opportunity for 3M scientists to develop a realistic STEM experience and share their personal STEM journey.

3M Visiting Wizards

The Visiting Wizards is another 3M Science Encouragement Program developed by 3Mers. This program aims to spark an interest in science in the youngest of learners. 3M Visiting Wizards visit classrooms to share the magic of science with students through science demonstrations and hands-on experiments. The demos and experiments are on topics such as catapults, energy, and cryogenics. Today, more than 800,000 students have seen how science is applied to life. These demos are online, and they are accessible to teachers and community leaders everywhere.

FIRST Robotics Teams

3M is a longtime supporter of FIRST Robotics teams in the U.S. 3M supports nearly 50 teams around the world including teams in Poland and Brazil. In addition to sponsoring teams, 3M provides more than $500,000 in products to the teams. We also have hundreds of employees who volunteer as coaches.
Higher Education

3M Frontline Sales Initiative

Our Frontline Sales Initiative is an innovative, educational partnership with universities, including four Historically Black Colleges and Universities (HBCUs) across the United States. The program was designed to increase the amount of sales education content at universities and elevate sales as a discipline and a profession. By collaborating with universities and faculty, as well as aligning 3M sales leaders and resources, 3M supports the development of professional sales programs. Today, 3M has hired more than 346 students from this program.

University of Minnesota

The University of Minnesota is a key strategic partner with 3M. We have donated more than $40 million to support scholarships, fellowships, programs to encourage diversity in the sciences, and more. The U of M established the STEM Education Center in 2010 to train elementary and secondary school educators to effectively incorporate evidence-based disciplines into their teaching, and to grow students’ interest and competencies in STEM.

The 3M STEM Education Fellows Program funds graduate students to work with targeted schools to integrate STEM into their school curricula. 3M’s support has allowed the U of M to partner with 200 Twin Cities metro area teachers to increase science and math learning for 15,000 students in the fourth through eighth grades. In addition to supporting science and engineering, 3M also supports business education. The company provides scholarships for students at the University of Minnesota Carlson School of Management.

3M Scholarships

A significant part of building the STEM pipeline is supporting students as they pursue higher education opportunities. 3M provides scholarships to students at the following universities:

- Georgia Tech
- Northwestern University
- Penn State
- University of Urbana
- University of Minnesota
- University of Wisconsin-Madison

The company also partners with organizations, such as United Negro College Fund (UNCF), to increase higher education opportunities for underrepresented students. In 2015, 3M helped the Twin Cities UNCF raise more than $500,000 for scholarships, earning the UNCF Chairman’s Award. In addition, the company supported the Asian and Pacific Islander American Scholarship Fund at the University of Minnesota. 3M also expanded its College/University matching program to include the American Indian College Fund and the Hispanic Scholarship Fund.

3M also recognizes the need to support and encourage students to consider careers in skilled trades. To support the development of a skilled technical workforce, 3M established an initiative that fosters industry-driven partnerships with technical colleges. These partnerships help local community schools to better align curriculum with job skills required for today’s technical workforce. The partnership increases awareness of career opportunities by providing internships and mentors in manufacturing. 3M has invested more than $300,000 in support of this initiative.

Volunteerism

3M formalized volunteerism in 1949 as an integral part of 3M’s support to our communities. As a result of increased awareness of volunteer activities and implementation of new initiatives, employee engagement increased significantly at 3M. In 2015, the number of volunteers increased 51 percent and hours grew 11 percent.

3Mgives helps to build sustainable communities through strategic social investments and thoughtful engagement of 3Mers worldwide. 3M volunteers represent our most impactful contribution to communities. Volunteerism is an important part of the 3M’s culture – it reflects the corporate vision and supports 3M Leadership Behaviors.

3Mgives launched an app in 2015 to recruit volunteers. Volunteers are able to sign up for opportunities, upload activity photos and comment on various opportunities.

3M Global Volunteer Day

For the second year, 3M Global Volunteer Day brought 3M employees around the world together to make all of our moments matter for collective impact internationally. This year we increased participation
at our global locations from 15 to 88—with more than 16,000 volunteers serving in schools and youth organizations from St. Paul to Spain to South Africa. 3Mgives promoted diversity and inclusion to support the company’s “I’m InVOLved” theme for 2015.

3M Volunteer Match
3M encourages and supports volunteerism through 3M Volunteer Match, providing $250 matches to eligible organizations for employees who serve 20 hours or more (retirees 25 hours) in a calendar year. Since the inception of the Volunteer Match program in 2001, 3M has donated more than $6.3 million in the names of 25,844 volunteers to over 3,000 organizations in all 50 states. In 2015, 3M donated $562,000, matching 2,241 volunteers to 1,008 organizations in 46 states plus Washington, D.C.

Nonprofit Board Service
To support the hundreds of 3Mers serving on non-profit boards, 3Mgives provides resources to help bolster their impact. Initiated by a 3M Foundation Board member, 3M hosted an “All A-Board Bar-B-Que” where 3M recognized employees for their service at this inaugural 3M Nonprofit Board Service Luncheon. The event provided an opportunity to network and share best practices. 3M’s partner, MAP for Nonprofits, compiled a new training on board governance trends to help participants to better serve their organizations. The response to the event was overwhelming and this will be an annual event.

Employee Resource Networks
3M has nine employee affinity groups in St. Paul and the 3Mgives team has connected the networks with volunteer opportunities of interest to each network. For example, members of the GLBT+ Network packed lunches for youth at Face to Face, an organization focused on helping youth who are homeless. The African American Network was connected with the Martin Luther King Jr. Day Service Coalition, a collaboration of Twin Cities Corporations and, in 2015, painted the after-school youth spaces at the YWCA in St. Paul. Members also led a panel for Twin Cities Rise! beneficiaries to help prepare them for the future, earning them the Twin Cities Rise! Community Partner Award. 3M’s Native American Network packed school supplies for American Indian Magnet School students, and members of our Military Support Network served at the Minnesota Assistance for Veterans event to help veterans who are homeless. 3M’s Women’s Leadership Forum volunteers chaired the 3M-sponsored DiscoverE Global Marathon for women in engineering and technology.

Employee Engagement Insights
3Mgives incorporates insights from 3M employees to inform the development of programs and partnerships. The 2015 research indicates that nearly all 3M employees agree that it is personally important to them to work for a socially responsible company and 87% of 3M employees agree that 3Mgives community investments make them proud to be a 3M employee.

Enhancing Our Communities
3Mgives Campaign in Partnership with United Way
3M partners with United Way and nonprofit agencies around the country in an annual workplace giving campaign to raise funds and volunteer for local community causes. 3Mers at Headquarters, in plants, and at our Austin, Texas office rally together to make a difference for people-in-need in their communities.

In 2015, 3M’s results were the best ever recorded by the company and 3Mers nationwide raised more than $6.1 million against a $5.8 million goal. Contributions soared in all areas—with more than $4.2 million raised in the Twin Cities, $1.4 million raised from sites nationwide, and $380,000 raised in Austin. In addition, 3Mers contributed their time and talent to community causes in record fashion—more than 53,000 hours, a 75% increase over prior year. The dedication and commitment of 3Mers nationwide led to more than one million lives being impacted in 150 3M communities.

National Museum of African American History and Culture
3M is a Founding ‘Cornerstone’ Donor of $5 million to the National Museum of African American History and Culture, a Smithsonian organization in Washington D.C. (opening in 2016). In 2015, 3M supplemented cash contributions with innovative 3M products to both provide the foundation for the building and enhance the
a prime example of an innovative investment right in 3M headquarter’s backyard.

Science Museum Omnitheater Capital Investment

As a part of a multi-year commitment, 3M invested $500,000 in the Science Museum of Minnesota to replace the theater’s current film projection system with a state-of-the-art digital laser projection system that will assure the continued vitality and the cultural and educational programming for the next 10-15 years.

This innovative investment is enabling the Science Museum of Minnesota to develop the world’s first dual-4K IMAX Laser Dome Digital projection system – ensuring the highest quality of digital programming for students and general visitors to the museum.

International Giving Fund – United Way Worldwide

To enhance 3M’s giving around the globe, the International Giving Fund was established with United Way Worldwide to support the company’s international community priorities and engage 3Mers in community activities. In 2015, 3M invested $700,000 to establish this Fund through United Way Worldwide. 3M locations across the globe apply for funds as a match for their contributions to signature partners. All funded programs must meet NGO (non-governmental organization) standards of the country and meet compliance standards such as the Foreign Corrupt Practices Act and others. The 3M in-country leader assesses the opportunity for the company and the community. United Way Worldwide vets the organization to ensure compliance with local and international laws.

3Mgives invested, in partnership with United Way Worldwide, in nine initiatives in 2015 – leveraging approximately $768,000 in cash and product contributions from international subsidiaries worldwide. This includes a co-investment with 3M China to promote preschool readiness among the children of migrant workers by improving the teaching quality of caregivers. 3Mgives is also supporting 3M Canada in efforts to empower youth and educators to create sustainable communities with a $40,000 investment to core national partner, Learning for a Sustainable Future. 3Mgives partnered with leaders in Mexico, Brazil, and Argentina to launch an innovative STEM Science Fair Initiative in partnership with United Way Worldwide, local universities, and other partners. This investment enabled
3Mgives to align community investments with 3M’s operational footprint.

Building Sustainable Communities

Closed Loop Fund

3M committed $5 million to the Closed Loop Fund (CLF), a collaborative social impact fund supported by leading companies that provides municipalities access to capital needed to build comprehensive recycling programs. The fund aims to (1) achieve a reduction of more than 75 million tons of greenhouse gas emissions, (2) divert 27 million cumulative tons of waste from landfills, (3) create 27,000 new local jobs, (4) help municipalities save more than $1.9 billion in waste disposal costs, and (5) provide packaged goods companies with much greater access to recycled materials.

Cities across the nation are spending billions of dollars sending recyclable materials to landfills. These cities are losing revenue from selling recyclables and U.S.-based companies like 3M are missing out on a robust supply of recycled material in their supply chain. This partnership is one of 3M’s innovative approaches to strategic social investing – it is the company’s first program related investment (PRI) that will actually be paid back to the foundation to recycle funds back into the community in the future.

CALSO Social and Technology Accelerator

3M invested $91,000 in CALSO for the development of their technology accelerator in Austin, Texas. With this one-of-a-kind accelerator program in the Greater Austin area, CALSO will support technologically innovative startups developing products and services tackling social, environmental or other urban issues. By building a bridge between the technology and social entrepreneurship sectors, CALSO aims to foster technologically innovative solutions for social change. Austin has become one of the most innovative tech cities in the world, providing startups with a unique ecosystem to grow, scale and thrive. However, social entrepreneurs are lacking business support services - this missing link is particularly damaging as the need to develop affordable technologies to address social and environmental challenges is growing.

This new incubator will support seven social ventures for its first year through a yearlong program providing entrepreneurs with a co-working space, classes, workshops, events, mentorship and greater visibility. With this program, we aim to pioneer the social and tech revolution in Austin and contribute to designing a favorable local ecosystem for innovation and sustainability. 3Mgives believes that business can be a power for good and this is exemplified most clearly through social enterprises. This innovative investment focuses on developing technologies and social enterprises that can disrupt barriers to economic success and overall well-being for the world’s most underserved communities.

3M Catalyst Leadership Way Partnership with PYXERA Global

In 2015, 3M invested in the development of an innovative program with PYXERA Global to leverage the skills of 3M employees to effect social change on a global scale. Many NGOs and governmental organizations around the world have limited resources to focus on capacity development. To address this need and support great partners, 3M created the 3M Catalyst Leadership Way Community Project to utilize the best of what we have to offer—our people! The 3M Catalyst program provides the opportunity for teams of 3M senior executives to engage their professional skills to support the operations of global NGOs operating in the access to water and water quality sector. Participating volunteers are divided into two teams of 10 for three-week engagements in each location. Each team will be further sub-divided into teams of 3-4 to support a single organization on a demand-driven capacity building project. The initial project is set in Mumbai and Chennai, India in April, 2016. Prior to their international assignments, participating 3M volunteers undergo six weeks of virtual pre-work.

The main goal of this partnership is to leverage the specialized skills of 3M leaders to improve the operational capacity of community organizations. As far as social impact, 3Mgives strives to enable select 3M executives to empower non-profit organizations to report improved operational capacity – enabling these organizations to improve more lives in a meaningful way. In commitment to improving every company, every home, and every life, the 3M Catalyst Leadership Way Community Project is developed to provide leading 3M employees with an applied immersive leadership development experience to expand their global mindset. Participants will have the opportunity to work with local
communities to build capacity and provide innovative solutions to improve lives.

This investment enables 3M to enhance employee engagement globally by empowering 3M employees to support underserved individuals in Chennai and Mumbai, India. In addition to the tremendous social value, 3M senior executives will get valuable experience, including the following benefits:

- Further develop leadership behaviors
- Navigate uncertainty, complexity, and ambiguity
- Expand cultural awareness
- Develop sophistication in local relations and regulations
- Observe, interact, & partner with local NGOs / governments
- Increase global perspectives in a developing market
- Lead and engage in a multicultural environment

### 2015 Giving by Focus Area

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Cash</th>
<th>In-Kind</th>
<th>Total</th>
<th>%</th>
<th>Volunteer Hours</th>
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### 2015 Global Giving by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Charitable Corporate Cash Donations (USD)</th>
<th>Charitable Foundation Cash Donations (USD)</th>
<th>In-Kind Donations (USD)</th>
<th>Total Donations (USD)</th>
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Taking Action
Respecting Human Rights

A respect for the rights of all humans across the globe guides everything we do.

We believe what the company stands for is just as important as what we sell. For 113 years, we have built a reputation for integrity and doing business the right way. We expect all employees to act ethically, honor human rights and sustain and advance 3M’s global reputation. While 3M has subsidiary operations in more than 70 countries, we have one Code of Conduct 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.

3M respects international human rights principles, including the United Nations Declaration of Human Rights, the European Human Rights Convention, the United Nations Guiding Principles for Business and Human Rights (UNGP), the International Labor Organizations’ Declaration on Fundamental Principles and Rights at Work, the OECD, Agenda 21, and the UN Convention Against Corruption.

Leading with Integrity and Values

3M is committed to respecting human rights in our own operations and in our supply chain. 3M’s Global Human Rights Policy Statement was adopted in 2013, and 3M became a member of the U.N. Global Compact (UNGC) in early 2014, thereby committing to align our operations and strategies with...

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

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, unless prohibited by local law, for reporting any suspected violations of law or these policies. Upholding 3M’s Code of Conduct and values is the responsibility of everyone acting on 3M’s behalf. 3M recognizes that reporting suspected misconduct and human rights violations takes courage. Our employees are encouraged to raise questions or report misconduct or potential misconduct to management, 3M Legal Counsel, the Compliance and Business Conduct Department, their Human Resources Manager, or to 3M-Ethics.com.

In addition, 3M’s existing Supply Chain Policies and Next Generation Supplier Responsibility Code set supplier standards and expectations in the areas of environmental, health and safety, transportation, labor, and human resources and supplied materials. The sourcing policies apply to the selection and retention of all suppliers that provide goods or services to 3M worldwide.

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

We have a global framework around management systems to look at our internal practices and assess human rights violations. Our internal audit process is truly global, and we are increasing the number of assessments we are performing. This provides us with a global perspective on our own internal locations, particularly our manufacturing locations. We have now completed a full cycle of internal assessments for all manufacturing locations in Asia. We have also done assessments in Latin America, Europe, and the Middle East.

We support the UN Guiding Principles (UNGP) on Business and Human Rights. Our human rights management system helps us implement the “protect, respect, remedy” framework. We also support the principles of due diligence outlined in the UNGP. And of course, our Code of Conduct requires compliance with all applicable laws and respect for internationally recognized human rights in all of our global operations.

We also respect the ILO Declaration on Fundamental Principles and Rights at Work. Adopted in 1998, the Declaration commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation.
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 by creating the kind of inclusive work environment 3M employees want and can be proud of. 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.

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 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. 3M has identified countries where collective bargaining rights may be at risk, and ensures 3M Human Rights Policies applies to all 3M employees worldwide. Approximately 29 percent of 3M’s global workforce is unionized.

Our Human Rights Policy Statement has a specific subdivision on the freedom of association, which ensures that we respect “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.”

3M is a signatory to the UN Global Compact, which also covers the freedom of association. UN Global Compact Principle 3 states that “businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.” It is of the utmost importance that we have a good working relationship with our employees, and we spend a lot of time training our leadership to ensure that we foster a positive environment.

We follow all applicable local laws and regulations regarding notice periods in the event of business operations for both union and non-union employee’s changes. 3M’s Respectful Workplace Principle states that “everyone is entitled to respectful treatment in the 3M workplace. Being respectful means being treated honestly and professionally, with each person’s unique talents, background and perspectives valued. A respectful workplace is free from unlawful discrimination and harassment, but it involves more than compliance with the law. It is a work environment that is free of inappropriate or unprofessional behavior and consistent with 3M’s ethics and values - a place where employees can all do their best, and where employees are free to report workplace concerns without fear of retaliation or reprisal.” Consistent with major international standards, 3M has similar principles that prohibit
the use of forced or bonded labor, and the employment of children under age 16.

As previously mentioned, we respect the ILO Declaration on Fundamental Principles and Rights at Work, committing Member States to respect and promote principles and rights in the following four categories: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation.

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 or Human Trafficking

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.

California Transparency in Supply Chains Act

3M’s efforts to eradicate forced labor and human trafficking from its direct supply chains are discussed in more detail in 3M’s California Transparency in Supply Chains disclosure, described in the Responsible Sourcing section.

Filing, Addressing, and Resolving Grievances (Human Rights, Labor Practices, Environmental, Safety, etc.)

3M makes available multiple internal resources to which employees may raise their concerns and have them heard and addressed as needed. In most cases, the most effective channel is the employee's supervisor or manager or the assigned Human Resources or Employee Relations Manager. Employees who are unsure of the identity of their assigned HR/ER Manager can reference Identifying Your Human Resources Contact on 3M Source or, alternatively, may report concerns through HR Help at 651-575-5000 or 1-877-496-3636. Employees with concerns directly related to 3M's Business Conduct Policies may report concerns electronically or telephonically through 3M-Ethics at 1-877-363-8442 or online at www.3M-ethics.com. HR Help and 3MEthicsPoint accept reports from anonymous callers (as permitted by local law), as well as callers who wish to self-identify. See 3M’s Business Conduct policies for more information regarding how to report a concern.

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 includes training on 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. To date, approximately 70% of sites have
Our Global New Employee Compliance Course Program is based on the employee records in the 3M HR system. Employees are assigned courses based on their job function, country location, production/non-production, and supervisor/non-supervisor status. Email notifications are sent to the employee’s 3M internet email address informing them of their course requirements and timeline for completion. The new employee courses are due within 60 days of assignment.

The “Compliance & Business Conduct Overview” online course is hosted in the Corporate Learning System (LSO). Once the course has been assigned, the new employee can access it from their “My Training Activities” page in LSO. The remaining new employee online compliance courses are hosted on the C&BC Compliance Course site.

For additional information on our commitment to human rights, go to:

- 3M Global Human Rights Policy Statement
- 3M Equal Opportunity Employment
- 3M Respectful Workplace Principle

Ensuring Human Rights through Contracts and Training

We perform global training to ensure that all 3M employees comply with the law, 3M’s Code of Conduct and supporting Policies, Standards and Procedures. 3M Compliance & Business Conduct (C&BC) has created a Compliance Training and Certification Program that ensures all 3M employees are aware of and understand their responsibilities and obligations. C&BC is responsible for the management and administration of the Compliance Training and Certification Program.

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 Responsible Sourcing section of this report for more details). To the best of our knowledge, there were no incidents related to the rights of indigenous people in 2015.
We live our values and corporate vision through our public policy pursuits.

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.

For example, in the United States, an evaluation process developed by the 3M Government Affairs Department establishes a public policy agenda of issues impacting our businesses. 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.

Chief among these screens used in determining the Top-10 list are issues with the potential to significantly affect 3M’s financial performance and/or our corporate reputation. Other screens are the immediacy of impact on the company; situations in which 3M may be uniquely advantaged or disadvantaged; importance based on instinct and/or history; or employee/retiree satisfaction.

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 globally in their respective countries.
3M U.S. Priority Public Policy Issues

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 ensuring 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. **Homeland Security/Defense** – 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.

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. 3M continues to make significant investments to reduce the environmental footprint of our operations; and our sustainable products help 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. **Patent Protection/Legal Reform** – 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. 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.

5. **Cyber Security Policy** – Because of 3M’s commitment to protecting the privacy of personally identifiable data and ensuring business continuity, we support legislative efforts that will protect the nation from cyber threats. Recognizing no institution has the resources to respond to global threats or vulnerabilities on its own, we support efforts to facilitate information sharing on cyber threats, coupled with reasonable liability and privacy protections. Data privacy initiatives must recognize that business needs to maintain flexibility to compete in the global economy, and that costly and burdensome regulations will negate the effectiveness of any such activities.

6. **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 the Trans-Pacific Partnership and the Trans-Atlantic Trade and Investment Partnership. International trade policy also requires a level playing field, including recognition, protection, and enforcement of intellectual property rights and trading rules.

7. **Health Care Policy** – The U.S. health system should remain market-driven and not weaken the current employer-based coverage system. Within payment programs, reforms should focus on increasing efficiencies within the system as well as improving quality outcomes and patient safety in the areas of complications, readmissions, ER visits, and more.
8. **Regulatory Reform and Economic Development Policy** – The U.S. regulatory environment plays a vital role in advancing the nation’s economic security interests. To promote genuine competition, regulatory reforms must include thorough cost-benefit and risk assessments, while preserving the highest standards for safety, quality and efficiency. State government economic development incentive programs are important to 3M’s U.S. plants expansion efforts. In particular, tax incentive programs advance competitiveness at a time when there’s strong competition among plants for 3M’s CapEx dollars; as well, state workforce training programs are important to sustainable job creation.

9. **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.

10. **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.
Global Challenges

Every day, 3M innovation aims to tackle some of the world’s most pressing areas of concern.
Global Challenges

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 development must be addressed to ensure people across the globe can lead healthy, fulfilling lives. We recognize that our impact includes that of our own operations as well as the far greater impacts we can make through our efforts in local communities and for our customers through the products we offer.

Raw Materials

The world’s population is growing larger, living longer — and consuming more. With this increased pressure on our finite natural resources and materials, we must move beyond low-cost, recyclable materials to renewable products. Companies that address this issue not only help the planet, but they also gain a competitive advantage in the marketplace.

3M has worked on this challenge for decades and will continue to innovate into the future, developing renewable alternatives for impacted resources, revolutionizing recyclable materials and becoming more sustainable.

Education and Development

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. As a technology company, 3M recognizes the importance of well-trained science, technology, engineering and math (STEM) graduates — we need young minds to step into specialized roles and help our company solve future challenges.

Water

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 water’s 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, our customers and communities around the world.

Some of 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.

Energy and Climate

Access to a dependable energy supply directly affects all businesses and communities. Energy usage and climate concerns require systematic change, and we’re here to drive that forward.

From air emissions to fossil fuels, 3M takes a proactive and collaborative approach to addressing energy demand and climate change — in our operations and for our customers. We partner with our customers to understand their needs and address those needs. The issues around effective use of energy resources and climate change are complex and interconnected. At 3M, we are focused on seeking solutions that promote energy conservation, clean energy infrastructure, and reductions in atmospheric greenhouse gases. We already have many products and technologies that reduce the impact of energy use, promote energy efficiency, and reduce greenhouse gases. Our goal is to continue developing and implementing global concepts for the greatest long-term impact.
Health and Safety

Global health and safety issues are prevalent in workplaces around the world. 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.

Governments, corporations and consumers are driving global demand for safety, protection, healthcare and food safety solutions. Creative innovation, technology, education and collaboration are all critical if we are to tackle the human health and workplace safety concerns.

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.
The world’s population is growing larger, living longer — and consuming more. With this increased pressure on our finite natural resources and materials, we must move beyond low-cost, recyclable materials to renewable products.

As competition for nonrenewable materials increases, companies and people have been forced to become smarter and more efficient about resources when designing product lifecycles. To keep pace with today’s technology, consumers are upgrading devices at a faster pace and creating a greater need for raw materials to manufacture those products. This puts a strain on the world’s resources, and companies that address this issue not only help the planet, but they also gain a competitive advantage in the marketplace.

Raw materials are not only used in the production of manufactured goods, but they are also 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, 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.

Approach

Maximizing Raw Material Usage

Raw material usage is a measurement of overall product and process yield throughout our manufacturing processes and is a key metric for 3M. It’s indicative of operational excellence in our product design and manufacturing processes. Our raw material usage formula quantifies product output versus “all outputs.”
“All outputs” includes everything from the product, the process, and 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. 3M’s waste metrics include 3M manufacturing operations with total output greater than 4,536 metric tons per year (10,000 pounds), which represents 97 percent of Sales Value of Production (SVOP) of our manufacturing sites.

Optimizing Efficiencies in Operational Waste and 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
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.

Many of these specialized projects are a part of 3M’s Pollution Prevention Pays (3P) program, which celebrated its 40th anniversary in 2015. Over the last 40 years, the program has prevented over 2.1 million tons of pollutants and saved nearly $2 billion (USD) based on aggregated data from the first year of each 3P project.

In addition to optimizing efficiencies in operational waste and recycling, 3M continues our long-standing commitments to efficient paper and packaging use. We have reduced designed packaging weight for eight straight years, for a cumulative reduction of more than 12,000 metric tons (mT). More than half of that reduction (~5,000 mT) was in paper-based packaging. Until last year, we only gathered this information in the United States but have since expanded data collection globally.

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**3P Global Pollution Achievements: 1975-2015**

First Year Savings Cumulative Totals (Tons)

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Hazardous Waste

3M practices waste minimization whenever practical to reduce the amount and hazards of waste materials generated. Between 2010 and 2015 there has been a 13% reduction in absolute hazardous waste as a percent of total waste. 3M is also dedicated to operating in accordance with all regulations and managing waste materials safely and responsibly. All 3M locations are required to manage all returned, recycled, and waste materials from the time of generation until reused, recycled, treated, or disposed.

When 3M transports hazardous waste, it’s for treatment purposes. Our waste disposal policy requires 3M to evaluate the best possible disposal methods while reducing all potential liabilities.

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 compared with 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.

For instance, the 3M manufacturing facility in Greenville, North Carolina, USA successfully implemented a project to eliminate virtually all VOC emissions from Greenville’s box sealing tape coater. The plant’s “Green Team” is a shining example of 3M’s commitment to environmental responsibility.

With the increasing complexity of air quality regulations globally, reductions in actual air emissions and a solid air permit and regulatory approach are increasingly important components of global business growth and long-term sustainability. Air 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 and water-based coatings; improving process and equipment efficiency; upgrading equipment; 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 improving air quality in the areas in which we operate.

We have made efforts to improve our maintenance activities for thermal oxidizers. Thermal oxidizers are the predominant device 3M utilizes for emissions. Our efforts to reduce emissions through preventative maintenance are leading to real, positive changes. Further, we have begun efforts to update our VOC standard to ensure a consistent approach throughout the globe.

Implementing and 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...
Total Volatile Organic Compounds (VOCs)
(Absolute Metric Tons)

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<td>4,767</td>
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</tbody>
</table>

Total Volatile Organic Compounds Emissions Indexed to Net Sales
(Metric Tons/Million USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indexed VOCs</td>
<td>0.20</td>
<td>0.20</td>
<td>0.18</td>
<td>0.17</td>
<td>0.16</td>
</tr>
</tbody>
</table>
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.

VOC Emissions
3M’s commitment to managing and minimizing its volatile organic compound (VOC) emissions is demonstrated by continued results. 3M has had an external VOC emission reduction goal since 1990, resulting in 99 percent reduction in VOCs emitted indexed to net sales. 3M’s results have been driven by plant activities, control device installation and lab reformulations.

In order to protect the ozone layer in the stratosphere, production of the ozone depleting substances (ODSs) noted below have ceased in the developed countries of the world. The highly ozone depleting substances are referred to as Class I substances in the US Clean Air Act, and as Annex A, B, and E Controlled Substances in the Montreal Protocol.

Ozone Depleting Substances
In order to protect the ozone layer, 3M prohibits the use of highly ozone depleting substances (i.e. Class I ODSs – ozone depleting substances) from all products and manufacturing processes (including raw materials, intermediates, and process aids) worldwide.

Hydrochorofluorocarbons (HCFCs), a class of ODSs with lower ozone depleting potential, are in the process of being phased out by regulation. These compounds are referred to as Class II substances in the US Clean Air Act, and as Annex C controlled Substances in the Montreal Protocol. Any use of HCFC (i.e. Class II ODSs) must be thoroughly evaluated via a life cycle management review during the concept phase of new product or process development.

Waste Management
Waste management and minimization is an important component of 3M’s environmental stewardship. The 3M Environmental Operations and Resource Recovery organizations provide corporate oversight for global waste management activities. 3M’s Waste Management Standard applies to all locations and provides the framework and corporate expectations that are required to manage 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.

We work closely with the Lean Six Sigma organization to increase waste reduction across all locations. Our waste reduction indexed to production volume has decreased nearly 5% since 2010. Over 50% of our manufacturing plants met their waste reduction goal, and outside of a few isolated incidents, we have performed very strongly in terms of waste reduction.
Waste Recycling by Type
(Metric Tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Onsite Recycle + Reuse*</th>
<th>Offsite Reuse*</th>
<th>Offsite Recycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>47,899</td>
<td>51,099</td>
<td>129,222</td>
</tr>
<tr>
<td>2012</td>
<td>51,099</td>
<td>33,802</td>
<td>128,165</td>
</tr>
<tr>
<td>2013</td>
<td>65,987</td>
<td>31,990</td>
<td>130,698</td>
</tr>
<tr>
<td>2014</td>
<td>69,498</td>
<td>31,896</td>
<td>133,960</td>
</tr>
<tr>
<td>2015</td>
<td>65,414</td>
<td>31,766</td>
<td>134,177</td>
</tr>
</tbody>
</table>

*Does not include IMP

Total Waste Indexed to Net Sales
(Metric Tons/Net Sales Million $USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Waste Indexed to Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>6.05</td>
</tr>
<tr>
<td>2012</td>
<td>6.00</td>
</tr>
<tr>
<td>2013</td>
<td>6.22</td>
</tr>
<tr>
<td>2014</td>
<td>6.44</td>
</tr>
<tr>
<td>2015</td>
<td>6.95</td>
</tr>
</tbody>
</table>
Our 2025 Waste Reduction Goal is to decrease manufacturing waste by an additional 10% indexed to sales. We’ll continue to drive ‘zero waste’ thinking with our product designs and process technologies, as well as waste reduction work at our manufacturing operations. Now in its 40th year, our Pollution Prevention Pays program has prevented over 2.1 million tons of waste and saved nearly $2 billion since 1975, and will continue to play a significant role in our operations in the future.

We also aim to achieve zero landfill status at 30% of our manufacturing sites. Note that zero landfill is not always the best possible solution. For instance, if waste...
is being transported many miles for processing rather than landfill, this may result in large amounts of waste in the form of emissions. At 3M, we strive to encourage the elimination of waste in the most responsible, efficient, and ethical way possible. In addition to our waste reduction and zero landfill status goals, we plan to increase repurposing, reusing and recycling of potential waste materials to divert from landfill disposal.

Our Lean Six Sigma program and Pollution Prevention Pays (3P) program are examples of programs that significantly contribute to waste reduction progress. Many successful waste projects under these programs are replicated to varying levels in other facilities. Although we continue to gain benefit by continuous improvement at our manufacturing facilities through incremental process improvements in waste reduction, our current and future direction for significant improvements in waste reduction are driven by product and process technology redesigns. These redesign efforts require prioritized focus, resources and collaboration within our business, sales, marketing, engineering and laboratory groups, in addition to our supply chain and manufacturing functions.

Protecting the Least Bell’s Vireo at 3M Corona

The least bell’s vireo is a species of bird that was designated as federally endangered in 1986. Historically, it was found throughout most of the state of California, largely in coastal regions. At the time of its designation 30 years ago, it was found in only 8 counties in Southern California.

3M Corona has had a relationship with the Santa Ana Watershed Agency (SAWA) for over 15 years. SAWA monitors habitat and bird counts in the region. For several years, the 3M Corona property had a large number of nesting pairs return each year. Willows are a popular habitat for vireos, and the number of willows on 3M property has continued to increase over the years due to a habitat mitigation project in the late 1990s and early 2000s. In addition to the vireo, 3M Corona has lots of species that call 3M Corona home. Species include bobcats, mountain lions, mule deer, blue and white herons, red tail and Cooper’s hawks, falcons, coyotes, rabbits, squirrels, and raccoons, hummingbirds, and a wide variety of exotic birds.

Stories

It’s time to make electronic devices more recyclable.

3M’s Thermal Bonding Films and Plastics Bonding Adhesives extend the potential lifespan of mobile devices and make it easier to recycle them. Our electronics bonding solutions enable faster assembly times and simplify rework by helping manufacturers fix damaged parts and salvage key components.

So much more than a floor cloth.

Contributing to a clean home families can be proud of … and doing so with recycled materials and talented local weavers.

Throughout the Indian culture, clean floors are a source of great pride.

Our researchers in India grew up there, and they wanted to create an effective cleaning product at an affordable price.

They met with families in their homes to learn more. Then they returned to the lab and created a new kind of cloth with a unique scrubbing corner for tough stains.

It was a first for India and a first for 3M; while the company generates 3,000 patents a year, this is 3M’s first patent in India.

The next challenge: how to make it affordable for families like the ones they visited? What if they could also make the product environmentally friendly … while creating desperately-needed jobs for rural Indians?

The 3M team identified leftover threads from the nearby garment industry. Working with a nonprofit group, they found weavers that could recycle the threads into cloth.

Producing locally not only put people to work; it also reduced transportation costs and emissions.
The end result: an effective, affordable, sustainable product that is helping families, particularly women, with employment in rural areas of India, and with a better, more cost-effective, cleaning solution in urban areas.

3M Infection Prevention Solutions is dedicated to developing sustainable solutions. To deliver on this promise, we challenged ourselves to rethink our surgical drapes—to develop a drape that was better for the planet, for patients and for OR staff. Introducing the improved 3M™ Steri-Drape™ Surgical Drapes, now made with plant-based renewable resources, featuring the same high-quality properties our customers expect from us: strike-through-resistant barrier, strength, adhesion, drapeability and low linting, plus improved absorption and ease of application.

3M™ Steri-Drape™ Surgical Drapes reduce the environmental impact of medical disposables by decreasing the use of fossil fuels and have less CO2 emitted over the product life cycle than our standard polypropylene surgical drape.

What’s new:

- Nonwoven layer contains 95% renewable plant-based material
- 62% of entire fabric made from renewable plant-based material
- 18% fewer fossil fuel resources used throughout the product life cycle
- 10% less CO2 emitted during the product life cycle

We are on a journey with our customers to develop ingenious, sustainable solutions that help address global healthcare challenges, while protecting the environment and promoting a healthier world.
Global Challenges

Water

People consume it, farm with it and manufacture products with it. Reducing water consumption and improving water quality are important elements of environmental stewardship.

Our Approach

Water Quality and Availability

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.

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 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.

Water discharges fall under 3M’s Corporate Water Standards. 3M operations must manage their water resources through compliance with regulatory requirements, conservation and reuse, and reporting of water usage internally. For unplanned discharges, we utilize WIMS (Worldwide Incident Management System) at our facilities. With regard to direct discharges, all of our facilities have specific internal goals.

Our Footprint

The water data provided below includes manufacturing sites that produce more than 4.50 metric tons (10,000 lbs) of product output and accounts for 97 percent of Sales Value of Production (SVOP) of our manufacturing sites.

Our 2025 goal is to reduce global water use by an additional 10% indexed to sales. Building upon our previous 40% reduction in water usage between 2005 and 2015 (indexed to sales), we will continue to improve in managing and conserving water across our global manufacturing footprint by driving water reduction and conservation process and technology changes within our operations. This is the first time we have had a formal external water reduction goal. We are currently expanding our internal systems to share best management practices in regards to water conservation.

Further understanding of where water is originally sourced for use in our operations provides insight into our potential impacts within local watersheds. In 2015, based on 3M’s detailed water assessment and survey across sites, results indicate that 19 percent of water is sourced from public/municipal sources, 46 percent is sourced from private groundwater sources, 20 percent is sourced from private surface water sources, and the remaining 15 percent is from stormwater, remediation activity 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 26 percent of the total water used was also recycled or reused for secondary use within operations in 2015. We continue to improve our data accuracy through monitoring and measurement.

Water conservation efforts have been achieved through recycling, reuse, product redesigns and improvements

<table>
<thead>
<tr>
<th>Total Water Use Absolute (Million Cubic Meters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
</tr>
<tr>
<td>41.10</td>
</tr>
</tbody>
</table>
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.

In addition to corporate goals, internal goals have been developed on a divisional level. For instance, 3M’s Materials Resource Division (MRD), a major internal material supplier, is the largest consumer of water resources at 67% of total 3M water resources consumed for the company in 2015. Therefore, 3M has focused on operational efficiencies corporate-wide with additional focused initiatives within MRD for water reduction.

To our buildings and manufacturing processes. A majority of our water-intensive 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.

Water Withdrawal

Reducing water use and improving water quality are important elements of environmental stewardship. Therefore, 3M continues to actively understand, manage, and work toward reducing our corporate water footprint.

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

3M’s total water usage includes sanitary, process, heating, cooling, remediation, and other miscellaneous sources. Water usage data is tracked and reported annually on a global basis for manufacturing sites that produce greater than 10,000 pounds of product per year. The reporting data accounts for 97% of Sales Value of Production which provides solid coverage of water.

<p>| Ratio: Total Water/ Net Sales (M3/ Million USD) |</p>
<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0014</td>
<td>0.0014</td>
<td>0.0014</td>
<td>0.0013</td>
<td>0.0014</td>
</tr>
</tbody>
</table>
Goals and Results

2025 Goals and Water-Stressed Areas

We have initiated a 2025 goal to engage 100% of water-stressed/scarc communities where a 3M manufacturing site uses over 1000 cubic meters of water annually. The intent is to use a community-wide approach to water management. We are making great efforts in partnering with local communities to advance water recycling and conservation. Ultimately, we aim to help these communities build and manage their own efforts toward access to clean water into the future. We are currently in the process of pilot projects with three sites to help meet our 2025 water goals. This is helping us build a global framework to develop site community plans and benchmarking with outside corporations on community work.

3M uses the definitions and tools established by the World Business Council for Sustainable Development (WBCSD) to screen the Company’s various site locations and their affiliated water use with validated WBCSD water availability, population, and biodiversity information both on a country and watershed basis. We have identified 25 sites located in water-stressed areas as defined by the an Extremely High Baseline Water Stress (WBCSD-Global Water Tool) that use equal to or greater than 1,000 cubic meters annually.

Each 3M site located in a water-stressed area is required to understand its water use, associated business risks and impacts and to work with local water resources to understand potential impacts on the surrounding area. Identified sites are also requested to do water conservation planning, outlining current and future water conservation efforts. Annual stress-level screening evaluations are conducted for global operations using available updates from the WBCSD Global Water Tool, an analysis of site operations and water usage and local conditions.

In 2015, we met our water goal of having water conservation plans at all in scope sites located in defined Water Scarce/Stressed Areas. Water conservation planning is a continuous improvement process. We continue to work with our sites to assist them in achieving their water conservation 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.

Moving forward, we are proud to expand beyond our own operations by focusing more on supporting the Sustainability goals and needs of our customers and our communities. For water, our goals are focused to promote clean water for everyone, everywhere so that every person, business and community has the water they need to thrive.

Stories

Extracting water from the desert

A team from Oxford University has successfully used 3M™ Novec™ Engineered Fluid in a pioneering field application to assess the quality of water in the Badain Jaran desert in North West China.
Sustainability and Hand Hygiene

According to the World Health Organization (WHO) and U.S. Centers for Disease Control (CDC), hand hygiene is one of the most important ways to prevent the spread of infections and thereby contributes significantly to keeping patients safe. More than 1 million cases of health care-associated infection exist at any given time; and experts say microbes that can cause infection are most frequently spread between people through contact with unclean hands. We've come to the rescue, with 3M™ Avagard™ hand hygiene products that are fast and easy to use. 3M was the first to introduce a waterless, brushless surgical hand scrub designed especially for health care workers. This not only helps increase hand hygiene compliance, it also reduces water usage and material waste. Now we've gone the extra mile, making a hand soap that doesn't contain triclosan and using plant-based ethanol to make hand hygiene foams and gels more sustainable. We even earned the USDA Certified Biobased Product Label on our foam and gel products, verifying that the product's amount of renewable biobased ingredients meets or exceeds levels set by the agency. Sustainable patient safety. That cleans up nicely!

This geochemical research will play a crucial role assessing the level of pollution from both agricultural and industrial sources in arid regions. It can also be used to monitor rainfall levels and groundwater recharge rates to identify areas likely to suffer from water shortages in the future.

Extracting water from ground samples taken from dry regions is challenging due to the low moisture content, meaning that traditional drainage methods can’t be used. A technique using an immiscible displacing fluid that was developed in the 1980s allowed small quantities of water to be recovered, but the chemical was banned a few years later under the Montreal protocol and no suitable alternative has been found until now.

Novec has similar physical and chemical characteristics to the banned chemical, but has zero ozone depletion potential and a low global warming potential.

The research project was led by the late Professor Mike Edmunds, an expert in groundwater quality, hydrogeochemical processes, trace element studies, isotope hydrology and palaeohydrology who taught on the Masters in Science course in Water Science, Policy and Management course at the University of Oxford.

Published academic papers on both the use of 3M™ Novec™ HFE-7100 in the new extracting process and the Badain Jaran desert study were co-authored by the professor.

<table>
<thead>
<tr>
<th>Total Global Water Use by Source</th>
<th>First Year Savings Cumulative Totals (Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Water From All Other Sources</strong></td>
<td>15%</td>
</tr>
<tr>
<td><strong>Surface water, total water use</strong></td>
<td>20%</td>
</tr>
<tr>
<td><strong>Public/Municipal water, total water use</strong></td>
<td>19%</td>
</tr>
<tr>
<td><strong>Ground water, total water use</strong></td>
<td>46%</td>
</tr>
</tbody>
</table>

Small amounts included in total water from all other sources
Access to a dependable energy supply directly affects all businesses and communities. Energy usage and climate concerns require systematic change, and we’re here to drive that forward.

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

For all years of its existence the 3M Greenhouse Gas (GHG) inventory has been generated based on the principles of relevance, completeness, consistency, transparency, and accuracy. The GHG inventory has been calculated from 2002 to the current year by the 3M Environmental Laboratory in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Greenhouse Gas Accounting and Reporting Standard. Additionally, since its promulgation, the inventory has been completed in accordance with the principles of the U.S. Environmental Protection Agency (EPA) Mandatory Reporting Rule (40 CFR 98). The 3M
Environmental Laboratory maintains an accreditation to ANSI/ISO/IEC 17025 through A2LA, an ILAC MRA signatory, for a number of laboratory methods. Although it is not possible to put 3M’s GHG inventory methodology on the lab’s scope of accreditation, our calculation methodology has been improved by working under a number of the quality system elements required by ANSI/ISO/IEC 17025. Some key quality system elements that have helped improve 3M’s GHG inventory include:

- Defined responsibilities and interrelationships of all key staff
- Documentation of key personnel qualifications
- Control over quality system documents and procedures
- Control of records
- Corrective and preventive action system
- Internal audit program
- Documented and approved calculation procedures.

These quality system elements coupled with third party review of our emissions have ensured that 3M’s GHG inventory is always in line with the five core principles of relevance, completeness, consistency, transparency, and accuracy.

Relevance – The 3M Environmental Lab’s GHG inventory procedures clearly define our boundaries as all GHG emissions from facilities over which 3M has operational control. All GHG emissions from facilities that are under 3M’s operational control are included in our Scope 1 and 2 GHG inventory.

Completeness – All GHG emissions from facilities that 3M has operational control over are either calculated with the best data available or estimated with the most relevant estimation methods. Whenever possible primary data is used to calculate our emissions, when primary data is not available, we will use appropriate estimations to calculate emissions. As such, because we strive to calculate and report all GHG emissions we are responsible for, our de minimis totals constitute less than 1% of the inventory.

Consistency – Every year of the GHG inventory is calculated according to the same approved internal procedures. Additionally, internal audits are performed every year to ensure that the GHG inventory is calculated according to those procedures. Finally, whenever a methodology change is implemented, 3M will, wherever possible, recalculate prior year’s GHG inventories to ensure that the GHG inventories are comparable. Where it is not possible 3M will either call this out or ensure that the difference is not material.

Transparency – 3M strives to present all GHG inventory data in as transparent a manner as possible while protecting confidential business information and complying with applicable regulations.

Accuracy – Every year, the accuracy of the numbers as well as the calculations that led to those numbers is thoroughly audited by an internal audit process executed by auditors that are not involved in the calculation of the GHG inventory. Final numbers are not released until the internal audit has been successfully completed and we are confident in our GHG emissions inventory. Additionally, the 3M GHG inventory has been audited by three separate 3rd party auditors; twice by EPA Climate Leader’s preferred verifier, CH2M Hill, once by Lucideon, an ANSI-accredited verifier, and once by Bureau Veritas, a CDP verification partner. To date, no material findings have ever been found in our GHG inventory results.

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).
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 GHG emissions to optimize reductions and cost benefits
- As part of our 2025 Goals, increase renewable energy to 25 percent of total electricity use
- 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

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, increasing our use of renewable energy, 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 emission reduction achievements can be found in the Goals and Progress section that follows.

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 (NCC). 3M is a founding member of NCC, an organization committed to dialogue and policy development with decision-makers in the EPA and many state agencies throughout the U.S.

Environmental Investments

3M’s manufacturing operations are affected by national, state and local environmental laws around the world. 3M has made, and plans to continue making, necessary expenditures for compliance with applicable laws. 3M is also involved in remediation actions relating to environmental matters from past operations at certain sites.
Environmental Management System (EMS) framework provides structure and consistency for overseeing daily activities and shifting the environmental focus from reactive to proactive. Implementation of our EMS continues to increase throughout the world and realize reduced costs through operating efficiency, improved environmental compliance, reduced monitoring costs, reduced energy and waste disposal costs, and increased employee activity. 3M’s EMS is also expanding our sustainability image around the globe, which has strong financial benefits.

Our approach calls for each site to establish, implement, and maintain documented environmental objectives and targets at relevant functions and levels within the organization. When establishing an EMS plan, each site is called on to consider financial, technological, operational, and business considerations. The objectives and targets should be measurable and consistent with our environmental policy, including our commitments to prevent pollution and be compliant with applicable regulations and other requirements to which we subscribe.

In 2015, 3M expended about $26 million for capital projects related to protecting the environment. This amount excludes expenditures for remediation actions relating to existing matters by past operations that do not contribute to current or future revenues, which are expensed. Capital expenditures for environmental purposes have included pollution control devices – such as wastewater treatment plant improvements, scrubbers, containment structures, solvent recovery units and thermal oxidizers – at new and existing facilities constructed or upgraded in the normal course of business. Consistent with the Company’s policies emphasizing environmental responsibility, capital expenditures (other than for remediation projects) for known projects are presently expected to be about $51 million over the next two years for new or expanded programs to build facilities or modify manufacturing processes to minimize waste and reduce emissions. While the Company cannot predict with the certainty the future costs of such cleanup activities, capital expenditures or operating cost for environmental compliance, the Company does not believe they will have a material effect on its capital expenditures, earnings, or competitive position.

Environmental Violations and Liabilities

Since 2010, all 3M facilities globally are required to internally report environmental exceedances, spills, agency notices and fines through one dedicated system - 3M’s Worldwide Incident Management System (WIMS). WIMS has led to continuous improvement related to increased awareness of responsibilities, understanding of the holistic system and more consistent reporting requirements for 3M’s 200+ global operations. Further, our international auditing program is firmly in place and helps reduce various compliance risks. Each of our facilities are audited at least once every three years, and they are audited more frequently if they are determined to be of high risk.

As of December 31, 2015, we recorded liabilities of $43 million for estimated “environmental remediation” costs based upon an evaluation of currently available facts with respect to each individual site and also recorded related insurance receivables of $11 million. 3M records liabilities for remediation costs on an undiscounted basis when they are probable and reasonably estimable, generally no later than the completion of feasibility studies or 3M’s commitment to a plan of action. Liabilities for estimated costs of environmental remediation, depending on the site, are based primarily upon internal or third-party environmental studies, and estimates as to the number, participation level and financial viability of any other potentially responsible parties, the extent of the contamination and the nature of required remedial actions. 3M adjusts recorded liabilities as further information develops or circumstances change. We expect that it will pay the amounts recorded over the periods of remediation for the applicable sites, currently ranging up to 20 years.

In 2015, 3M recorded liabilities of $35 million for “other environmental liabilities” based upon an evaluation of currently available facts to implement the Settlement Agreement and Consent Order with the Minnesota Pollution Control Agency, the remedial action agreement with Alabama Department of Environmental Management, and to address trace amounts of perfluorinated compounds in drinking water sources in the City of Oakdale, Minnesota, as well as presence in the soil and groundwater at the Company’s manufacturing facilities in Decatur, Alabama, and Cottage Grove, Minnesota, and at two former disposal
sites in Washington County, Minnesota (Oakdale and Woodbury). 3M expects that most of the spending will occur over the next four years. As of December 31, 2015, 3M’s receivable for insurance recoveries related to “other environmental liabilities” was $15 million.

It is difficult to estimate the cost of environmental compliance and remediation given the uncertainties regarding the interpretation and enforcement of applicable environmental laws and regulations, the extent of environmental contamination and the existence of alternative cleanup methods. Developments may occur that could affect 3M’s current assessment, including, but not limited to: (i) changes in the information available regarding the environmental impact of 3M’s operations and products; (ii) changes in environmental regulations, changes in permissible levels of specific compounds in drinking water sources, or changes in enforcement theories and policies, including efforts to recover natural resource damages; (iii) new and evolving analytical and remediation techniques; (iv) success in allocating liability to other potentially responsible parties; and (v) the financial viability of other potentially responsible parties and third-party indemnitors.

**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 the 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 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.

**Innovative GHG-Sustainability Products for our Customers**

Many products we bring to market help our customers reduce their GHG emissions. Additionally, 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.

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, 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.

For additional information about how 3M is tackling climate change, visit [www.3M.com/Sustainability](http://www.3M.com/Sustainability).

**Direct Greenhouse Gas Emissions (Scope 1)**

Because overall 3M sales have been reduced as a result of global currency conversions and accounting issues, it is impacting our numbers. Fortunately, emissions are dropping and we are hitting our internal milestones and goals.

Since 2002, 3M has reduced Scope 1 GHG emission by 77.5%, and it 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).
3M’s 2015 Scope 1 emissions are 3,770,000 metric tons CO2e. This is a 14.1% reduction compared against 4,390,000 metric tons CO2e for 2014. 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 operational control are accounted for in the current inventory. The total inventory includes both Kyoto and Non-Kyoto classified gases. 3M tracks and reports both absolute and indexed to net sales emission data.

GHG emissions data for 2012-2015 used US EPA mandatory greenhouse gas reporting rule (GHG-MRR)/Intergovernmental Panel on Climate Change (IPCC) 5th assessment report (AR5) based accounting methods and are not directly comparable to 2003-2011 GHG emissions data, which used WRI/IPCC 3rd and 4th assessment report (TAR, AR4) based GHG accounting methods. The 2012-2015 GHG Inventories are directly comparable. The 2002 emissions inventory was recalculated using US EPA GHG-MRR/IPCC AR5 methodology to allow direct comparison.

Indirect Greenhouse Gas Emissions (Scope 2)

When we think about our customers, partners, and communities, and our mutual challenges and needs, we see a shared opportunity. In addition to environmental challenges, we recognize the connectedness of social challenges that we face in pursuing a better world. Our ambition, working collaboratively, is to realize a world where every life is improved — where natural resources are reliably available, people everywhere have access to education and opportunity, and communities are safe, healthy, connected and thriving.

In 2015, we negotiated a 120MW wind power purchase agreement with Invenergy. Invenergy will provide 3M with renewable energy to help support our operations across North America. The agreement includes the sale of wind energy from the Gunsight Wind Energy Center located in Texas. Energy from the 120 MW project will be delivered into the Electric Reliability Council of Texas (ERCOT) regional electricity grid. This agreement is an important and significant step toward accomplishing our company goal of increasing renewable energy to 25 percent of our total electricity use by 2025.

3M’s 2015 Scope 2 emissions are 1,860,000 metric tons CO2e. This is a 17.2% reduction compared against 2,240,000 metric tons CO2e for 2014. 3M continues to be a leader in achieving greenhouse gas (GHG) emission reductions.

3M believes it is paramount that our industry-leading GHG emission reductions achieved to date are duly taken into consideration when evaluating the status of our current GHG reduction goal planning efforts. These reductions have occurred through the hard work necessary to conserve energy, reformulate products, and control high global warming potential emissions. We believe that nearly every other company would like to emulate 3M in regard to their own GHG emission reduction achievements. Other companies are setting goals to move closer to the achievements we have already realized.

Better Tracking of GHG Emissions From Our Suppliers and Customers (Scope 3)

3M has been developing our Scope 3 GHG emissions inventory since the publishing of the WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard in October 2011. 3M places a high value on sound science and decision-making, so data reported is in accordance to the Standard. When the complexity of the supply chain does not allow for direct calculation, an input/output model calculation method is used. For Categories 1 (Purchased Goods and Services) and 2 (Capital Goods), a new model was utilized, based on characteristics of the economy in 2014. The new model reflects the improved carbon intensity, or emissions per dollar, of the economy. Since previous emissions for these categories were based on the model available at the time (based on 2002 economic data), 2015 data is not directly comparable to past years.

3M has expanded our Scope 3 inventory this year by adding emission estimates for Categories 5, waste generated in operations (see table). Categories 9, 10, 11, and 12 (related to emissions associated with sold products) remain very challenging for us, due to the number and complexity of products we sell, and the diversity of their uses by businesses and consumers across the globe. Many of our approximately 55,000 product lines are “intermediates” with many potential downstream applications, each with a different GHG...
emissions profile, making it impossible to reasonably estimate the downstream emissions associated with the various end uses of our intermediate products.

However, we do offer many products that reduce GHG emissions for our customers – these are detailed in our Climate Change Solutions Catalog. In 2015 alone, about 14 million metric tons of CO2 equivalents were avoided for our customers through use of various 3M product platforms as calculated in accordance with the WRI/WBCSD GHG Protocol Project Standard. We are in the process of estimating GHG emission reductions for other Climate Change Solution products, as well as evaluating the emissions impact for the few 3M products that use energy.

With the introduction of Business Transformation to 3M, our systems are becoming more unified, and this is providing us with better data to more accurately judge and make decisions. It is also helping us create real, consistent changes throughout our global operations. We expect Business Transformation to help drive our efforts to reduce all GHG emissions, including Scope 3 GHG emissions.

Setting Energy Performance Goals and 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 goal to increase energy efficiency by 25 percent by 2015 from a 2005 base year. Finally, energy efficiency and increasing our renewable energy use are key parts of our 2025 Sustainability Goals.

We also identified 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 and advances; drive plant-level efficiency improvements; maintain top management support; and protect 3M.

Total Energy Use

3M is a diversified technology company, providing innovative solutions that advance companies and improve people’s lives worldwide. We strategically manage energy use throughout our global operations by setting aggressive goals and tracking results.

We are happy to announce that we successfully achieved our 2015 energy conservation goal of a reduction of 25% by 2015 from a 2005 baseline (indexed to net sales). Because net sales have not been as strong in 2015, this is partially impacting our energy numbers and not accurately reflecting the numerous improvements 3M has made in the area of energy conservation.

Our 2025 energy conservation goal is to improve energy efficiency indexed to net sales by 30%. Energy efficiency improvements will address rising energy use, costs and climate impacts. Building on our 50% improvement in energy efficiency between 2000 and 2015, a 30% energy efficiency improvement will keep our global energy use nearly flat over the next 10 years, as the Company grows. Specifically, our external energy reduction goal is a reduction of 30% indexed to net sales and our internal energy reduction goal is a 30% reduction indexed to output.

We have also undertaken a 2025 goal to increase renewable energy to 25% of total electricity use. Nearly 800,000 MWh of renewable energy use will be added globally. The primary sources of renewable energy will be wind and solar.
**Total Energy Use**

(MMBtus)

**Total Indexed Energy Usage**

(MMBtu / Million USD Net Sales)
3M collects and analyzes energy-use data and energy efficiency project metrics to: track progress toward corporate energy and greenhouse gas goals; identify opportunities for improvement, benchmark against past performance, and identify best practices that can be applied across global operations. All manufacturing locations and other locations greater than 2800 square meters report energy use and energy costs monthly into an electronic reporting system. Data is analyzed at the facility, division, business unit, regional, country and corporate levels quarterly as part of 3M’s EHS Management System Scorecard and Energy Management Dashboard previously described.

Energy efficiency is a social responsibility and a competitive advantage for 3M. Managing our energy footprint reduces operating costs, reduces environmental impact and addresses stakeholder interests in solutions with environmental and energy advantages.

In 2015, the 3M London Facility in Canada received an EHS achievement award for coordinating eight energy audits and over 40 conservation projects to achieve substantial benefits in energy efficiency and conservation. 3M Science. Applied to Life.™ projects are working toward improving and inventing materials and innovations that will benefit and preserve the environment, and our commitment to energy efficiency is exemplified by our EPA Green Power Partnership and the Innovation Center Gold LEED Certification awarded to 3M Spain.

We presently have 20 sites certified to the energy standard ISO 50001. Two of our sites have undergone a pilot project with sponsorship from the U.S. Department of Energy. In 2015, we have 5 U.S. locations undergoing the certification process as a group of cohorts and 3 others working individually.

We are also undergoing the process of becoming certified at the enterprise level, which is a unique and exciting opportunity. It speaks to our commitment to energy management. The difference with this certification as compared to individual certifications is that it instills a management aspect to the issue of energy reduction as opposed to just focusing on projects in and of themselves. It will allow top management to review decisions on a quarterly basis and go beyond energy projects into continual energy managing behaviors.

3M’s Environmental Assessment Process

3M has been completing an environmental assessment process at most locations over the past 3 years with the goal of identifying potential historical liabilities. As a result of these assessments, biodiverse areas may be identified. Where applicable, a public database search is completed, which includes a wetland database. Site visits also identify areas such as rivers, creeks and potential wetlands that are on or near the facility.
Goals and Results

Our 2025 GHG emissions goal aims to ensure that GHG emissions are at least 50% below our 2002 baseline while still growing our business. 3M is in a leadership position due to our early actions to reduce our greenhouse gas emissions more than 10 years ago. Between 2002 and 2015, we voluntarily achieved a 69.3% absolute reduction in greenhouse gas emissions. We are committed to continuing that leadership for another 10 years, even as we grow the company in order to help our customers address the issue of climate change.

3M has also committed to a 2025 goal to help our customers reduce their GHGs by 250 metric tons of CO2 equivalent emissions through use of 3M products. While 3M has made significant GHG emission reductions across our global operations, we realize we can make far greater contributions by helping our customers reduce their GHG emissions through the use of our products. In 2015 alone, about 14 million metric tons of CO2 were avoided for our customers through use of 3M product platforms. According to the EPA Greenhouse Gas Equivalencies Calculator this is equivalent to the annual emissions of more than 2.95 million passenger vehicles driven for one year.

Energy Highlights

• 3M implemented over 400 energy efficiency projects globally in 2015.
• We formed partnerships to develop novel solutions for transportation, IT and electronics.
• We leveraged grants to advance CO2 recycling, fuel system, battery and solar technologies.
• We maintained 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.
• 3M received recognition from the U.S. Department of Energy for achieving its energy efficiency goal established through the Better Buildings Challenge.
• We achieved ISO 50001 certification at 20 sites, and pursuing certification at 8 additional sites.
Top innovation award for 3M ACCR

The UK’s largest electricity transmission network operator, in partnership with 3M and the University of Manchester, received a top innovation prize for its pioneering work on overhead line conductors using 3M ACCR (Aluminum Conductor Composite Reinforced) to improve the efficiency of existing high-voltage transmission infrastructure.

3M ACCR lightweight, high temperature, low-sag overhead line conductors are used to replace existing electrical conductors and double the transmission capacity of the line without the need to build new infrastructure. This removes bottlenecks in the system and can also connect other energy sources, such as electricity generated by windfarms, to the grid.

The 3M solution is also quieter as the unique aluminum-based material and surface finish of ACCR reduces the corona discharge associated with standard conductors when they are wet or damp, which gives off a fizzing noise.

Innovative new coating for solar panels lets in more light

A unique antireflective coating has been developed by 3M and Ducatt to give solar panels a further sustainability edge. The coating works by enabling more light to reach the solar cells, increasing the electricity output of the panels by between three and five per cent.

Unlike existing antireflection coatings that use solvents that can harm the environment, the new coating is water-based so no air-polluting elements are released by the coating either during manufacturing or fitting.

A high-energy approach to lowering energy use.

3M facilities around the world are committed to reducing the company’s environmental footprint by conserving energy. One shining example is the 3M Oral Care facility in Seefeld, Germany, which found ways to improve energy efficiency by 7.5%.

In May, 2015, the Seefeld site was awarded its fifth 3M Platinum Energy Award, in recognition of exceptional teamwork on several fronts. The Seefeld team:

• Improved energy efficiency by 7.5%.
• Implemented savings projects accounting for 5.4% of their total energy spend.
• Successfully met the requirements of the ISO 50001 energy management standard

In addition, the use of spring water for cooling at the Seefeld site has resulted in a CO2-neutral impact as well as electricity savings.
### 2002-2015 Reductions in Absolute GHG Emissions

#### Total Emission % Reduction vs 2002

|--------|--------|------|------|------|------|------|------|------|------|------|                    |       |       |       |       |
| 2002 Revision Total (Million MT CO2e) | 18.300 |       |       |       |       |       |       |       |       |       |                    |       |       |       |       |
| Scope 2 Indirect (Million MT CO2e) | 1.570 | 1.580 | 1.640 | 1.700 | 1.680 | 1.670 | 1.630 | 1.720 | 1.940 | 2.030 | 6.620 | 7.950 | 6.630 | 5.630 |
| Total Emission % Reduction vs 2002 Revision | 0% |       |       |       |       |       |       |       |       |       |                    | -64% | -57% | -64% | -69% |
| Total Emission % Reduction vs 2002 | 0% | 0.25% | -25% | -34% | -42% | -53% | -62% | -72% | -65% | -66% |                    |       |       |       |       |


**2002 Inventory recalculated according to US EPA GHG-MRR/IPCC AR5 methodology (2.7% Increase over original reported value).
2002-2015 GHG Emissions Reductions Indexed to Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Total MT CO2e/$ MM Net Sales</th>
<th>Global Total MT CO2e/$ MM Net Sales (recalculated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002**</td>
<td>981</td>
<td>1,122</td>
</tr>
<tr>
<td>2003</td>
<td>673</td>
<td>221</td>
</tr>
<tr>
<td>2004</td>
<td>559</td>
<td>258</td>
</tr>
<tr>
<td>2005</td>
<td>455</td>
<td>208</td>
</tr>
<tr>
<td>2006</td>
<td>343</td>
<td>186</td>
</tr>
<tr>
<td>2007</td>
<td>266</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>217</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>206</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>0%</td>
<td>-80%</td>
</tr>
<tr>
<td>2012*</td>
<td>-8%</td>
<td>-76%</td>
</tr>
<tr>
<td>2013*</td>
<td>-8%</td>
<td>-81%</td>
</tr>
<tr>
<td>2014*</td>
<td>-8%</td>
<td>-83%</td>
</tr>
<tr>
<td>2015*</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

**2002 Inventory recalculated according to US EPA GHG-MRR/IPCC AR5 methodology (2.7% Increase in absolute emissions over original reported value).
# 3M Scope 3 - Greenhouse Gas Emissions

## Upstream, Leased Assets

<table>
<thead>
<tr>
<th>Scope 3 Category</th>
<th>Metric Tons of CO2e</th>
<th>Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Upstream Emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Purchased Goods and Services</td>
<td>7,620,000</td>
<td>8,160,000</td>
</tr>
<tr>
<td></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>
</tr>
<tr>
<td></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>Partially included in Scope 1 and Scope 2 emissions reporting</td>
<td>551,000</td>
</tr>
<tr>
<td></td>
<td>Emissions from transmission and distribution losses (Category 3c) are included in Scope 2 inventory.</td>
<td></td>
</tr>
<tr>
<td>4 Upstream transportation and distribution</td>
<td>Not Evaluated</td>
<td>1,510,000</td>
</tr>
<tr>
<td></td>
<td>Emissions disclosed in previous years were miscategorized as Category 9. Data does not include emissions from transportation of raw materials from suppliers.</td>
<td></td>
</tr>
<tr>
<td>5 Waste generated in operations</td>
<td>Insufficient data</td>
<td>254,000</td>
</tr>
<tr>
<td></td>
<td>Environmental Lab calculated from 3M primary data on waste by facility size or number of employees</td>
<td></td>
</tr>
<tr>
<td>6 Business Travel</td>
<td>Not Evaluated</td>
<td>58,800</td>
</tr>
<tr>
<td></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>352,000</td>
</tr>
<tr>
<td></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>3M Operational Control</td>
</tr>
<tr>
<td></td>
<td>These emissions are included in Scope 1 &amp; 2, because they are all under 3M Operational Control</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL Upstream</strong></td>
<td>8,120,000</td>
<td>10,700,000</td>
</tr>
<tr>
<td></td>
<td>Net GHG emissions based on the categories evaluated</td>
<td></td>
</tr>
</tbody>
</table>

Note: Net GHG emissions based on the categories evaluated. Due to change in boundaries, Scope 3 Upstream emissions should not be compared on a year-on-year basis.
### 3M Scope 3 - Greenhouse Gas Emissions

#### Total Downstream

<table>
<thead>
<tr>
<th>Scope 3 Category</th>
<th>Metric Tons of CO2e</th>
<th>Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Downstream Emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Downstream transportation and distribution</td>
<td>Not Evaluated - see comments</td>
<td></td>
</tr>
<tr>
<td>10 Processing of sold products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Use of sold products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 End of life treatment of sold products</td>
<td></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 &lt;1,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Franchises</td>
<td>Not Evaluated</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Investments</td>
<td>Not Evaluated</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL Downstream</strong></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

All downstream categories either don’t apply or are de minimis

#### 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. The model hasn’t materially changed since this audit.
4. Estimated Scope 3 data uncertainty is ±50% (WRI/WBCSD, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011).
5. Values listed in the table above have been rounded to three significant figures. All calculations on the tabulated data use the full precision of the number.
Global Challenges

Health and Safety

Creative innovation, technology, education and collaboration are all critical if we are to tackle the human health and workplace safety concerns of today — for the sake of tomorrow.

Health and safety issues are prevalent, and concerns are growing to ensure safe and healthy workplaces around the world.

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.

We are always taking steps to protect our most important asset — 3M employees. Our innovations are only possible with the minds, talent and commitment of all of our 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, 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.” It holds anyone working at or visiting a 3M location to strict safety and health requirements.

Our 2025 goal is to provide training to 5 million workers across the globe on worker and patient safety. Proper use of health and safety products is critical to infection prevention, personal safety and overall health. Building on our existing customer education program, we seek to help educate individuals on worker and patient safety in both healthcare and industrial settings.
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 Patient Warming units are revolutionary forced-air warming systems that help to prevent and treat hypothermia while enhancing patient comfort.

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 five-year objective to achieve risk reduction related to high-hazard activities was launched in 2014. 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

Employee Health and Safety

The safety of our employees at 3M is our highest priority. We take every possible step to actively monitor, measure, and improve leading indicators of performance while simultaneously growing the company. As a result of our efforts, lagging indicators such as worldwide recordable and lost time rates since 2006 has decreased 46% for 3M global employees.

We also place a lot of emphasis on record-keeping, training FAQs in our newsletters, and providing examples. We visit sites and perform audits on record-keeping practices, and we review all incident data along with the quality of the investigation, contributing causal factors, and an analysis of corrective actions implemented.

Every year, we implement incremental upgrades to various elements of our Global Safety and Health Plan. By analyzing our audits and various self-assessments, we are able to create continual improvements. 3M is one of the only companies with a Global Safety and Health Plan that performs self-assessments, and this has been a great calibration for our audits.

Utilizing our Risk Assessment Prioritization (RAP) tools, sites must identify activities that they consider “high-hazard,” and focus on how these activities are impacting lost time cases. We expect to see a drop in severe cases into the future because of our focus on “high hazards.” Since 2013, we have documented approximately 17,000 assessments, and these measurements are helping us lower severe injury rates in the future.
Over 90 percent of our sites have people with formal RAP training, and this is a significant increase over past years. Furthermore, in 2015, we put a huge effort into providing training sessions for our auditors. We now place senior auditors with junior auditors to improve their knowledge and overall skillset. Auditor training has become integrated into our employee competency development programs. In 2015, 60 global audits were completed at 3M manufacturing facilities.

Our auditing program has become more developed and global than ever, and the mix of internal and external auditors provides us with a chance to benchmark our own best practices and create real, substantive changes. Our global auditing program is minimizing variation from country-to-country and getting everyone on the same page.

In 2015, we changed our focus to a layers of protection analysis. This form of analysis, along with our risk assessments and prioritization tools, has driven down fatalities and serious injuries. We’re heavily focused on not only preventing fatalities but serious injuries as well. Our tools have been so successful that numerous peer companies are looking to 3M and our health and safety leaders to help advise them on how to improve health and safety. 3M leaders have been invited to speak at numerous international conferences around the globe on their methods.

Contractor Health and Safety

3M has a long history of ensuring its Global Safety and Health commitment to all employees. Our 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.

3M uses a formal approach to maximize the safe performance of contractors. It begins with a pre-qualification process before granting contracts for work. This process includes getting information such as injury/illness rates, Experience Modification Rates (EMR), and safety program information such as training and activity levels of safety committees.

Prior to commencing actual work, formal pre-construction safety reviews are conducted to address potential hazards and controls related to the scope of work. Monitoring of safety performance is frequently conducted throughout the contract term. An assessment of safety performance is conducted at the conclusion of the contract.

Our Contractor Safety Standard allows our Corporate Safety Group to align our Contractor Standards with our Global Safety and Health Plan. Each location has a Site Contract Coordinator. This person is designated for each location to be the main contact for contractor safety. They have the ability to deal with pre-bid meetings and pre-qualifications for contractors. The Site Contract Coordinator is on-site for daily meetings and safety reviews to ensure proper behavior, training, and weekly inspections.

We are always improving our current systems, and our Global Safety and Health Plan also has a contract safety element. In addition to the contract safety elements, such as fall protection, confined space entry, and life safety activities, we make sure our initiatives apply to everyone at 3M, including contractors. Contractors and employees are treated the same, so anything that positively impacts employees also helps contractors. As we continue to work on global projects, we are learning from past experiences. We seek to improve contractor safety year-by-year.

3M’s Worldwide Incident Management System (WIMS) includes the reporting of all Contractor incidents. This includes Injuries and Contractor Worker Hours. International locations can now enter contractor worker hours into WIMS. US Location hours automatically get entered into WIMS monthly from a file we receive from Payroll for 3M Employees and Volt for Contingent Contract employees.

We are excited to announce that in 2015 3M reached the lowest recordable loss rate in company history. All of our big-picture efforts over the years are translating into real results.

Further, in 2015, we have put increased emphasis on contractor health and safety in our audits to get the best
data possible. By getting the best data possible, we can make the best decisions to ensure the safety of everyone in the 3M community.

Process Hazard 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 practices and regulations. 3M PHM allows facilities to identify, control and verify that process hazards are understood and managed. The framework for PHM consists of:

- Hazard Identification and Assessment
- Hazard Reduction and Control
- Control Effectiveness Verification

Various tools are being used to ensure the appropriate rigor is being provided to manage the hazards associated with hazardous processes. Risk management of the hazardous process begins with the use of the Hazardous Process Evaluation Tool (HazPET), which provides a consistent and simplified categorization of the hazardous processes. Process Hazard Analysis (PHA) methodologies are used to assess the process hazards and evaluate the effectiveness of existing safeguards.

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

Comprehensive Chemical and 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.

Over the past decade, over 95% of all chemical agents and noise baseline exposure risk assessments have been completed for all jobs, creating a foundation of exposure assessments used to drive the following:

- Baseline exposure assessments
- Annual air and noise sampling plans
- Exposure assessment validation plans
- Medical surveillance applicability analysis plans
- Hearing conservation programs including E-A-Rfit training
- Respirator and personal protective equipment programs
- As needed, other exposure management programs including administrative, industrial ventilation and isolation controls

Each year, active qualitative assessments are used to define annual air and noise monitoring and validation plans for each facility around the world. The air and noise exposure monitoring results are then analyzed using statistical methods to determine if any exposure management programs are required.

3M requires each facility where there is potential for significant exposure to chemicals or noise to have annual Chemical and Noise Assessment and Validation Plans that identify and prioritize processes for exposure assessment, monitoring and statistical validation. The Chemical and Noise Assessment and Validation Plans enable facilities to prioritize annual activities toward completion of the goal of understanding and managing all workplace exposure risks.

Ergonomics Risk Management

Ergonomic and noise-related injuries continue to be a major topic for 3M, and we made large strides in these areas in 2015. We are placing special emphasis on developing regional leaders for ergonomics at various sites around the globe. At 3M Brazil, for example, we have a full-time person that leads Brazil ergonomics and develops projects in this area. We are developing similar leaders and programs in places such as Poland, Mexico, India, and Southeast Asia.

Our ergonomic training is available 24/7 to anyone in the world who wants to learn about noise-control, and many
Since 2008, we have approached hearing loss from three different perspectives:

1. We are focusing on proper assessment practices that determine who should actually be in a hearing conservation program.
2. When we have hearing conservation programs, we have a hearing loss follow-up tool to ensure proper hearing protection and training is taking place.
3. We are engaging people outside of 3M who are world-renowned experts in the area of hearing loss to figure out what we can do to make improvements.

Further, we recently implemented our dual ear fit program. The new dual ear fit system enables sites to create ear plugs that properly fit each individual’s ears. We have purchased multiple ear fit systems that are available to sites around the globe.

We made a number of updates to our manuals including the Noise and Hearing manual and the Chemical Exposure manual. These updates, in conjunction with our noise control web courses that are available to anyone around the world 24 hours a day, should help improve our already stellar safety programs.

3M’s Noise Control Awards were started about four years ago to recognize the teamwork it takes to make significant improvements in 3M plants. The winners are selected from Engineering Safety Award and EHS Achievement Award submissions and are evaluated by members of the 3M Noise Assessment and Control Team. The teams are recognized in their plants, an email announcement goes out, winners are announced during a webinar and they receive hearing protection ear muffs to salute their achievements. Winning projects may also share posters to spread the word about their best practices at the 3M Industrial Hygiene and Ergonomics conference.

In 2015, we had sessions regarding hearing loss with all of our plant managers across the globe. At the Global Plant Manager Conference, we had two great seminars on hearing conservation, the “Ears-on Learning” seminar and the “Worldview of Hear Conservation: Requirements and Trends” seminar. Our huge push around noise control should translate into real results in the future.

Ergonomic risk reduction activities throughout the corporation continue to have a positive impact on illness rates. 3M’s Ergonomics Risk Reduction Process (ERRP) is a global, comprehensive program. ERRP integrates Ergonomic Job Analysis, Safety and Health, and Engineering professional development and ergonomics engineering design criteria. ERRP reduces exposure to commonly identify Work-related Musculoskeletal Disorder (WMSD) risk factors and to support operational efficiency throughout 3M.

By offering awards for ergonomic improvements, we are driving real, substantive change. The 3M Applied Ergonomics Innovation Award recognizes outstanding efforts focused on ergonomics improvements. It is intended to promote effective application of ergonomics principles and practices that improve the ability of employees to work safely and productively and consumers to use 3M products safely and effectively. Candidates for this award need to demonstrate considerations and application of ergonomics and/or human factors and other improvements, such as improved quality, lower costs, better efficiency, improved usability, and reduction in risk of injury. Over the 15 years, 3M received 1,100 submissions from around the world focused on reducing ergonomic risks. In 2015 we had over 100 submissions and granted several awards across 3 categories: (1) Best New Ergonomics Engineering Design, (2) Best Ergonomics Adaptation of an Existing Workstation or Process, and (3) Best Solution for Under $1,000.

Auditing and 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
Goals and 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. Continuous improvement objectives have been identified for achievement by year-end 2018.

Additional Steps to Protect Employees

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.

3M has a strong system in place for people who travel to potentially dangerous areas around the globe. When a travel request is placed, 3M employees receive an e-mail on what steps they should take before traveling, such as how to deal with various disease risks. We also provide a global traveler’s insurance program that ensures 3M employees will be taken care of if a life-threatening event takes place.
In 2015, we published a report to explain to our employees the dangers of Zika and how to avoid transmission of the virus.

Injury rates are down at 3M, in fact, they are at an all-time low in 3M and efforts to push them even lower are underway all over the world. Year-end injury and illness results for 2015 have been compiled and there is a trend for lower rates and a reduced number of severe injury incidents.

There are indications that this improvement is due in large part to all the work that has been conducted around risk reduction. The cause of injuries due to contact with equipment has decreased sharply since 2013 when the updated risk reduction process was launched across 3M using the Risk Assessment and Prioritization (RAP) tool.

The RAP tool is 3M’s standardized methodology for risk assessments and is a key part of the analysis of high hazard activities which could result in severe injury or death if safeguards do not effectively control the hazards. Over 40,000 risk assessments have been documented in WIMS since June of 2013 and risk levels were lowered for nearly 12,000 activities as a result of the assessments.

In 2015, an update to 3M Manual 80, A109, Guarding Floor, Roof and Wall Openings, was released including a reference to 3M’s fall protection requirements. This addition helps align 3M’s safety and engineering requirements for this topic. Further, a collaborative effort was started between Corporate Safety and Facilities Engineering to provide our facilities, engineering, EHS, and maintenance staff guidance and direction around anchor points, and protection when working on roofs. We also had a half-day fall protection hands-on courses for EHS professionals. This workshop included demonstrations of 3M’s fall protection equipment from 3M’s Personal Safety Division.

**Fatal Incidents**

Two new indicators will help track serious injury and fatality rates and how well 3M sites are doing at lowering risk levels for high hazard activities. Both metrics will come from WIMS data. The two indicators are (1) the Serious Injury and Fatality Rate (SIF) which measures all injuries that occur in 3M with a severity score of 15 or higher, and (2) the Risk Reduction Report for tracking risk reductions across locations.

3M is always benchmarking our approach with our peers, and we believe we have made large strides and improvements in 2015. 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, and not just the actual severity of the incident, is a critical step to identifying tasks with an elevated potential to result in a serious injury or fatality (SIF).

This new approach was implemented in 2013, and includes the development of an inventory of SIF 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.

In 2014, our initiative to achieve risk reduction related to high-hazard activities was part of a 3M challenge to improve EHS performance at our facilities. Utilizing 2012 as a baseline before program implementation,

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**Fatal Incidents**

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<td>Total Employees (work-related fatalities)</td>
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<td>1</td>
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<tr>
<td>Total Contractors (work-related fatalities)</td>
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<td>1</td>
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</tbody>
</table>
significant/severe injuries to Employees, Contingent and Contractor Workers decreased by 25% in 2015.

**Injury and Illness Rates**

3M global employee incident rates for injuries and illnesses with days away from work have declined 46% 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 certain activities at 3M that have resulted in more frequent injuries than others.

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**Story**

**Science Inspired by Nature**

Due to its incredible height, the distance from a giraffe’s legs to its heart is twice that of humans, raising blood pressure and putting great stress on the veins. Despite this, giraffes never suffer from swelling or ulcers in their lower legs. Scientists have studied this and determined that the giraffe’s tough, non-elastic skin works like the anti-gravity suits worn by astronauts, preventing the stagnation of blood in their lower extremities.

That inspired scientists at 3M to create a compression system to help treat a painful human medical condition called venous leg ulcers, which are caused by uncontrolled high pressure in the veins of the lower leg. Venous leg ulcers are extremely common in the United States and affect between 500,000 to two million people annually.

Scientists at 3M figured out that the giraffe’s thick and tight skin functions like nature’s best compression bandage, and they created a material that reproduces the properties of this skin to help humans. They took the elastic wraps we use when we sprain our ankles or wrists, and modified the material to engineer a leading two-layer compression system that mimics the skin of a giraffe.
### 3M Worldwide – By Region

**Lost Time Trends**

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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### 3M Worldwide – By Region

#### Recordable Trends

<table>
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<tr>
<td>Worldwide</td>
<td>1.53</td>
<td>1.56</td>
<td>1.46</td>
<td>1.42</td>
<td>1.41</td>
<td>1.45</td>
<td>1.22</td>
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</tbody>
</table>
3M Worldwide – By Region
Recordable Trends

- Ergonomic
- Contact with object/equipment
- Slip, trip, fall
- Noise exposure
- Exposure, chemical
- Miscellaneous
- Physical agent exposure
- Transportation accident
- Exposure, biological agent
- Physical agent exposure
3M works hard to create a better world for everyone; our sustainability approach revolves around education and development within global communities and our workforce.

We apply science in collaborative ways to improve lives daily. Our science not only impacts our customers around the world, but also makes a difference in the way we work.

At 3M, we are a collaborative, diverse group of people whose ideas transform the future. We continuously build and enhance our inclusive culture, creating an environment where our people feel safe, engaged and free to create.

Approach

An inclusive culture at 3M is built on our Human Resources Principles – to respect the dignity and worth of individuals; encourage the initiative of each employee; challenge individual capabilities; and provide equal opportunity. 3M is continuously focusing on building and maintaining an inclusive culture.

Having a diverse global workforce helps us to generate more ideas which yield more innovative solutions. As global markets expand and more than 60 percent of 3M’s sales come from outside the United States, we rely on employees who understand the needs of diverse customers. Our goal is to reflect the diversity of our global customers, suppliers and channel partners, and build on each employee’s abilities to achieve greater customer satisfaction and accelerated growth.

When we seek and value differences, we are embracing diversity and fostering an inclusive environment that creates opportunities for our people, our culture, our customers, and our communities. These four areas of focus shape our actions worldwide.
Our new 2025 goal is to double the pipeline of diverse talent in management to build a diverse workforce. Increasing women and diversity in every region in which we operate is a core part of our Sustainability strategy. We recognize that doubling our diverse talent in management will help build a diverse pipeline for executive leadership as well.

3M was recognized as a best place to work for LGBT Equality. Further, the Corporate Equality Index (CEI) – a national benchmarking survey and report on corporate policies and practices related to lesbian, gay, bisexual and transgender (LGBT) workplace equality – gave 3M a 100 percent perfect score – our fifth consecutive perfect score.

People

We seek and value differences in people – in thinking, experience, ethnicity, age, gender, faith, personalities and styles. We believe that each individual matters and contributes to growth and success. The different cultures, nationalities, backgrounds, insights, and physical and mental abilities of our people power our creativity and ideas. The different skills, experiences and abilities of our people are what drive our company forward and keep us relevant and reflective of our customers and markets.

We continue to position 3M as a leading company by ensuring we have a diverse workforce with the right people in the right positions to meet our business needs:

- Seeking and attracting diverse and qualified candidates
- Building our global pipeline of diverse candidates
- Strengthening 3M’s reputation as a great place for diverse people to work

During 2015, in the U.S. alone, we participated in several recruiting events to connect with people and talk about employment at 3M, including:

- 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 Society of Black Engineers
- National Society of Hispanic MBAs
- Reaching Out LGBT MBAs
- Society of Hispanic Professional Engineers
- Society of Women Engineers, (National and Regional events)
- South by Southwest
- The Consortium for Graduate Study in Management
- Forum on Workplace Inclusion, hosted by University of Saint Thomas

Globally, we hold our “Inventing a New Future Challenge” for students to work as teams on projects finding solutions to problems. In its second successful year, eight countries participated in a local phase of the program, and the top 3 winners came to St. Paul headquarters for the final competition. Some students that applied to the challenge have been offered internships or permanent positions in their countries.

We have formalized our commitment to diversity by establishing a 2025 Sustainability goal to double the pipeline of diverse talent in management to build a diverse workforce. By being more planful regarding the development of our future leaders, we are creating more robust pools of talented and qualified people to improve the representation of diverse leaders at all levels. This 2025 goal applies to all countries and ensures leadership is accountable for progress.

Initially, we are focused on building our pipelines with more women and people with disabilities, and over time we will expand our actions to include other groups of people. We will be more successful in meeting this
goal as we have a better understanding of our people already working in 3M. In the U.S. and many other countries we provide our people with the opportunity to opt-in and provide confidential information about their own disability status, veteran status, race/ethnicity and gender.

Our Equal Employment Opportunity (EEO) policies prohibit all forms of illegal 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.

The Board of Directors values diversity as a factor in selecting nominees to serve on the Board because its experience is that diversity provides significant benefit to the Board and the Company. Although there is 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.

Culture

3M is committed to fostering an inclusive environment where employees thrive, feel safe and respected, involved and valued, and free to be their best selves to create and innovate and contribute.

It takes every single person in 3M to use inclusive behaviors to strengthen our culture. Inclusive behaviors are included in the descriptors of the Leadership Behaviors and expected of everyone. 3M is providing education to strengthen cultural agility and limit unconscious bias, reinforced by a strong global communication campaign, “I’m in”, that has already reached 60 countries and has 75% awareness among our people worldwide.

We are building global fluency through the learning and development of our leaders and people everywhere. Diversity and inclusion topics that resonate worldwide are included in the new 3M Leadership Way programs and enhanced by providing hands-on experiences for greater insight and impact.

One of the ways we involve our people in understanding and appreciating diverse perspectives is through participating in communities of interest, also referred to as employee resource networks. In these communities, people can share ideas and work together on common interests. We have many communities that support and advance diversity and our culture:

3M Women’s Leadership Forum

Building on our strong past, the 3M Women’s Leadership Forum (WLF) is a community of passionate women and men who realize the business value better gender balance can provide in driving efficient growth. Their mission is to accelerate the inclusion and advancement of women worldwide. WLF chapters and hubs are growing and flourishing in our countries and sites worldwide, and are visibly active in more than 70 locations. These chapters are led by local women and men and supported by their leadership. The 3M WLF is sponsored by a Global Executive Steering Team to bridge top-leadership commitment with local leadership responsibility and support and the grass-roots passion of people everywhere.

3M Employee Resource Networks (ERNs)

3M ERNs give employees an opportunity to network and enhance their leadership skills while providing an opportunity to collaborate across cultures, lifestyles and genders. Our ERNs help 3M recruit, engage and retain more inclusively. They work with our businesses to provide relevant customer insights, and sponsor innovative educational opportunities that advance all employees. These networks include:

- A3CTION (Asians and Asian-Americans Coming Together for Innovation and Opportunity Network)
- African American Network
- disAbility Awareness Network
- GLBT+ Network
- Latino Resource Network
- Military Support Network
- Native American Network
- New Employee Opportunity Network (NEON)
- Team Austin (a collaboration of our Employee Resource Networks on our Austin campus)
- Women’s Leadership Forum
3M’s ERNs also partner with 3M businesses to tackle specific business challenges, often with impressive results. 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. Our businesses are leveraging ERNs to accelerate growth in emerging markets. For instance, 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.

Customers and Markets
To effectively grow our businesses and serve our customers, we build our workforce to reflect the people in the industries and markets who work in them. Our goal is to reflect the diversity of our global customers, suppliers and channel partners, and build on each employee’s abilities to achieve greater customer satisfaction and accelerated growth. With greater insight and understanding of differences, we can be more competitive and more relevant in providing breakthrough ideas and approaches to address customers’ challenges.

3M’s strategy to ‘Build high performing and diverse global talent’ leverages the strength of our people to implement other 3M strategies, namely ‘Gain profitable market share and accelerate market penetration everywhere’ and ‘Expand relevance to our customers and our presence in the marketplace’.

We are using a diversity lens in our business processes, as we gather insight and inspiration to help solve customers’ challenges and expand customer and market opportunities. For example, personal safety products in traditionally male-dominated professions (welding helmets and safety wear) are now available in sizes for women.

We will continue to explore additional opportunities in product and packaging development and design, service delivery, and supplier diversity, as part of applying greater diversity insight in our marketplaces.

2015 Recognition
Named as a "Best Place to Work" by the Human Rights Campaign for achieving five years in a row by obtaining a perfect score of 100% on the Corporate Equality Index. (Best place to work for LGBT)
Among Top 20 Supporters of Historical Black Colleges/Universities
Top 50 Employer by the Minority Engineers Magazine – reader’s choice
20/20 – 20% by 2020 Women on Boards
Among the top scoring companies in Calvert Investments' Survey of Corporate Diversity Practices of the Standard & Poor 100. Ranking 90 of 100 points, improving 15 pts from last survey, which is done every two years

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. Due to acquisition integration schedules onto 3M’s human resources systems, detailed employee information below may differ from employee totals in 3M financial reports.
Females Hired
(As a percent of new hires)

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<tr>
<td>United States</td>
<td>32%</td>
<td>36%</td>
<td>34%</td>
<td>37%</td>
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</tr>
<tr>
<td>Latin America</td>
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<tr>
<td>Asia Pacific</td>
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<tr>
<td>Canada</td>
<td>40%</td>
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<td>40%</td>
<td>42%</td>
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**Total 3M Employees**
(Includes both full-time and part-time employees)

<table>
<thead>
<tr>
<th>Year</th>
<th>Asia Pacific</th>
<th>Canada</th>
<th>Europe/MEA</th>
<th>Latin America</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>17,681</td>
<td>1,994</td>
<td>21,250</td>
<td>13,282</td>
<td>36,201</td>
</tr>
<tr>
<td>2014</td>
<td>17,853</td>
<td>1,825</td>
<td>21,184</td>
<td>14,039</td>
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</tr>
<tr>
<td>2013</td>
<td>18,402</td>
<td>1,842</td>
<td>21,151</td>
<td>13,194</td>
<td>34,993</td>
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<tr>
<td>2012</td>
<td>18,009</td>
<td>1,862</td>
<td>20,516</td>
<td>12,097</td>
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<td>2011</td>
<td>17,907</td>
<td>1,904</td>
<td>19,005</td>
<td>11,157</td>
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Female Employees in Management

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>22%</td>
</tr>
<tr>
<td>2011</td>
<td>23%</td>
</tr>
<tr>
<td>2012</td>
<td>25%</td>
</tr>
<tr>
<td>2013</td>
<td>26%</td>
</tr>
<tr>
<td>2014</td>
<td>26%</td>
</tr>
<tr>
<td>2015</td>
<td>27%</td>
</tr>
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</table>
## Percentage of Total 3M Employees Per Year

<table>
<thead>
<tr>
<th>Age Distribution</th>
<th>Percentage of total 3M Employees Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Baby Boomers (1943-1960)</td>
<td>26.60%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1.70%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.80%</td>
</tr>
<tr>
<td>Europe/Middle East/Africa</td>
<td>5.50%</td>
</tr>
<tr>
<td>Latin America</td>
<td>1.20%</td>
</tr>
<tr>
<td>United States</td>
<td>17.50%</td>
</tr>
<tr>
<td>Generation X (1961-1981)</td>
<td>60.20%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>14.40%</td>
</tr>
<tr>
<td>Canada</td>
<td>1.50%</td>
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<tr>
<td>Europe/Middle East/Africa</td>
<td>14.70%</td>
</tr>
<tr>
<td>Latin America</td>
<td>8.70%</td>
</tr>
<tr>
<td>United States</td>
<td>20.80%</td>
</tr>
<tr>
<td>Generation Y (&gt; 1981)</td>
<td>13.20%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>3.90%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.10%</td>
</tr>
<tr>
<td>Europe/Middle East/Africa</td>
<td>2.60%</td>
</tr>
<tr>
<td>Latin America</td>
<td>3.30%</td>
</tr>
<tr>
<td>United States</td>
<td>3.30%</td>
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</table>
### Employees Hired

<table>
<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>Latin America</th>
<th>Europe MEA</th>
<th>Canada</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3,559</td>
<td></td>
<td></td>
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<tr>
<td>2012</td>
<td>3,348</td>
<td></td>
<td>2,749</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>3,580</td>
<td>3,445</td>
<td>1,636</td>
<td>1,637</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>4,470</td>
<td>4,613</td>
<td>1,637</td>
<td>1,352</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>3,841</td>
<td>3,830</td>
<td>1,352</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>2,096</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>2,749</td>
<td></td>
<td>1,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>3,445</td>
<td>1,636</td>
<td>1,637</td>
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<td></td>
</tr>
<tr>
<td>2014</td>
<td>4,613</td>
<td>1,637</td>
<td>1,352</td>
<td></td>
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</tr>
<tr>
<td>2015</td>
<td>3,830</td>
<td>1,352</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>1,855</td>
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<td></td>
</tr>
<tr>
<td>2012</td>
<td>1,500</td>
<td></td>
<td>95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1,636</td>
<td>1,637</td>
<td>1,352</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1,637</td>
<td>1,352</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1,352</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>105</td>
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</tr>
<tr>
<td>2012</td>
<td>90</td>
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<td>95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>95</td>
<td>1,636</td>
<td>1,352</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>115</td>
<td>1,352</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2015</td>
<td>130</td>
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<td></td>
</tr>
<tr>
<td>2011</td>
<td>3,161</td>
<td></td>
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</tr>
<tr>
<td>2012</td>
<td>1,636</td>
<td></td>
<td>1,715</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>1,637</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>1,147</td>
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<tr>
<td>2015</td>
<td></td>
<td>1,309</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Female Employee Headcount
(As a percentage of total)

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>33.67%</td>
<td>33.00%</td>
<td>33.00%</td>
<td>33.00%</td>
<td>33.00%</td>
</tr>
<tr>
<td>Latin America</td>
<td>40.01%</td>
<td>41.99%</td>
<td>42.94%</td>
<td>43.49%</td>
<td>44.30%</td>
</tr>
<tr>
<td>Europe MEA</td>
<td>35.03%</td>
<td>34.38%</td>
<td>34.00%</td>
<td>33.91%</td>
<td>33.80%</td>
</tr>
<tr>
<td>Canada</td>
<td>37.08%</td>
<td>37.06%</td>
<td>36.54%</td>
<td>36.55%</td>
<td>40.40%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>28.20%</td>
<td>27.97%</td>
<td>27.92%</td>
<td>28.17%</td>
<td>28.20%</td>
</tr>
</tbody>
</table>
Investing in our People

At 3M, we’re a company of bright minds collaborating to better our world. Our training is an ever-changing, constantly evolving process. The estimate of 25 hours per FTE of training and development was reached from a formal standpoint, but we do not believe it accurately covers the whole picture. We utilize the 70-20-10 development model which indicates that over the course of a career, 70 percent of learning is done on the job, 20 percent comes through other employees, and only 10 percent of meaningful development is reached through formal training. Our use of Individual Development Plans (IDPs) is an essential aspect of understanding training and development at 3M.

We strive to have every employee complete a development plan. Around 85% of the professional, non-production population completed an IDP in 2015, an increase of nearly 15% over 2014. This reflects our intentional efforts to foster development.

2015 also marked the completion of work to transition to a new technology platform that better supports IDP creation. With the roll-out of the new platform in early 2016, employees will be easily able to link development planning to specific competencies, for which development resources are already available. Aligned with this, we have a goal of 100% of professional employees having IDPs.

Our learning orientation and philosophy is results rather than activity-based. Measures such as training hours or costs per employee are not leading human capital performance indicators for 3M. We believe indicators that align people results to the success of the company are direct performance indicators of development programs. Leadership and employee engagement, Employee Retention Rates, New Product Vitality Index (a key metric for the company -- sales percentage of new products introduced in the previous five years), Brand Recognition, Acquisition integration milestones, and Lean Six Sigma project value are a few examples of indicators that contribute to 3M’s recognition as an industry and global leader.

While we can estimate that our numbers are close to averages found in other large manufacturing companies, comprehensive global metrics on training and training investments are difficult to track partially due to 3M’s history of decentralized accountability and control over businesses. Business leaders and HR partners in the 3M businesses/functions respond to their marketplaces in terms of meeting those training and development needs.

This decentralized, locally accountable approach enables quick reaction and fine-tuning to meet needs of the unique markets and specialty needs of employees serving those markets. However, this approach means that tracking non-corporate/local efforts is difficult because each is adapted to the needs of that unique market and business/function and may not use corporate wide systems.

Our global voluntary turnover rate continues to be under five percent, and this is a source of great pride for our company. Compared to most other companies, 3M employees love working here, and they rarely leave the company. Our Employee Turnover Rate is an annualized turnover rate that measures employees that have terminated or retired from 3M during the calendar year, excluding foreign service employees and 3M temporary employees. Temporary employees are 3M employees hired temporarily with intent to be employed short-term. They do not include Contingent Workers (individuals provided by a third-party staffing agency to perform temporary work).

We calculate voluntary turnover separately from retirements, company initiated turnover, and reductions in force. Voluntary employee turnover is defined as turnover due to employee initiated reasons (e.g., returning to school, going to another job in a different company). Total turnover includes Voluntary turnover and all other forms of turnover (e.g., termination as a result of restructuring, termination for poor performance, retirements).

3M’s HR department is unique in that we have one global system and process where all of our HR information is tracked. At every 3M location around the globe, HR has instant access to all of the information. We use the QlikView reporting tool – instead of having islands of information, we’re all using the same information that can be tracked.
2015 Employee Training and Development Advancements

Our 2025 goal is to have 100% employee participation (production and nonproduction) in development programs to advance individual and organizational capabilities. Our employees are encouraged and supported to pursue areas of interest and develop career paths and opportunities aligned with those interests. Moving forward, we seek to formalize an individual development plan with every employee.

In 2015, we also held area developmental months around that globe. They resulted in an overall increase of course completion; in fact, in 2015 alone, 3M employees completed 1,289,932 courses. We placed at #8 on Chally Group’s Best Companies for Leaders.

Our new Leadership Way program was initiated to develop strong leaders. It offers a global, consistent approach that is customer focused and results driven. This approach has been driven by our CEO, Inge Thulin, as a method to bring 3M’s playbook to life. Four leadership development programs (Catalyst, Amplify, Ignite, and Spark) are part of the Leadership Way. These programs are targeted for high potential leaders across different career levels. Each program offers participants a blended, multi-channel approach to development. Further, each program recognizes that learning requires both time and practice, and therefore programs are experiential journeys that span months and entail hands-on projects with real deliverables. We believe this approach will strengthen 3M’s ability to execute against our playbook, and create shareholder value.

Total Rewards

3M Total Rewards includes 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 opportunities.

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. All regular full-time employees in the US are eligible for these benefits – regular part time employees who work at least 20 hours/week are also eligible. 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.

FlexAbility: 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.

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 all regular full-time and part-time employees additional bonding leave for this purpose even if this means they will exceed their 12-week allotment of family/medical leave (stemming from the Family Medical Leave Act) 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. While there can be different definitions for “parental leave,” in the US during 2015, a total of 722 employees took either short term disability benefits for maternity (paid leave) and/or unpaid bonding leave (includes adoption) (female 497/male 225).

Domestic Partner Benefits: We offer same sex domestic partner benefits to employees who meet the requirements of having a domestic partner. Eligible domestic partners and their eligible child(ren) can receive medical and dental benefits, as well as optional life insurance coverage, subject to plans terms and requirements. We also offer retiree medical for qualified domestic partners.

Retirement Programs: Our Retirement Program provides a solid foundation of retirement benefits, which includes a 401(k) plan with a company matching contribution, employer contributions to a Retirement Income Account, and a Retiree Medical Savings Account (RMSA) to help offset the cost of pre-Medicare medical coverage in retirement.

Stock Ownership/Investment Programs: After two months of service at 3M, our General Employees Stock Purchase Plan allows eligible employees to contribute 3-10 percent of after-tax pay to purchase 3M stock at an option price that is 85 percent of the fair market value of the stock.

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 a variety of educational programs, resources and consultation services 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.

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. At 3M Headquarters in St. Paul, Minnesota, the 3M Club of St. Paul goes back to 1963. 3M also sponsors Employee Resource Networks under the direction of 3Mgives.
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 2015, 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 plan that includes 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.

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 tied 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.

Since 2012, 3M has embarked on a process to define and communicate global functional competency models which clarify expectations of leaders regarding the knowledge, skills, and abilities to be developed over

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**Education and 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. In early 2015, we deployed 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. 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.

**Skill Mapping and Contribution and Development Assessment:** 3M has separate processes for employee performance and career development reviews. Each
Employee Engagement and Recognition

We are always happy to report that 3M’s turnover rate is far lower than the turnover benchmark rate. We take great pride in this fact, and it’s a testament to how much our employees love working at 3M. We have long been a supporter of gathering a well-rounded view of an individual’s performance, and we do not use a formal comparative ranking of employees within each employee category.

90% of global salaried, non-production, employees received performance ratings through 3M’s Employee Performance Review Process (EPR) in 2015. The reason our appraisals apply to 90% of employees, as opposed to 100%) is because there are certain countries that do not require a performance management process for certain salaried production employees.

Our process includes two components: 1) measurable targets agreed upon by each employee and his/her supervisor; 2) Leadership Behaviors ratings, which reflect the extent to which the employee engaged in core behaviors that allow 3M to execute our strategies and meet our objectives.

Ratings of achievement of measurable targets impact variable compensation for all employees. Ratings of Leadership Behaviors impact long term variable compensation for those employees in senior positions (e.g., job grades 14 or higher, or equivalent).

The performance review process helps hold each of our employees accountable for his or her contribution and everyday behaviors in the organization. 3M’s performance process aligns personal goals with organizational goals – by guiding behavior, we ensure that we achieve our goals in ways that support and strengthen our culture and achieve sustainable growth. In addition, 3M has long prioritized taking a well-rounded view of an individual’s performance and ensuring employees are treated in a fair and consistent manner. To achieve this, multiple steps are taken.

First, performance goals, linked to higher-level organizational goals, are set jointly between the individual and their leader. Tools provided to leaders during 2015 helped to facilitate conversations between leaders and employees to ensure mutual understanding of expectations and desired behaviors.
Second, feedback on progress toward these goals is provided formally, twice a year, and supervisors are taught and encouraged to provide routine feedback to help employees adjust performance and meet or exceed goals.

Third, 3M has implemented Management Team Reviews. During these reviews, input from multiple managers, including those not immediately in one’s area of expertise, is used to ensure a total picture of the employee is provided. 3M also offers optional tools to gather performance information, such as a client input survey, provide all 3Mers with a uniform set of expectations to drive consistency in ratings across job levels.

Finally, the Management Team Reviews function not only to provide comprehensive information about an employee, but also to ensure that ratings are consistent across employees within a job. This maximizes fairness by equating ratings for similar performance.

Throughout the year, and in conjunction with performance discussions, employees meet with their supervisor to evaluate progress on current goals and adjust existing goals as need to align to any changes in priorities. As employees meet their goals from their development plan, they are encouraged to update their Talent Profile and Skills Profile and review tools that have been developed to capitalize their strengths.

We are currently in the process of moving our performance management to a new platform that will allow us to have more direct linkage between individual performances and objectives. The new platform should be active in 2016, and it will further improve 3M’s ability to appraise, improve, and link personal experience, work experience, and leadership behaviors.

Networks and 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 structure 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 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 and Manufacturing 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:** 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 Supply Chain Academy, 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. Additionally, since about 1948, we’ve encouraged our employees to spend 15% of their working time on their own projects and sharing those ideas with colleagues.
Measurement, Feedback and Action on Employee Engagement

We measure engagement and engagement drivers and provide 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 three 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 that includes engagement measures. This survey, the Vision and Strategies Alignment 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.

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. Results have improved with each administration, up to 83 percent favorable in the most recent survey, which is well above the threshold for strength (70 percent favorable).

Employee Rewards and 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

Humanitarian Engagement

3M improves lives through innovative social investments in Education, Community and Environment. Our goal is to create a better world for everyone, and our approach includes annual social investments in our global communities. Through these investments, we strive to increase access to student achievement in STEM (science, technology, engineering and math), improve standards of living in communities where we operate, and build environmentally sustainable communities.

Engaging Globally

3Mgives, the social investment arm of 3M, is governed by the 3M Foundation Board of Directors and Corporate Contributions Committee comprised of senior level executives in the company. The 3M Foundation Board of Directors guides the social investment strategy including giving area, budget allocation and high-level strategy advice for execution by 3Mgives staff.

3M leaders from each region develop and administer programs consistent with the overall 3Mgives strategy and local culture and social needs. For example, in the United States, 18 Community Relations Councils develop regional strategies and direct local social investments in partnership with the 3Mgives team. In addition, 3Mgives regularly convenes a Global Advisory Council comprised of senior leaders from countries around the globe to inform and develop our global giving strategy.

Since the inception of the 3M Foundation in 1953, 3M has invested $1.45 billion in cash and in-kind donations in communities around the world. These global
investments were bolstered by employees and retirees volunteering millions of hours.

For more information please see the Collaborating with Our Communities section.

**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 Goals, local stakeholder engagement plans were developed at select 3M manufacturing operations. Work continued in 2015 to enhance the local and regional stakeholder engagement process to further align with corporate strategic focus areas. 270 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

A baseline survey regarding Stakeholder Engagement Impact was completed for the sites to use the new framework in conjunction with updated local stakeholder engagement plants. 3M implemented this new framework in 2015 on sites within a select region with the intent to implement globally in the near future.

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**Story**

15 percent culture: creativity needs freedom.

Since 1948, 3Mers have been encouraged to use 3M 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.

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.

That initiative is alive and well today, and has led to some of our most ingenious inventions, including:

- Automobile window treatment films … which enhance comfort, security and privacy in your vehicle.
- Multi-layer optical film, which reflects 95 percent of all light. It’s likely in your laptop, smart phone and big-screen TV … making the screen brighter, while reducing energy use.
Corporate Profile

Learn about our culture of innovation and how we’re applying science to improve lives.
Corporate Profile

Learn about our culture of innovation and how we’re applying science to improve lives.

About 3M

At 3M™ we collaborate and apply science in powerful ways to improve lives daily. With $30 billion in sales, our 90,000 employees connect with customers all around the world. Scientists, researchers and marketers work across countries and across subjects to solve challenges big and small in 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. We are a member of the Dow Jones Industrial Average, and we are a component of the Standard and Poor’s 500 Index.

For further information regarding changes in 3M’s size, structure or ownership see our 2015 Annual Report.

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.

Industrial Business

The Industrial segment serves a broad range of markets, such as automotive original equipment manufacturer (OEM) and automotive aftermarket (auto body shops and retail), electronics, appliance, paper and printing, packaging, food and beverage, and construction. Industrial products include tapes, a wide variety of coated, non-woven and bonded abrasives, adhesives, advanced ceramics, sealants, specialty materials, 3M purification (filtration products), closure systems for personal hygiene products, acoustic systems products, and components and products that are used in the manufacture, repair and maintenance of automotive, marine, aircraft and specialty vehicles. 3M is also a leading global supplier of precision grinding technology serving customers in the area of hard-to-grind precision applications in industrial, automotive, aircraft and cutting tools. 3M develops and produces advanced technical ceramics for demanding applications in the automotive, oil and gas, solar, industrial, electronics and defense industries. In August 2015, 3M acquired assets and liabilities associated with Polypore International, Inc.’s Separations Media business, a leading provider of microporous membranes and modules for filtration in the life sciences, industrial and specialty segments.

Major industrial products include vinyl, polyester, foil and specialty industrial tapes and adhesives; Scotch® Masking Tape, Scotch® Filament Tape and Scotch® Packaging Tape; packaging equipment; 3M™ VHB™ Bonding Tapes; conductive, low surface energy, sealants, hot melt, spray and structural adhesives; reclosable fasteners; label materials for durable goods; and coated, nonwoven and microstructured surface finishing and grinding abrasives for the industrial market. 3M purification provides a comprehensive line of filtration products for the separation, clarification and purification of fluids and gases. Other industrial products include fluoroelastomers for seals, tubes and gaskets in engines.

Major transportation products include insulation components, including Thinsulate™ Acoustic Insulation and components for cabin noise reduction and catalytic converters; functional and decorative graphics; abrasion-resistant films; adhesives; sealants; masking
tapes; fasteners and tapes for attaching nameplates, trim, moldings, interior panels and carpeting; coated, nonwoven and microstructured finishing and grinding abrasives; structural adhesives; and other specialty materials. In addition, 3M provides paint finishing and detailing products, including a complete system of cleaners, dressings, polishes, waxes and other products.

Safety and Graphics Business

The Safety and Graphics segment serves a broad range of markets that increase the safety, security and productivity of people, facilities and systems. Major product offerings include personal protection products; traffic safety and security products, including border and civil security solutions; commercial solutions, including commercial graphics sheeting and systems, architectural design solutions for surfaces, and cleaning and protection products for commercial establishments; and roofing granules for asphalt shingles. In August 2015, 3M acquired Capital Safety Group S.A.R.L., a leading global provider of fall protection equipment.

This segment’s products include personal protection products, such as certain disposable and reusable respirators, personal protective equipment, head and face protection, body protection, hearing protection and protective eyewear, plus reflective materials that are widely used on apparel, footwear and accessories, enhancing visibility in low-light situations. In traffic safety and security, 3M provides reflective sheeting used on highway signs, vehicle license plates, construction work-zone devices, trucks and other vehicles, and also provides pavement marking systems, in addition to electronic surveillance products, and films that protect against counterfeiting. Traffic safety and security also provides finger, palm, face and iris biometric systems for governments, law enforcement agencies, and commercial enterprises, in addition to remote people-monitoring technologies used for offender-monitoring applications. Major commercial graphics products include films, inks, and related products used to produce graphics for vehicles, signs and interior surfaces. Other products include spill-control sorbents; nonwoven abrasive materials for floor maintenance and commercial cleaning; floor matting; natural and color-coated mineral granules for asphalt shingles; plus fall protection equipment.

Electronics and Energy Business

The Electronics and Energy segment serves customers in electronics and energy markets, including solutions that improve the dependability, cost-effectiveness, and performance of electronic devices; electrical products, including infrastructure protection; telecommunications networks, and power generation and distribution.

This segment’s electronics solutions include the display materials and systems business, which provides films that serve numerous market segments of the electronic display industry. 3M provides distinct products for five market segments, including products for: 1) LCD computer monitors 2) LCD televisions 3) handheld devices such as cellular phones and tablets 4) notebook PCs and 5) automotive displays. This segment also provides desktop and notebook computer screen filters that address display light control, privacy, and glare reduction needs. Major electronics products also include packaging and interconnection devices; high performance fluids and abrasives used in the manufacture of computer chips, and for cooling electronics and lubricating computer hard disk drives; and high-temperature and display tapes. Flexible circuits use electronic packaging and interconnection technology, providing more connections in less space, and are used in ink-jet printer cartridges, cell phones and electronic devices. This segment also includes the touch systems products, including touch screens, touch monitors, and touch sensor components.

This segment’s energy solutions include electrical products, including infrastructure protection, telecommunications, and renewable energy. This segment serves the worlds electrical and telecommunications markets, including electrical utilities, electrical construction, maintenance and repair, original equipment manufacturers (OEM), telecommunications central office, outside plant and enterprise, as well as aerospace, military, automotive and medical markets, with products that enable the efficient transmission of electrical power and speed the delivery of information. Products in this segment include pressure sensitive tapes and resins, electrical insulation, a wide array of fiber-optic and copper-based telecommunications systems for rapid deployment of fixed and wireless networks, as well as the 3M™ Aluminum Conductor Composite Reinforced (ACCR) electrical power cable that increases transmission capacity for existing power lines. This segment also includes renewable energy component
solutions for the solar and wind power industries, as well as infrastructure products solutions that provide municipalities both protection and detection solutions for electrical, oil, natural gas, water, rebar and other infrastructure assets.

Health Care Business

The Health Care segment serves markets that include medical clinics and hospitals, pharmaceuticals, dental and orthodontic practitioners, health information systems, and food manufacturing and testing. Products and services provided to these and other markets include medical and surgical supplies, skin health and infection prevention products, inhalation and transdermal drug delivery systems, oral care solutions (dental and orthodontic products), health information systems, and food safety products. In April 2014, 3M purchased all of the outstanding equity interests of Treo Solutions LLC, headquartered in Troy, New York. Treo Solutions LLC is a provider of data analytics and business intelligence to healthcare payers and providers. In March 2015, 3M acquired Ivera Medical Corp., a manufacturer of health care products that disinfect and protect devices used for access into a patient’s bloodstream.

In the medical and surgical areas, 3M is a supplier of medical tapes, dressings, wound closure products, orthopedic casting materials, electrodes and stethoscopes. In infection prevention, 3M markets a variety of surgical drapes, masks and preps, as well as sterilization assurance equipment and patient warming solutions designed to prevent hypothermia in surgical settings. Other products include drug delivery systems, such as metered-dose inhalers, transdermal skin patches and related components. Oral care solutions include restoratives, adhesives, finishing and polishing products, crowns, impression materials, preventive sealants, professional tooth whiteners, prophylaxis and orthodontic appliances, as well as digital workflow solutions to transform traditional impression and analog processes. In health information systems, 3M develops and markets computer software for hospital coding and data classification, and provides related consulting services. 3M provides food safety products that make it faster and easier for food processors to test the microbiological quality of food.

Consumer Business

The Consumer segment serves markets that include consumer retail, office retail, office business to business, home improvement, drug and pharmacy retail, and other markets. Products in this segment include office supply products, stationery products, construction and home improvement products (do-it-yourself), home care products, protective material products, certain consumer retail personal safety products, and consumer health care products.

Major consumer products include Scotch® brand products, such as Scotch® Magic™ Tape, Scotch® Glue Stick and Scotch® Cushioned Mailer; Post-it® Products, such as Post-it® Flags, Post-it® Note Pads, Post-it® Labeling & Coverup Tape, and Post-it® Pop-up Notes and Dispensers; construction and home improvement products, including surface preparation and wood-finishing materials, Command™ Adhesive Products and Filtrete™ Filters for furnaces and air conditioners; home care products, including Scotch-Brite® Scour Pads, Scotch-Brite® Scrub Sponges, Scotch-Brite® Microfiber Cloth products, O-Cel-O™ Sponges; protective material products, such as Scotchgard™ Fabric Protectors; certain maintenance-free respirators; certain consumer retail personal safety products, including safety glasses, hearing protectors, and 3M Thinsulate™ Insulation, which is used in jackets, pants, gloves, hats and boots to keep people warm; Nexcare™ Adhesive Bandages; and ACE® branded (and related brands) elastic bandage, supports and thermometer product lines.

3M 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.

Our guiding values include:

- 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.
See the Board’s leadership structure and responsibilities, the Board’s role in risk oversight and the process for stakeholder input.

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.

Corporate Governance Best Practices

Board Independence

- Substantial majority of independent directors – twelve of our thirteen directors are independent of the Company and management – and all are highly qualified.

- Independent directors regularly meet in executive sessions without management.

- Independent directors have complete access to management and employees.

- Regularly refresh Board; added 6 new directors in past 4 years; average director tenure is 6.8 years.

Board Committee Independence and Expertise

- Committee independence – Only independent directors serve on the Board’s committees with independent committee chairs empowered to establish committee agendas.

- Committee executive sessions – at each regularly scheduled meeting, members of the Audit Committee, Compensation Committee, Finance Committee, and Nominating and Governance Committee meet in executive session.
For further information regarding 3M’s governance practices, see 2016 Notice of Annual Meeting and Proxy Statement. The following table provides an overview of our corporate governance practices.
The feedback from those meetings was shared with the Nominating and Governance Committee and the Board and helped inform the Board’s decision to adopt proxy access bylaws in November 2015.

Stockholder Rights

- Annual election of all directors.
- Majority voting for directors in uncontested elections.
- Proxy access – a stockholder, or a group of up to 20 stockholders, continuously owning for 3 years at least 3 percent of our outstanding common shares may nominate and include in our proxy materials up to the greater of two directors and 20 percent of the number of directors currently serving, if the stockholder(s) and nominee(s) satisfy the bylaw requirements.
- Established policies and criteria for director nominations, including candidates recommended by stockholders.
- No supermajority voting provisions in Bylaws or Certificate of Incorporation.
- Stockholders holding 25 percent of the outstanding shares have the right to call a special meeting.
- No stockholders’ rights plan (also known as a “poison pill”).
- Established protocol for stockholders to communicate with the independent Lead Director, the chairs of the Audit, Compensation, Finance, and Nominating and Governance Committees of the Board, any of the other independent directors or all of the independent directors as a group or the full Board.

Stockholder Outreach and Engagement

- We maintain a vigorous stockholder engagement program. During 2015, members of senior management met with a cross-section of stockholders owning approximately 35 percent of our outstanding shares.

Risk Oversight

- Broad risk oversight by the Board and its committees, with committee-level risk analyses reported to the full Board and senior-level internal auditor and Chief Compliance Officer appointed by, and reporting directly to, the Audit Committee.

Board Approved Long-Term Strategic Plans and Capital Allocation Strategies

- Each year management presents to the Board, and the Board discusses and approves, detailed long-term strategic plans for the Company, the international business, and each of the Company’s business groups. Each presentation includes an overview of the business group, the financial performance, an assessment of the portfolio for growth opportunities using a SWOT analysis (i.e., strengths, weaknesses, opportunities, and threats); strategic priorities to drive the three key value creation levers—Portfolio Management, Investing in Innovation, and Business Transformation; plans to drive the four corporate fundamental strengths—Technology, Manufacturing, Global Capabilities, and Brand; and the projected long-term financial performance.
- The Board also approves the long-term capital structure of the Company to ensure that there is sufficient capital to invest for future growth.
- The Company is committed to investing in organic growth, most notably through capital expenditures and research and development. The Company has invested approximately $16 billion in capital expenditures and research and development to support and fund organic growth over the past 5 years. 3M has opened six customer technical centers around the
Compliance

- 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.
- Disclosure committee for financial reporting.
- Disclosure of public policy engagement on our Investor Relations Web site, under Governance — Governance Documents — “Political Activities and Issue Advocacy,” including disclosure of political contributions and membership in key trade associations where membership dues allocated for lobbying purposes exceed $25,000.

Environmental Stewardship and Sustainability

- Long-standing commitment to environmental stewardship and sustainability.
- 2025 Sustainability Goals for raw materials, water, and energy and climate, including increasing wind and solar renewable energy to 25 percent of total electricity use by 2025.
- Our Sustainability Report and 2025 Sustainability Goals are available on our Web site at www.3M.com, under About 3M — Sustainability.

Executive Compensation

- Annual advisory approval of executive compensation with approximately 96 percent of the votes cast in favor of the Company’s executive compensation program in 2015.
- 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 senior executives, including the CEO.

Director Orientation and Continuing Education

- Board orientation – Our orientation programs familiarize new directors with 3M’s businesses, strategic plans, and policies, and prepare them for their role on their assigned committees.
- Continuing education programs assist directors in maintaining skills and knowledge necessary for the performance of their duties. These programs may be part of regular Board and Committee meetings or provided by academic or other qualified third parties.

Board and Committee Evaluations

- The Nominating and Governance Committee conducts an annual evaluation of the performance of the Board and each of its committees. The results are shared with the Board and help identify areas in which the Board and its committees could improve performance.
- As part of the nomination process, the Nominating and Governance Committee annually evaluates each of the directors to ensure our directors have the necessary skills and experience to effectively oversee the Company.
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:

- Senior Vice President of Corporate Supply Chain Operations
- Senior Vice President of Research and Development and Chief Technology Officer
- Chief Sustainability Officer
- Vice President of Government Affairs
- Vice President of Medical
- Vice President of Compliance and Business Conduct
- Vice President and General Manager of Materials Resource Division
- Associate General Counsel, Supply Chain and EHS

3M’s Sustainability Center of Excellence, led by our Chief Sustainability Officer, 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 formation of the Sustainability Center of Excellence 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 of Excellence is to develop strategy, set significant goals to advance and track progress and to drive sustainable actions throughout 3M and in collaboration with customers, partners and communities.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines which provide a framework for the effective
issues. Coupled with an independent Lead Director, this combined 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 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 would best serve 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 on our Web site at www.3M.com, under Investor Relations — 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.

Executive Sessions

As an agenda item for every regularly scheduled Board and committee meeting, independent directors regularly meet in executive session, without the Chairman/CEO or other members of management present, to consider such matters as they deem appropriate.

Board’s Leadership Structure

The Board’s leadership structure is characterized by:

- 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 consisting entirely of independent directors with oversight of various types of risks; and
- an engaged and independent Board.

The Board of Directors believes that this leadership structure provides independent board leadership and engagement while deriving the benefits of having our CEO also 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, our CEO is best positioned to chair regular Board meetings as the directors discuss key business and strategic 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 independent Lead Director, director independence, the 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 and Bylaws, the charters of the Board committees, the Director Independence Guidelines, and the Codes of Conduct provide the framework for the governance of the Company and are available on our Web site at www.3M.com, under Investor Relations — Governance.
The committee chairs establish their respective agendas;

The Board and committees may retain their own advisors;

The independent directors have complete access to management and employees;

The independent directors meet in executive session without the CEO or other employees during each regular Board meeting; and

The Board and each committee regularly conduct a self-evaluation to determine whether it and its committees function effectively.

The Board has also designated one of its members to serve as Lead Director, with responsibilities (described in the next section) that are similar to those typically performed by an independent chairman.

**Independent Lead Director**

The Board has designated one of its members to serve as a Lead Director, with responsibilities that are similar to those typically performed by an independent chairman (“Lead Director”). Michael L. Eskew was appointed Lead Director by the independent directors effective November 12, 2012, succeeding Dr. Vance Coffman who had served as Lead Director since 2006. Michael Eskew is a highly experienced director, currently serving on the boards of The Allstate Corporation, International Business Machines Corporation, 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, and approves the meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- Has the authority to approve the materials to be delivered to the directors in advance of each Board meeting and provides feedback regarding the quality, quantity, and timeliness of those materials (this duty not only gives the Lead Director approval authority with respect to materials to be delivered to the directors in advance of each Board meeting but also provides a feedback mechanism so that 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 of that performance to the Chairman/CEO);
- If requested by major stockholders, ensures that he is available, when appropriate, for consultation and direct communication; and
- Performs such other duties as requested by the independent directors.

**Communication with Directors (Stockholder and 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 220-14W-06, St. Paul, MN 55144-1000.

**Director Independence**

The Board has adopted a formal set of Director Independence Guidelines with respect to the determination of director independence, which either conform to or are more exacting than the independence requirements of the NYSE listing standards, and the full text of which is available on our Web site at www.3M.com, under Investor Relations — Governance. In accordance with these Guidelines, a director or nominee for director must be determined to have no material 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 family members with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The Guidelines also prohibit Audit and Compensation Committee members from having any direct or indirect financial relationship with the Company, and 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.

In accordance with these Guidelines, the Board undertook its annual review of director independence. During this review, the Board considered transactions and relationships between each director, or any member of his or her immediate family and the Company and its subsidiaries and affiliates in each of the most recent three completed fiscal years. The Board also considered whether there were any transactions or relationships between the Company and a director or any members of a director’s immediate family (or any entity of which a director or an immediate family member is an executive officer, general partner, or significant equity holder). The Board considered that in the ordinary course of business, transactions may occur between the Company and its subsidiaries and companies at which some of our directors are or have been officers. In particular, the Board considered the annual amount of sales to 3M for each of the most recent three completed fiscal years by each of the companies where directors serve or have served as an executive officer, as well as purchases by those companies from 3M. The Board determined that the amount of sales and purchases in each fiscal year was below one percent of the annual revenues of each of those companies, the threshold set forth in the Director Independence Guidelines. The Board also considered charitable contributions to not-for-profit organizations with which our directors or immediate family members are affiliated, none of which approached the threshold set forth in our Director Independence Guidelines.

As a result of this review, the Board affirmatively determined that the following directors are independent under these Guidelines: Linda G. Alvarado, Sondra L. Barbour, Thomas “Tony” K. Brown, Vance D. Coffman, David B. Dillon, Michael L. Eskew, Herbert L. Henkel, Muhtar Kent, Edward M. Liddy, Gregory R. Page, Robert J. Ulrich, and Patricia A. Woertz. The Board has also determined that members of the Audit Committee and Compensation Committee received no compensation from the Company other than for service as a director. Inge G. Thulin, Chairman of the Board, President and Chief Executive Officer, is considered to not be independent because of his employment by the Company.

Board Membership Criteria

Our culture of innovation is powered by the creativity of our diverse employees. You can see it in the variety of backgrounds, perspectives, and skills our people bring to the collaborative effort of creating world-pleasing products. The Nominating and Governance Committee of our Board identifies individuals whom the Committee believes are qualified to become Board members in accordance with our Board Membership Criteria contained in our Proxy Statement. Selected individuals are recommended to the Board for nomination to stand for election at the next meeting of stockholders of the Company in which directors will be elected.

3M’s Corporate Governance Guidelines contain Board Membership Criteria which include a list of skills and characteristics expected to be represented on 3M’s Board. The Nominating and Governance Committee periodically reviews with the Board the appropriate skills and characteristics required of Board members given the current Board composition. It is the intent of the Board that the Board, itself, 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 arena 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:

- Roles in and contributions valuable to the business community;
• 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;

• Relevant knowledge and diversity of background and experience in business, manufacturing, technology, finance and accounting, marketing, international business, government, and other areas; and

• 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 nominee's skills are complementary to the existing Board members’ skills, the Board’s needs for particular expertise in certain areas, and will assess the nominee’s impact on Board dynamics and effectiveness.

In 2015, David Dillon was nominated and elected to the 3M Board of Directors. Mr. Dillon retired as Kroger’s Chairman of the Board on December 31, 2014, where he was Chairman of the Board since 2004 and was the Chief Executive Officer from 2003 through 2013. From 1995 to 2003, he served as President, and he was elected Executive Vice President in 1990. He also serves on the board of the Union Pacific Corporation.

Diversity

The Board of Directors values diversity as a factor in selecting nominees to serve on the Board because its experience is that diversity provides significant benefit to the Board and the Company. Although there is 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.

An inclusive culture at 3M is built on our Human Resource Principles – to respect the dignity and worth of individuals; encourage the initiative of each employee; challenge individual capabilities; and provide equal opportunity. 3M is continuously focusing on building and maintaining an inclusive culture.

In 2015, there were two women on 3M’s Board of Directors: Linda Alvarado and Sandra Barbour, representing 20% of the Board. In the first half of 2016, Patricia Woertz joined as the third woman director.

Linda Alvarado is the President and Chief Executive Officer of Alvarado Construction, Inc., a Denver based commercial general contractor, construction management, and development company. In addition to being on the Board of 3M, Ms. Alvarado also serves on the Board of Pitney Bowes, Inc. Ms. Alvarado is the recipient of numerous awards including being named by the Hispanic Business Magazine and Latino Leaders Magazine as one of the “100 Most Influential Hispanics in America” and 2003 Inducted in the National Women’s Hall of Fame. Linda Alvarado is not seeking re-election and will end her service on the Board on May 10, 2016, when her term expires.

Sondra Barbour is the Executive Vice President of Information Systems & Global Solutions at Lockheed Martin Corporation, a high technology aerospace and defense company. Since joining Lockheed Martin in 1986, Ms. Barbour has served in various leadership capacities and has extensive technology experience, notably in the design and development of large-scale information systems. In 2013 she was appointed Executive Vice President, Information Systems & Global Solutions. From 2008 to 2013 she served as Senior Vice President, Enterprise Business Services and Chief Information Officer. Prior to that role, she served as Vice President, Corporate Shared Services from 2007 to 2008 and Vice President, Corporate Internal Audit from 2006 to 2007.

Patricia Woertz joined the 3M Board in the first half of 2016. She is retired Chairman of the Board and Chief Executive Officer, Archer-Daniels-Midland Company, an agricultural processor and food ingredient provider. Ms. Woertz joined ADM as Chief Executive Officer and President in April 2006, and was named Chairman of the Board in February 2007. She served as Chief Executive Officer until December 2014, and Chairman of the Board until December 2015. Before joining ADM, Ms. Woertz held positions of increasing importance at Chevron Corporation and its predecessor companies. Ms. Woertz served on the President’s Export Council 2010-2015 and
chaired the U.S. section of the U.S.-Brazil CEO Forum from 2013-2015.

In 2015, Kimberly Price joined 3M’s Corporate Officers along with Julie Bushman and Marlene McGrath. Kimberly was named 3M’s senior vice president of Corporate Communications and Enterprise Services. She joined the company’s Corporate Operating Committee and reports directly to President, Chairman of the Board and CEO Inge Thulin. Kimberly has been named as a Centennial Girl Scout Honoree, Minnesota Attorney of the Year, Diversity Journal Woman Worth Watching, one of Savoy’s Most Influential Women in Corporate America, STEM Connector 100 Diverse Corporate Leaders and United Negro College Fund Masked Ball Awardee. She helps lead and serves in local, national and international organizations, including the Greater Twin Cities United Way, the Executive Leadership Council and the International Women’s Forum.

For more information on the roles and responsibilities of Lead Independent Director and each of the Board Committees, refer to 3M 2016 Notice of Annual Meeting and Proxy Statement, page 14, Director Skills and Experience.

Board Compensation

Information pertaining to compensation rules and figures for board members.

Role of the Compensation Committee and its Advisors

3M provides compensation to its executives to recognize their contributions to the success of its business and reward them for delivering performance that meets the growth, profitability, and other objectives of the Company. All elements of this compensation are determined by the Compensation Committee, which is composed solely of independent nonemployee directors. In addition, the Committee’s decisions concerning the compensation of 3M’s Chief Executive Officer are subject to ratification by all of the independent members of the Board of Directors.

The Committee regularly reviews the design of and risks associated with the Company’s executive compensation program and, with the assistance of its independent compensation consultant, makes decisions concerning changes in the executive compensation program when appropriate.

3M’s executive officers assist the Committee with the process of determining the compensation of the Company’s executives. In particular, Mr. Thulin, assisted by 3M’s Senior Vice President, Human Resources, performs an annual performance evaluation of each of 3M’s senior executives whose compensation is determined by the Committee. The results of these annual performance evaluations form the basis for Mr. Thulin’s recommendations to the Committee as to the annual merit base salary and target annual incentive compensation increases for such senior executives, as well as the size of their annual long-term incentive compensation awards. The Committee discusses these recommendations with Mr. Thulin at its meetings prior to making its decisions on any change to an executive’s annual base salary or target annual incentive compensation or any long-term incentive compensation awards.

The Committee reviews and approves annual performance goals and objectives for 3M’s Chief Executive Officer. Acting through its Chairman, the Committee also conducts and discusses with the independent members of the Board of Directors an annual evaluation of the Chief Executive Officer’s performance against such goals and objectives. Finally, the Committee, assisted by its independent compensation consultant, annually reviews and approves (based on this annual evaluation), subject to ratification by the independent members of the Board of Directors, the compensation of the Chief Executive Officer.

In May 2015, the Nominating and Governance Committee considered a board compensation study prepared by Frederic W. Cook & Co., Inc. As a result of that study, the Committee recommended and the Board approved to maintain the annual compensation for nonemployee directors of $280,000. The annual cash retainer of $120,000 remains unchanged. Approximately 43 percent of the annual compensation (or $120,000) is payable in cash in four quarterly installments and approximately 57 percent of the annual compensation (or $160,000) is payable in common stock after the Annual Meeting.

The chairs of the Finance and Nominating and Governance Committees each receive an additional annual fee of $15,000, the chair of the Compensation Committee receives an additional annual fee of $25,000, and the Lead Director receives an additional annual fee of $30,000. There are no meeting fees. In lieu of the cash fees, a director may elect to receive
Elements of 2015 Total Direct Compensation
The following shows the breakdown of reported 2015 compensation for our CEO and the average of our other named executive officers as disclosed in this Proxy Statement (“NEOs”).

<table>
<thead>
<tr>
<th>CEO</th>
<th>Other NEOs (Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Salary 10%</td>
<td>Base Salary 16%</td>
</tr>
<tr>
<td>AIP 16%</td>
<td>AIP 14%</td>
</tr>
<tr>
<td>Stock Options 37%</td>
<td>Stock Options 35%</td>
</tr>
<tr>
<td>PSA 37%</td>
<td>PSA 37%</td>
</tr>
<tr>
<td>Long-Term Incentives (LTI)</td>
<td>Long-Term Incentives (LTI)</td>
</tr>
<tr>
<td>- Initial value split equally between stock options and performance share awards</td>
<td>- Initial value split equally between stock options and performance share awards</td>
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<tr>
<td>- Stock Options</td>
<td>- Stock Options</td>
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<tr>
<td>- Provide value only if stock price increases</td>
<td>- Provide value only if stock price increases</td>
</tr>
<tr>
<td>- Ratable vesting over three years</td>
<td>- Ratable vesting over three years</td>
</tr>
<tr>
<td>- Performance Share Awards (PSA)</td>
<td>- Performance Share Awards (PSA)</td>
</tr>
<tr>
<td>- Subject to achievement of four independent performance criteria</td>
<td>- Subject to achievement of four independent performance criteria</td>
</tr>
<tr>
<td>- Reward performance over three years</td>
<td>- Reward performance over three years</td>
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</tbody>
</table>

In 2015, 3M delivered another strong year in terms of both financial performance and returns to its stockholders. 3M remains one of the most successful companies on the planet, and compared to our peers and the median, we continue to be one of the top-performing companies. These results reflected the strong performance of the Company’s leadership team, including the Named Executive Officers, and impacted their incentive compensation.

We remain committed to executing our playbook, controlling the controllable, and making investments for long-term success. We are building our company for efficient growth in 2016 and beyond. As always, our executive compensation aligns with how 3M performs.

For additional information about 3M Compensation Committee, please visit our 3M 2016 Notice of Annual Meeting and Proxy Statement, page 26.

Stock Ownership Guidelines
The Company’s stock ownership guidelines apply to all Section 16 officers of the Company and are designed to increase an executive’s equity stake in 3M and more closely align his or her financial interests with those of 3M’s stockholders.

The guidelines provide that the Chief Executive Officer should attain beneficial ownership of 3M stock equal to six times his or her annual base salary, the Executive Vice Presidents and a majority of the Senior Vice Presidents should attain beneficial ownership of 3M stock equal to three times their annual base salaries, and Vice Presidents and the remaining Senior Vice Presidents should attain beneficial ownership of 3M stock equal to two times their annual base salaries.
two times their annual base salaries. The stock ownership guidelines provide that the number of shares required to be beneficially owned by each covered executive will be calculated based on each executive’s annual base salary at the time of initial appointment to a Section 16 position and at the time of a position change from one multiple level to another multiple level, and the fair market value of 3M common stock at that time. Beginning December 31, 2013, and every three years thereafter, the stock ownership guidelines require the Company to recalculate the number of shares required to be beneficially owned by each covered executive using their annual base salary and fair market value of 3M common stock at the recalculation date.

The stock ownership guidelines provide that each covered executive should attain the required beneficial ownership of 3M stock within five years of their initial appointment to a Section 16 position or a position change from one multiple level to another multiple level. The guidelines also provide that each covered executive whose required level of ownership increases as a result of a periodic recalculation will have three years from the recalculation date (or the balance of the five-year period since the date of their initial appointment or latest position change, if longer) to attain the required level of ownership. However, if a covered executive is not making adequate progress to meet the required level of ownership within the applicable time period, the guidelines provide that he or she will be required to hold and not sell a sufficient number of the after-tax 3M shares received upon the next payout of performance shares to be on track to satisfy the required ownership level. All of 3M’s executives covered by the guidelines either have met or are on track to meet the required level of ownership within the applicable time periods.

For additional information about 3M Stock Ownership Guidelines, please visit our 3M 2016 Notice of Annual Meeting and Proxy Statement, page 52.

Prohibition of Hedging and Pledging

The Company’s stock trading policies prohibit the Company’s executive officers from (i) purchasing any financial instrument that is designed to hedge or offset any decrease in the market value of the Company’s common stock, including prepaid variable forward contracts, equity swaps, collars and exchange funds; (ii) engaging in short sales related to the Company’s common stock; (iii) placing standing orders; (iv) maintaining margin accounts; and (v) pledging 3M securities as collateral for a loan. All transactions in 3M securities by directors and executive officers must be pre-cleared with the Deputy General Counsel.

Policy on Reimbursement of Incentive Payments (“Clawback”)

The Company’s Board of Directors has adopted a policy requiring the reimbursement of excess incentive compensation payments made to an executive in the event that 3M is required to make a material restatement of its financial statements. This policy applies to all senior executives of the Company including all of the Named Executive Officers. This policy does not require any misconduct on the part of the covered executive whose excess incentive compensation payment is being reimbursed. As long as the Company is required to make a material restatement of its financial statements that causes an incentive compensation payout to be higher than it should have been, the Company may seek to recover the overpayment from all affected executives irrespective of whether their conduct contributed to the need for the restatement. The Company established this policy prior to the passage of the Dodd-Frank Act, which establishes new requirements for such policies. Upon issuance by the Securities and Exchange Commission of final implementing regulations for the Dodd-Frank Act’s requirements, the Company will make any changes to its existing policy as may be required to comply with those regulations.

Factors Creating Alignment Between Pay and Performance and Balancing Risk

3M’s executive compensation program is designed to maintain a strong alignment between corporate performance and executive compensation by tying incentive compensation to the achievement of performance metrics that increase the Company’s long-term value. The incentive compensation portion of the program rewards long-term value creation while also protecting the Company and its stockholders from inappropriate risk-taking and conflicts between the interests of the executives and the interests of the Company and its stockholders. Highlights of the program include:

- A large portion of each executive’s Total Direct Compensation (cash plus long-term incentives) is performance-based, varying from 90 percent for
Chief Executive Officer Inge Thulin to an average of 84 percent for the other Named Executive Officers;

- The incentive compensation opportunities provided to the Company’s executives are based on multiple performance-based metrics, which are focused primarily on growth in revenue and earnings, increase in 3M’s stock price, and the efficient use of capital; and

- Stock ownership guidelines that require covered executives to own amounts of Company stock having a value exceeding a specified multiple of their base salary.

For additional information about Elements of the Compensation Program, please visit our 3M 2016 Notice of Annual Meeting and Proxy Statement, page 41.

Compensation Best Practices
Our compensation program is designed to provide appropriate performance incentives and avoid compensation practices that do not promote the interests of our stockholders.

WE DO
- Maintain a strong alignment between corporate performance and compensation.
- Conduct an annual assessment to identify and mitigate risks.
- Have a comprehensive clawback policy.
- Use an independent compensation consultant retained directly by the Committee.
- Limit the number and amount of executive perquisites.
- Prohibit our executive officers from hedging or pledging 3M common stock.
- Maintain robust stock ownership guidelines applicable to all of our executive officers.
- Conduct competitive benchmarking to align executive compensation with market.

WE DO NOT
- Have employment, severance, or change in control agreements with any of our executive officers.
- Provide tax gross-ups on executive perquisites.
- Have agreements that would provide automatic “single-trigger” accelerated vesting of equity compensation or excise tax gross-up payments to any of our executive officers in the event of a change in control.
- Provide dividends or dividend equivalents on unearned performance share awards.
- Reprice stock options without the approval of 3M stockholders, except for “anti-dilution” adjustments (such as adjustments for stock splits, spinoffs, etc.)

Benchmarking
In order to provide competitive Total Direct Compensation, 3M annually surveys the executive compensation practices of a large group of comparator companies (approximately 170, although the number and identity of the companies may vary from year to year). Survey data is statistically regressed to recognize the different sizes of the comparator companies (based on annual revenues) as compared to the size of 3M. The survey data is obtained from three consulting firms (Aon Hewitt, Frederic W. Cook & Co., Inc., and Towers Watson). The survey comparator group consists of companies in the Standard & Poor’s 500 Index (excluding financial services companies) and/or other companies with annual revenue exceeding $20 billion that participate in the three consultants’ executive compensation surveys. By using survey data covering a large number of comparator companies, 3M is able to conduct a rigorous benchmarking process with more complete and reliable data for each executive position benchmarked. The Committee does not review the identity of the companies in this survey comparator group.

In addition, Aon Hewitt and Frederic W. Cook & Co., Inc. provide pay data and information on the executive compensation practices at the companies in 3M’s executive compensation peer group. This pay data is used by the Committee to assess the reasonableness of the benchmarking results for each executive position benchmarked, helping to ensure that the Company’s compensation objectives are being met. 3M’s executive compensation peer group consists of the following 18 companies (which remain the same as in the previous year), as recommended by the Committee’s independent compensation consultant and approved by the Committee:
expectations may also receive annual long-term incentive compensation grants having values that are within a range of 125 to 160 percent of the median of the corresponding compensation values provided to executives in the Benchmarking Groups.

The Committee also uses information on the executive compensation practices at companies in the executive compensation peer group when considering design changes to the Company’s executive compensation program. Overall, the Company believes that use of this information from the Benchmarking Groups enables the Committee to create better alignment between executive pay and performance and to help ensure that 3M can attract and retain high-performing executive leaders.

For additional information about How the Committee Uses Benchmarking Information, please visit our 3M 2016 Notice of Annual Meeting and Proxy Statement, pages 44-45.

Compensation Program Elements

The compensation program for 3M’s executives consists of the following elements:

- base salary;
- short-term cash incentive in the form of an annual performance-based award opportunity; and
- long-term equity incentives in the form of annual awards of performance shares and stock options, and in certain circumstances (for purposes of hiring or retaining key talent, for example), grants of restricted stock or restricted stock units.

3M’s executives also participate in various benefit plans made available to most of 3M’s U.S. employees, are eligible to participate in three deferred compensation plans (which enable them to save for retirement or other financial planning purposes), and receive certain other benefits, each of which is described in the All Other Compensation Table. The entire program applied to approximately 100 executives during 2015, including all of the Named Executive Officers.

The 2015 Total Direct Compensation of the Named Executive Officers was apportioned among these elements, and how these elements relate to the strategic business goals of the Company. This table also reflects the relative balance among the elements as well as
the alignment of their compensation with the goal of creating long-term value for the Company and its stockholders.

**Base Salary**

3M pays each of its executives a base salary in cash on a monthly basis. The amount of this base salary is reviewed annually, and does not vary with the performance of the Company. Base salaries are designed to compensate the executives for their normal day-to-day responsibilities, and it is the only component of their compensation that is considered to be fixed rather than variable in nature.

**Annual Incentive**

3M provides its executives with annual incentive compensation through plans that are designed to align a significant portion of their Total Cash Compensation with the financial performance of the Company and its business units. Each executive is assigned a target amount of annual incentive compensation as part of his or her Total Cash Compensation, but the amount of annual incentive compensation actually paid depends on the performance of 3M and its relevant business units as well as their individual performance. For Mr. Thulin, annual incentive compensation represented 61 percent of his target Total Cash Compensation for 2015. For 3M’s other Named Executive Officers, annual incentive compensation represented from 43 percent to 50 percent of their target Total Cash Compensation for 2015.

3M’s Annual Incentive Plan (AIP) offers eligible employees the opportunity to earn short-term incentive compensation based on three performance metrics, which are weighted as indicated:

- Local Currency Sales (of 3M or a business unit, as applicable) vs. plan for the current year (50 percent);
- Economic Profit (of 3M or a business unit, as applicable) vs. plan for the current year (20 percent effective for 2015); and
- 3M Economic Profit vs. the prior year (30 percent effective for 2015).

The amount actually paid to an eligible employee for a particular year may range from 0 percent to 200 percent of the employee’s target amount for that year. The amount of annual incentive compensation actually paid to an eligible employee may be increased by up to 30 percent or be reduced by up to 100 percent based on the employee’s individual performance during that year. Individual performance takes into account both quantitative (financial results, for example) and qualitative (market and economic circumstances, for example) factors. In no event, however, may the total amount paid to an eligible employee exceed 200 percent of the employee’s target amount for the year.

While the annual incentive compensation earned by most 3M executives is determined under the AIP, the annual incentive compensation earned by 3M’s Named Executive Officers, as well as the other senior executives whose compensation is decided by the Committee, is determined under the Executive Plan approved by 3M’s stockholders at the 2007 Annual Meeting. A total of 18 3M senior executives participated in this Executive Plan during 2015. This Executive Plan, which is intended to provide compensation that is exempt from the $1 million annual deduction limit of Section 162(m) of the Internal Revenue Code, provides performance-based compensation for which the performance goal is the Company’s Adjusted Net Income.

The Executive Plan does provide the Committee with discretion to determine the amount of annual incentive compensation paid to 3M’s Named Executive Officers and its other senior executives. The Executive Plan establishes a maximum amount of annual incentive compensation that may be earned by each covered executive for a year (a percentage of the Company’s Adjusted Net Income for such year) and then the Committee utilizes this discretion to pay each covered executive less than this maximum amount based on such factors as it deems relevant. Since the Executive Plan was first adopted in 2007, the Committee has rarely used this discretion to pay a covered executive anything more or less than the same amount such executive would have received had he or she been participating in the broad-based AIP (including the individual performance multiplier).

In determining the amount of annual incentive compensation paid to a covered executive, the executive’s individual performance is considered based upon the annual performance evaluation that Mr. Thulin, assisted by 3M’s Senior Vice President, Human Resources, does for each covered executive (other than himself) and the annual performance evaluation that the Compensation
Say on Pay Advisory Approval of Executive Compensation

As required by Section 14A of the Securities Exchange Act, in 2015 the Company conducted an annual advisory vote of stockholders with respect to the compensation of its Named Executive Officers.

At the Company’s Annual Meeting of Stockholders held on May 12, 2015, approximately 96 percent of the shares that were voted on this item approved the compensation of the Company’s Named Executive Officers as disclosed in the 2015 Proxy Statement. While the approval was advisory in nature, the Committee has taken note of this very strong stockholder support and views the outcome as confirmation that stockholders generally believe that the pay of the Named Executive Officers is appropriately aligned with their performance and the performance of the Company as well as the interests of 3M’s stockholders. As a consequence, the results of this vote have not caused the Committee to make any changes in either the executive compensation program or the compensation of any Named Executive Officer.

Committee acting through its Chairman does for Mr. Thulin. These performance evaluations are done according to 3M’s overall performance assessment and management processes, which involve setting annual financial and non-financial goals and objectives for each individual and then assessing the individual's overall performance against these goals and objectives at the end of the year.

Long-term Incentives

3M provides long-term incentive compensation to its executives through the Long-Term Incentive Plan approved by 3M’s stockholders at the 2008 Annual Meeting. This is a typical omnibus-type plan that authorizes the Committee to grant stock options, restricted stock, restricted stock units, stock appreciation rights, performance cash, performance shares, and other stock awards to management employees of the Company. The Company provides its executives with this long-term incentive compensation based on 3M common stock in order to effectively motivate such executives to build long-term stockholder value.
Corporate Profile

3M Board of Directors

Inge G. Thulin,
Chairman of the Board, President and Chief Executive Officer

Chairman of the Board, President and Chief Executive Officer of 3M Company. Mr. Thulin served as President and Chief Executive Officer of 3M Company from February 24, 2012, to May 8, 2012. Mr. Thulin served as the Company’s Executive Vice President and Chief Operating Officer from May 2011 to February 2012, with responsibility for all of 3M’s business segments and International Operations. Prior to that, he was Executive Vice President of International Operations from 2004 to 2011. Mr. Thulin also has held numerous leadership positions in Asia Pacific, Europe and Middle East, and across multiple businesses. Mr. Thulin is on the board of the following public company in addition to 3M: Chevron Corporation.

Director since 2012.

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

President and Chief Executive Officer, Alvarado Construction, Inc., a Denver based commercial general contractor, construction management and development company. In 1976, Ms. Alvarado founded Alvarado Construction, Inc. and has overseen the growth of that enterprise as a commercial general contracting and design/build development firm conducting business across the United States and internationally. Ms. Alvarado is on the board of the following public company in addition to 3M: Pitney Bowes, Inc.

Director since 2000. Linda Alvarado is not seeking re-election and will end her service on the Board on May 10, 2016, when her term expires.

Sondra L. Barbour,
Executive Vice President, Information Systems & Global Solutions, Lockheed Martin Corporation

Executive Vice President, Information Systems & Global Solutions, Lockheed Martin Corporation, a high technology aerospace and defense company. Since joining Lockheed Martin in 1986, Ms. Barbour has served in various leadership capacities and has extensive technology experience, notably in the design and development of large-scale information systems. In 2013 she was appointed Executive Vice President, Information Systems & Global Solutions. From 2008 to 2013 she served as Senior Vice President, Enterprise Business Services and Chief Information Officer, heading all of the corporation’s internal information technology operations, including protecting the company’s infrastructure and information from cyber threats. Prior to that role she served as Vice President, Corporate Shared Services from 2007 to 2008 and Vice President, Corporate Internal Audit from 2006 to 2007 providing oversight of supply chain activities, internal controls, and risk management.

Director since 2014.

Thomas K. Brown,
Retired Group Vice President, Global Purchasing, Ford Motor Company

Retired Group Vice President, Global Purchasing, Ford Motor Company, a global automotive industry leader. Mr. Brown served in various leadership capacities in global purchasing since joining Ford in 1999. In 2008, he became Ford’s Group Vice President, Global Purchasing, with responsibility for approximately $90 billion of production and non-production procurement for Ford operations worldwide. He retired from Ford on August 1, 2013. From 1997 to 1999 he served in leadership positions at United Technologies Corporation, including its Vice President, Supply Management. From 1991 to 1997 he served as Executive Director, Purchasing and Transportation at QMS Inc. From 1976 to 1991 he served in various managerial roles at Digital Equipment Corporation. Mr. Brown is on the boards of the following public companies in addition to 3M: ConAgra Foods, Inc. and Tower International, Inc.

Director since 2013.
Vance D. Coffman,
Retired Chairman of the Board and Chief Executive Officer, Lockheed Martin Corporation

Retired Chairman of the Board and Chief Executive Officer, Lockheed Martin Corporation, a high technology aerospace and defense company. Dr. Coffman served in various executive capacities at Lockheed Martin Corporation before becoming Chairman and Chief Executive Officer in 1998. He retired as Chief Executive Officer in 2004 and as Chairman of the Board in 2005. Dr. Coffman is on the boards of the following public companies in addition to 3M: Amgen Inc. and Deere & Company.
Director since 2002.

David B. Dillon,
Retired Chairman of the Board and Chief Executive Officer, The Kroger Co.

Retired Chairman of the Board and Chief Executive Officer The Kroger Co., a large retailer that operates retail food and drug stores, multi-department stores, jewelry stores, and convenience stores throughout the U.S. Mr. Dillon retired as Kroger’s Chairman of the Board on December 31, 2014, where he was Chairman of the Board since 2004 and was the Chief Executive Officer from 2003 through 2013. Mr. Dillon served as President from 1995 to 2003 and was elected Executive Vice President in 1990. Mr. Dillon served as a Director of the Kroger Co. from 1995 through 2014. Mr. Dillon began his retailing career at Dillon Companies, Inc. (later a subsidiary of The Kroger Co.) in 1976 and advanced through various management positions, including its President from 1986-1995. Mr. Dillon is on the board of the following public company in addition to 3M: Union Pacific Corporation.
Director since 2015

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

Retired Chairman of the Board and Chief Executive Officer, United Parcel Service, Inc., a provider of specialized transportation and logistics services. Mr. Eskew was appointed Executive Vice President in 1999 and Vice Chairman in 2000 before becoming Chairman of the Board and Chief Executive Officer of UPS in January 2002. He retired as Chairman of the Board and Chief Executive Officer at the end of 2007 but remained as a director of UPS until December 31, 2014. Mr. Eskew is on the boards of the following public companies in addition to 3M: The Allstate Corporation, International Business Machines Corporation, and Eli Lilly and Company.
Director since 2003

Herbert L. Henkel,
Retired Chairman of the Board and Chief Executive Officer, Ingersoll-Rand plc

Retired Chairman of the Board and Chief Executive Officer, Ingersoll-Rand plc, a manufacturer of industrial products and components. Mr. Henkel retired as Ingersoll Rand’s Chief Executive Officer, a position he held since October 1999, on February 4, 2010, and retired as Chairman of the Board on June 3, 2010. Mr. Henkel served as President and Chief Operating Officer of Ingersoll-Rand from April 1999 to October 1999. Mr. Henkel served in various leadership roles at Textron, Inc., including its President and Chief Operating Officer from 1998-1999. Mr. Henkel is on the boards of the following public companies in addition to 3M: The Allstate Corporation and C. R. Bard, Inc.
Director since 2007

Muhtar Kent,
Chairman of the Board and Chief Executive Officer, The Coca-Cola Company

Chairman of the Board and Chief Executive Officer, The Coca-Cola Company, the world’s largest beverage company. Mr. Kent has held the position of Chairman of the Board since April 23, 2009, and the position of Chief Executive Officer since July 1, 2008. From December 2006 through June 2008, Mr. Kent served as President and Chief Operating Officer of The Coca-Cola Company. From January 2006 through December 2006, Mr. Kent served as President of Coca-Cola International and was elected Executive Vice President of The Coca-Cola Company in February 2006. From May 2005 through January 2006, he was President and Chief Operating Officer of The Coca-Cola Company’s North Asia, Eurasia and Middle East Group, an organization serving a broad and diverse region that included
China, Japan, and Russia. Mr. Kent is a board member and past Co-Chair of The Consumer Goods Forum, a fellow of the Foreign Policy Association, a board member and a past Chairman of the U.S. China Business Council, and Chairman Emeritus of the U.S. ASEAN Business Council.

Director since 2013

Edward M. Liddy, Retired Chairman of the Board and Chief Executive Officer, The Allstate Corporation

Retired Chairman of the Board and Chief Executive Officer, The Allstate Corporation, and former Partner at Clayton, Dubilier & Rice, LLC, a private equity investment firm. Mr. Liddy served as a partner of Clayton, Dubilier & Rice LLC from January 2010 to December 2015. At the request of the Secretary of the U.S. Department of the Treasury, Mr. Liddy served as Interim Chairman of the Board and Chief Executive Officer of American International Group, Inc. (AIG), a global insurance and financial services holding company, from September 2008 until August 2009. Mr. Liddy served as Chairman of the Board of The Allstate Corporation, a personal lines insurer, from January 1999 to April 2008, Chief Executive Officer from January 1999 to December 2006, and as President and Chief Operating Officer from August 1994 to December 1998. Mr. Liddy is on the boards of the following public companies in addition to 3M: Abbott Laboratories, AbbVie, Inc., and The Boeing Company.

Director since 2008

Gregory R. Page, Retired Chairman of the Board and Chief Executive Officer, Cargill, Incorporated

Retired Chairman of the Board and Chief Executive Officer, Cargill, Incorporated, an international marketer, processor and distributor of agricultural, food, financial and industrial products and services. Mr. Page was named Corporate Vice President & Sector President, Financial Markets and Red Meat Group of Cargill in 1998, Corporate Executive Vice President, Financial Markets and Red Meat Group in 1999, President and Chief Operating Officer in 2000 and became Chairman of the Board and Chief Executive Officer in 2007. He served as Executive Chairman of the Board of Cargill from December 2013 until his retirement from Cargill in September 2015. Mr. Page is on the boards of the following public companies in addition to 3M: Cargill, Incorporated, Deere & Company and Eaton Corporation plc.

Director since 2016

Robert J. Ulrich, Retired Chairman of the Board and Chief Executive Officer of Target Corporation

Retired Chairman of the Board and Chief Executive Officer of Target Corporation, an operator of large format general merchandise and food discount stores. Mr. Ulrich began his retailing career as a merchandising trainee in Target’s department store division (Dayton Hudson) in 1967 and advanced through various management positions. He became Chairman of the Board and Chief Executive Officer of Target Stores in 1987 and was elected Chairman of the Board and Chief Executive Officer of Target Corporation in 1994. Mr. Ulrich retired as Target’s Chief Executive Officer on May 1, 2008, and retired as Chairman of the Board on January 31, 2009.

Director since 2008

Patricia A. Woertz, Retired Chairman of the Board and Chief Executive Officer, Archer-Daniels-Midland Company

Retired Chairman of the Board and Chief Executive Officer, Archer-Daniels-Midland Company, an agricultural processor and food ingredient provider. Ms. Woertz joined ADM as Chief Executive Officer and President in April 2006, and was named Chairman of the Board in February 2007. She served as Chief Executive Officer until December 2014, and Chairman of the Board until December 2015. Before joining ADM, Ms. Woertz held positions of increasing importance at Chevron Corporation and its predecessor companies. Ms. Woertz served on the President’s Export Council 2010-2015 and chaired the U.S. section of the U.S.-Brazil CEO Forum from 2013-2015. Ms. Woertz is on the boards of the following public companies in addition to 3M: The Procter & Gamble Company and Royal Dutch Shell plc.

Director since 2016
3M maintains a high standard of corporate conduct for all employees.

3M believes what the Company stands for is as important as what we sell. 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.
Continually Improving Our Compliance Program

In the fast-paced world of global business, it takes more than a written compliance policy to keep a company doing business the right way. Although 3M has subsidiary operations in more than 70 countries, there is one Code of Conduct that applies globally. Our Code of Conduct Global Handbook summarizes 3M’s compliance principles and raises awareness of 3M’s core requirement of doing business “the right way, always and everywhere.” The Global Handbook is available in twenty-two languages, and can be accessed electronically and all employees receive a copy of the Handbook. Of these twenty-two languages, two were introduced this year in order to ensure that the Code and 3M’s expectations are understood by all employees, relevant stakeholders and business partners.

The Ethisphere® Institute, the global leader in defining and advancing the standards of ethical business practices, has named 3M as a 2015 World’s Most Ethical Company® for the second year in a row. The designation recognizes 3M’s impact on the way business is conducted through its efforts of fostering a culture of ethics and transparency at every level of the company.

The Code of Conduct helps employees and others covered by the Code take a consistent, global approach to important ethics and compliance issues. 3M employees, including supervisors, managers and other leaders are responsible for knowing and following the ethical, legal, and policy requirements that apply to their jobs and for reporting any suspected violations of law or the Code. Executives and managers are accountable for creating and promoting, through clear direction and leading by example, a workplace environment in which compliance and ethical business conduct are expected and encouraged.

All sections of our Code, including each Principle were reviewed in 2015 and enhancements were identified that will be executed in the upcoming year. Additionally, we reviewed and made improvements to underlying policies, standards and procedures. We also identified the need for new documents to provide greater clarity to our employees and began the process of creating those documents.

A Global Communications Network was established to standardize, align and share best practices in compliance communications and activities. Newsletters, leadership messages and other compliance communication tools are now available on the internal 3M Compliance and Business Conduct website allowing for efficient global collaboration.

Further, in 2015, six online compliance courses were deployed to the mandatory employee population. The courses included two custom courses and an updated Anti-Bribery course. Additionally, we created a new training presentation to address the risk of Conflicts of Interest which was specifically designed for managers to discuss with their team. It includes case studies drawn from real life examples.

We also enhanced our culture of compliance through the requirement that all international subsidiaries implement a local Business Conduct Committee (BCC). A local BCC creates a governance structure to ensure visibility and transparency to the key compliance risk and priorities of a subsidiary. Each BCC meets at least every quarter and includes members of the local senior leadership team. A BCC oversees the local compliance program, establishes priorities for training and communications and drives the development and enhancement of compliance controls to address local risk.

We recently enhanced Integrity Assessments System, our online global system for documenting and managing third party relationships. We improved it by utilizing a new technology platform, improving the user interface, adding greater functionality and improving overall performance. Post-acquisition due
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 and, as appropriate, has periodic reporting to the Audit Committee of the 3M Board of Directors and 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 46,000 global employees, who are required to take modules on a two- or four-year cycle, depending on the course. Modules include data privacy, careful communications, gifts, understanding the Foreign Corrupt Practices Act, environmental health and safety, 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 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. Our commitment to Principle 10 and involvement in working groups associated with Principle 10 provides opportunity to benchmark and learn best practices from other peer companies and participate in relevant working group opportunities. We conduct additional benchmarking with similarly situated companies and take the opportunity to participate in the education of other professionals working on anti-corruption through our CCO’s and other Compliance and Business Conduct Department professionals’ participation in anti-corruption conferences and organizations.

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. In addition, anti-corruption policies and procedures have been communicated to all employees, and “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. 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. Furthermore, employee awareness of corruption risk is reinforced through specific Anti-Bribery certification that is included in the Annual Code of Conduct Annual certification process. Furthermore, the Audit Committee of the Board receives at least quarterly updates from the CCO on the Code Principles and compliance activities.

3M’s commitment to anti-corruption also applies to assessing and mitigating risks of using third-party intermediaries and other business partners. 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 (3M’s “Integrity Assessment System.”) 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. The pre-acquisition efforts also accelerates our efforts to identify compliance gaps and integrate the acquired company’s employees to 3M’s compliance program and culture. The Compliance & Business Conduct Department is charged to undertake specific,
risk-based assessment and if necessary, remediation activities upon the closing of every acquisition, using an established protocol and expert staff.

**Reporting Systems**

Upholding 3M’s Code of Conduct and values is the responsibility of everyone acting on 3M’s behalf. 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 (as permitted by local law) helpline and online reporting system managed by a third party vendor is available internally and externally. Reports are reviewed and responded to by the Compliance and Business Conduct Department or other responsible staff departments. The system does not trace phone calls or use caller identification, nor does it generate or maintain internal connection logs containing Internet Protocol (IP) addresses. Web-based reports are made through a secure internet portal, which does not trace or show user screen names. 3M’s Employee Obligations and Reporting Principle prohibits retaliation against anyone who raises a business conduct concern in good faith or cooperates in a company investigation. Below is a graph illustrating four-year metrics for business conduct related reports raised using our reporting tools found at [www.3M-Ethics.com](http://www.3M-Ethics.com).

The Compliance and Business Conduct Department has the responsibility to review every business conduct concern that is reported. The Department determines which reports require investigation and if investigation is needed, assigns the appropriate investigation resource. For concerns that are substantiated, disciplinary action is taken. Discipline comes in a range of forms, from warnings, to suspensions, to termination, consistent with similar past violations. Disciplinary actions may impact one or more persons associated with a single substantiated violation.

**Allegations & Disciplinary Actions**

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<th>Substantiated Allegations</th>
<th>Disciplinary Actions</th>
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</tr>
<tr>
<td>2015</td>
<td>475</td>
<td>375</td>
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</table>
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 2015, over 500 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.

As mentioned above, in 2015, we enhanced our culture of compliance through the requirement that all international subsidiaries implement a local Business Conduct Committee (BCC). Each BCC creates a governance structure to ensure visibility and transparency to the key compliance risk and priorities of a subsidiary. Each BCC meets at least every quarter and includes members of the local senior leadership.

We also improved our culture of compliance through the reallocation of resources with respect to compliance responsibility in our international operations. We previously staffed two area leadership roles with individuals who had dual functional responsibility (Compliance and Legal). These roles were re-allocated, and now there is one employee for Compliance and one for Legal.

Further, in 2015 as mentioned above, we created a Global Communications Network to standardize, align and share compliance communications.

Political Values

To respect our employees’ right to engage in the political process while also preventing potential corruption, any political contributions outside the United States require approval by the Area Vice President and assigned legal counsel.

For additional information on our Corporate Code of Conduct please visit: http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/
Corporate Profile

Managing Enterprise Risks and Opportunities

View how 3M evaluates potential risks facing the company.

Enterprise Risks and 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 Auditing (“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 in conjunction with 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 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 stockholder 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 standard.

Cybersecurity

3M makes great efforts to ensure we comply with all laws and regulations.

Protecting our company is of critical importance to all of us at 3M. Strong cybersecurity programs are essential, and we have continued to invest in activities around cybersecurity training and awareness, especially when it comes to avoiding phishing and other threats targeting 3M.
About Report
About Report

Report Scope and Boundaries

Report Schedule and Period

Current Issue: May 10, 2016
Next Issue: Scheduled for May 2017
Previous Issue: May 11, 2015

Prior to 2010, 3M’s Sustainability Report was a fully integrated website. Therefore, copies prior to 2010 are not available.

This report provides a summary of the activities in fiscal year 2015 (January 1, 2015, to December 31, 2015).

Organizational Boundaries

This report covers 3M’s owned manufacturing facilities and leased facilities worldwide, including joint ventures (if greater than 50 percent 3M ownership) and partially owned subsidiaries (if greater than 50 percent 3M ownership) where 3M has full operational control. Acquisitions are included in data sets once legally owned and fully integrated onto 3M systems. All data included in the report is global data unless otherwise specified. Any significant organization changes are identified in 3M 2016 Notice of Annual Meeting and Proxy Statement.

Data Collection, Adjustments and Verification

The data provided in this report through facts and figures is based on activities during 3M’s fiscal year 2015. For some performance indicators, the 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.

Unless noted below, 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 2016 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, etc.).

- 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.

- Responsible Sourcing Systems and Data: The policies and management systems implementation in this area 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 and 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 2011, 3M returned to a more conventional definition of waste that considered recycling as neutral (contribution 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.

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 G4 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: Bureau Veritas [“Assurance Provider”] provided independent third-party assurance for this report covering activities January 1, 2015 to December 31, 2015. Bureau Veritas provided moderate level of assurance in accordance with AA100AS-2008, Type 2. See Appendix A of this report for its assurance statement.

Global Principles and 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 G4 Guidelines. The following GRI index outlines where specific GRI reporting elements and indicators are addressed in the report or other reporting sources including 3M’s Annual Report (10K) (AR), 2016 Notice of Annual Meeting and Proxy or other noted sources on 3M’s Investor Relations website.
Our material Aspects are identified in the GRI Index. 3M self-declares the 2016 report as “In Accordance-Core.”

**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 as well as alignment with the UN 2030 Sustainable Development Goals (SDGs) within the content of this 2016 Sustainability Report.

**Contact 3M**

Further information can be obtained by contacting 3M Sustainability at Sustainability@mmm.com.

**Global Reporting Initiative Reporting Guidelines**

3M has developed this report using the Global Reporting Initiatives’ G4 Guidelines. The following index outlines where specific GRI reporting elements and indicators are addressed in the report.
# About Report

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

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<thead>
<tr>
<th>GRI Element</th>
<th>Description</th>
<th>Cross-Reference (Hyperlinks) or Direct Answer</th>
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<th>GRI Disclosure Level</th>
<th>Connections to United Nations Initiatives*</th>
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<td>Board’s role in identification and management of sustainability risks</td>
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<td>G4-46</td>
<td>Board’s role in reviewing organization’s risk management for sustainability risks</td>
<td>Corporate Governance / Sustainability Governance Managing Enterprise Risks and Opportunities</td>
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<td>Frequency of the boards review of sustainability risks</td>
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<td>Highest governing body’s role in reviewing report and material aspects</td>
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<td>Process for communicating critical concerns to board</td>
<td>Corporate Governance / Sustainability Governance</td>
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<td>G4-50</td>
<td>Nature and number of concerns reported to board</td>
<td>This is considered Business Confidential</td>
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<td>G4-51</td>
<td>Remuneration policy for board</td>
<td>Corporate Governance / Board Compensation</td>
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<td>G4-52</td>
<td>Process for determining remuneration of board</td>
<td>Corporate Governance / Board Compensation</td>
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<td>Stakeholders’ views sought for board remuneration policies</td>
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<td>SDG 16</td>
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<tr>
<td>G4-54</td>
<td>Ratio of annual compensation for highest paid individual versus median</td>
<td>The ratio of CEO pay to other positions is not a labor indicator currently tracked and disclosed. Our practice is to set pay targets at all levels, from the CEO on down, based on competitive external market data.</td>
<td>—</td>
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<tr>
<td>G4-55</td>
<td>Percentage increase of compensation for highest paid individual</td>
<td>The ratio of CEO pay to other positions is not a labor indicator currently tracked and disclosed. Our practice is to set pay targets at all levels, from the CEO on down, based on competitive external market data.</td>
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<td>G4-56</td>
<td>Organization’s values, principles and standards</td>
<td>Corporate Code of Conduct</td>
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<td>Mechanisms for seeking advice on organizational integrity</td>
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**EC Economic**

<p>| G4-EC1      | Direct economic value generated and distributed | Economic Sustainability | 36  | —                   | SDG 2, 5, 7, 8, 9                          |
| G4-EC2      | Financial risks due to climate change | Economic Sustainability / Managing Enterprise Risks and Opportunities | 36, 153 | —                   | SDG 13                                   |
| G4-EC3      | Coverage of benefits plan obligations | Economic Sustainability | 36  | —                   |                                          |
| G4-EC4      | Financial assistance received from government | 3M does not receive significant financial assistance from the government. For some information about tax holidays and the U.S. research and development credit, refer to Note 8, Income Taxes, in 3M 2015 10-K Annual Report (pages 73-76) | —       | —                   |                                          |
| G4-EC5      | Ratio of entry level wage by gender compared to local minimum wage | 3M sets and administers compensation based on external market competitiveness without regard to gender | —       | —                   |                                          |
| G4-EC6      | Proportion of senior management hired from local community | This is considered Business Confidential | —       | —                   |                                          |
| G4-EC7      | Development and impact of infrastructure investments | Collaborating with Our Communities / Goals and Results | 46, 13  | —                   | SDG 2, 5, 7, 9                           |
| G4-EC8      | Significant indirect economic impacts, including extent | Collaborating with Our Communities / Goals and Results | 46, 13  | —                   | SDG 8, 10, 17                           |
| G4-EC9      | Proportion of spending on local suppliers | Responsible Sourcing / Supplier Diversity | 29, 35  | —                   | SDG 12                                   |</p>
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<tr>
<td>G4-EN1</td>
<td>Materials used by weight and volume</td>
<td>Due to the diversity and complexity of manufacturing of 3M’s products and associated materials portfolio, this data is not collected (by weight/volume) and aggregated to the extent it would indicate relevance at a corporate level.</td>
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<tr>
<td>G4-EN2</td>
<td>Percentage of materials used that are recycled input materials</td>
<td>Due to the diversity and complexity of manufacturing of 3M’s products and associated materials portfolio, this data is not collected (percent of recycled materials) and aggregated to the extent it would indicate relevance at a corporate level. Refer to Environmental Solutions Catalog for several examples of utilizing recycled content.</td>
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<tr>
<td>G4-EN3</td>
<td>Energy consumption within the organization</td>
<td>Energy and Climate / Energy Goals History and Results</td>
<td>80 89</td>
<td></td>
<td>UNGC Principle 7, 8 SDG 7, 8, 12, 13</td>
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<td>G4-EN4</td>
<td>Energy consumption outside of the organization</td>
<td>Energy and Climate / Energy Goals History and Results</td>
<td>80 89</td>
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<td>UNGC Principle 8 SDG 7, 8, 12, 13</td>
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<tr>
<td>G4-EN5</td>
<td>Energy intensity</td>
<td>Energy and Climate / Energy Goals History and Results</td>
<td>80 89</td>
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<td>UNGC Principle 8 SDG 7, 8, 12, 13</td>
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<tr>
<td>G4-EN6</td>
<td>Reduction of energy consumption</td>
<td>Energy and Climate / Energy Goals History and Results</td>
<td>80 89</td>
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<td>UNGC Principle 8, 9 SDG 7, 8, 12, 13</td>
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<tr>
<td>G4-EN7</td>
<td>Reductions in energy requirements of products and services</td>
<td>Energy and Climate / Energy Goals History and Results</td>
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<td>UNGC Principle 8, 9 SDG 7, 8, 11, 12, 13</td>
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<td>G4-EN8</td>
<td>Total water withdrawal by source</td>
<td>Water / Goals and Results</td>
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<td>UNGC Principle 7, 8 SDG 6</td>
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<td>G4-EN9</td>
<td>Water sources significant affected by withdrawal</td>
<td>Water / Goals and Results</td>
<td>75 78</td>
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<td>UNGC Principle 8 SDG 6</td>
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<td>G4-EN10</td>
<td>Percentage and total volume of water recycled and reused</td>
<td>Water / Goals and Results</td>
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<td>UNGC Principle 8 SDG 6, 8, 12</td>
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<tr>
<td>G4-EN11</td>
<td>Operational sites near protected or high biodiversity areas</td>
<td>3M conducts environmental assessments of our operational sites, whereby biodiverse areas may be identified. Where applicable, a public database search is completed, which includes a wetland database. Site visits also identify rivers, creeks, potential wetlands, etc that are on or near the facility being assessed.</td>
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<tr>
<td>G4-EN12</td>
<td>Significant impacts on biodiversity</td>
<td>Due to the size and complexity of 3M, the costs for collecting impacts of activities, products and services is disproportionate to the results.</td>
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<td>G4-EN13</td>
<td>Habitats protected</td>
<td>Collaborating With Our Communities</td>
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<td>G4-EN14</td>
<td>Endangered species habitats near operational sites</td>
<td>3M conducts environmental assessments of our operational sites, whereby biodiverse areas may be identified. Where applicable, a public database search is completed, which includes a wetland database. Site visits also identify rivers, creeks, potential wetlands, etc that are on or near the facility being assessed.</td>
<td>80</td>
<td>89</td>
<td>UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15</td>
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<td>G4-EN15</td>
<td>Direct GHG emissions</td>
<td>Energy and Climate / Energy Goals History and Results</td>
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<td>89</td>
<td>UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15</td>
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<td>G4-EN16</td>
<td>Energy indirect GHG emissions</td>
<td>Energy and Climate / Energy Goals History and Results</td>
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<td>89</td>
<td>UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15</td>
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<td>G4-EN17</td>
<td>Other indirect GHG emissions</td>
<td>Energy and Climate / Energy Goals History and Results</td>
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<td>UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15</td>
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<td>Energy and Climate / Energy Goals History and Results</td>
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<td>UNGC Principle 8 SDG 13, 14, 15</td>
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<td>Reduction of GHG emissions</td>
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<td>UNGC Principle 8, 9 SDG 13, 14, 15</td>
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<td>G4-EN20</td>
<td>Emissions of ozone depleting substances</td>
<td>Energy and Climate / Energy Goals History and Results</td>
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<td>89</td>
<td>UNGC Principle 7, 8 SDG 3, 12</td>
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<td>G4-EN21</td>
<td>NOx, SOx, and other significant air emissions</td>
<td>Raw Materials / Air Quality Management</td>
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<td>68</td>
<td>UNGC Principle 7, 8 SDG 3, 12, 14, 15</td>
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<td>G4-EN22</td>
<td>Total water discharged by quality and destination</td>
<td>3M 2025 water goals are focused on water conservation and community engagement. The 3M Business Conduct requirements and the Environmental Policy require compliance with all applicable jurisdictional laws and regulations, including those on water discharge.</td>
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<td>G4-EN23</td>
<td>Total weight of waste by type and disposal method</td>
<td>Raw Materials / Waste Management</td>
<td>65</td>
<td>70</td>
<td>UNGC Principle 8 SDG 3, 6, 12</td>
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<td>G4-EN24</td>
<td>Total number and volume of significant spills</td>
<td>3M did not have any significant spills in 2015 that met the GRI definition of reportable in the organizations financial report (due to resulting liabilities).</td>
<td>—</td>
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<td>UNGC Principle 8 SDG 3, 6, 12, 14</td>
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<tr>
<td>G4-EN25</td>
<td>Weight of hazardous waste</td>
<td>The 3M Business Conduct requirements and the Environmental Policy require compliance with all applicable jurisdictional laws and regulations, including those on hazardous waste transportation.</td>
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<tr>
<td>G4-EN26</td>
<td>Water bodies affected by organization’s water discharges</td>
<td>3M conducts environmental assessments of our operational sites, whereby biodiverse areas may be identified. Where applicable, a public database search is completed, which includes a wetland database. Site visits also identify rivers, creeks, potential wetlands, etc that are on or near the facility being assessed.</td>
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<td>G4-EN27</td>
<td>Mitigation of environmental impacts of products</td>
<td>Product Innovation / Driving Growth through Sustainable Product Stewardship</td>
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<td>UNGC Principle 7, 8 SDG 6, 8, 12, 13, 14, 15</td>
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<td>G4-EN28</td>
<td>Percentage of products and packaging materials that are reclaimed</td>
<td>Responsible Sourcing / Responsible Packaging</td>
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<td>UNGC Principle 8 SDG 8, 12</td>
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<tr>
<td>G4-EN29</td>
<td>Fines for non-compliance with environmental regulation</td>
<td>Energy and Climate / Environmental Violations and Liabilities</td>
<td>80 83</td>
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<td>UNGC Principle 8 SDG 8, 16</td>
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<tr>
<td>G4-EN30</td>
<td>Environmental impacts of transporting products and members of workforce</td>
<td>Energy and Climate / Energy Goals History and Results (GHG Scope 3 table)</td>
<td>80 85</td>
<td></td>
<td>UNGC Principle 8 SDG 11, 13</td>
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<td>G4-EN31</td>
<td>Total environmental protection expenditures and investments by type</td>
<td>This is considered Business Confidential</td>
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<td>G4-EN32</td>
<td>Percentage of new suppliers screened using environmental criteria</td>
<td>Responsible Sourcing / Assessing Supplier Performance</td>
<td>29 34</td>
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<td>UNGC Principle 8</td>
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<tr>
<td>G4-EN33</td>
<td>Negative environmental impacts in the supply chain and actions taken</td>
<td>Responsible Sourcing / Due Diligence for Supply Chain Compliance and Risk Mitigation</td>
<td>29 30</td>
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<td>UNGC Principle 8 SDG 15</td>
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<tr>
<td>G4-EN34</td>
<td>Number of grievances about environmental impacts</td>
<td>This is considered Business Confidential</td>
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**HR**

**Human Rights**

| G4-HR1      | Investment agreements and contracts that include human rights clauses | Corporate Code of Conduct Investment agreements are subject to 3M Business Conduct Policies and Guidelines | 148         |                     | UNGC Principle 2                         |
| G4-HR2      | Employee training on human rights | Respecting Human Rights / Human Rights Awareness and Training | 54 56       |                     | UNGC Principle 1                         |
| G4-HR3      | Incidents of discrimination and corrective action | This is considered Business Confidential | —          |                     |                                           |
| G4-HR4      | Operations and suppliers in which the right to freedom of association may be violated | Respecting Human Rights / Freedom of Association and Collective Bargaining Responsible Sourcing / Assessing Supplier Performance | 54 56 29 34 |                     | UNGC Principle 3 SDG 8                   |
| G4-HR5      | Operations and suppliers with risk of child labor | Respecting Human Rights / Child Labor/Minimum Hiring Age Responsible Sourcing / Assessing Supplier Performance | 54 57 29 34 |                     | UNGC Principle 5 SDG 8, 16               |
| G4-HR6      | Operations and suppliers with risk of compulsory labor | Respecting Human Rights / Forced and Compulsory Labor or Human Trafficking Responsible Sourcing / Assessing Supplier Performance | 54 57 29 34 |                     | UNGC Principle 4 SDG 8                   |
| G4-HR7      | Percentage of security personnel trained in the organization’s human rights policies | All 3M-employed Corporate Security staff members are trained on 3M policies, which includes the Respectful Workplace Policy (including Human Rights policy elements). 3M plant locations also hire third-party and external security personnel to restrict public access to our facilities. They are contractually expected to comply with 3M policies when assigned to work at a 3M site. | —          |                     | UNGC Principle 1 SDG 16                  |
**G4-HR8** Indigenous rights violations
To the best of our knowledge, there were no incidents related to the rights of indigenous people in 2015

**G4-HR9** Number and percentage of operations that have been assessed for human rights
Respecting Human Rights / Human Rights Performance and Assessment

**G4-HR10** Percentage of new suppliers screened using human rights criteria
Responsible Sourcing / Assessing Supplier Performance

**G4-HR11** Negative human rights impacts in the supply chain and actions taken
Responsible Sourcing / Due Diligence for Supply Chain Compliance and Risk Mitigation

**G4-HR12** Number of grievances about human rights impacts filed
This is considered Business Confidential

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**LA** Labor Practices and Decent Work

**G4-LA1** Employee hires and turn over
Employee Development and Education / Our Footprint

**G4-LA2** Benefits provided to full-time employees
Employee Development and Education / Comprehensive Benefits

**G4-LA3** Return to work and retention after parental leave
Employee Development and Education / Comprehensive Benefits

**G4-LA4** Minimum notice periods regarding operational changes
Employee Development and Education / Comprehensive Benefits
3M follows all applicable local laws and regulations regarding notice periods in the event of business operations changes.

**G4-LA5** Workers represented by management-worker health and safety committees
Health and Safety / Safety and Health Committees

**G4-LA6** Type and rates of injury, lost days, work-related fatalities
Health and Safety / Injury and Illness Rates

**G4-LA7** Workers with high incidence or high risk of diseases related to their work
We are always taking steps to protect our most important asset – 3M employees. Our innovations are only possible with the minds, talent and commitment of all of our 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.

**G4-LA8** Health and safety topics covered in agreements with trade unions
This is considered Business Confidential
<table>
<thead>
<tr>
<th>GRI Element</th>
<th>Description</th>
<th>Cross-Reference (Hyperlinks) or Direct Answer</th>
<th>Page (pdf)</th>
<th>GRI Disclosure Level</th>
<th>Connections to United Nations Initiatives*</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA9</td>
<td>Average hours of training per employee</td>
<td>Although 3M tracks some training hours, it is not consistent globally. 3M believes indicators that align results of the people with 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>
<td>○</td>
<td>UNGC Principle 6 SDG 8</td>
</tr>
<tr>
<td>G4-LA10</td>
<td>Programs for skills management and lifelong learning</td>
<td></td>
<td>106 116</td>
<td>○</td>
<td>SDG 8</td>
</tr>
<tr>
<td>G4-LA11</td>
<td>Percentage of employees receiving regular performance reviews</td>
<td></td>
<td>106 116</td>
<td>○</td>
<td>UNGC Principle 6 SDG 5, 8</td>
</tr>
<tr>
<td>G4-LA12</td>
<td>Employees by category for diversity indicators</td>
<td></td>
<td>106 109 129 137</td>
<td>○</td>
<td>UNGC Principle 6 SDG 5, 8</td>
</tr>
<tr>
<td>G4-LA13</td>
<td>Remuneration of men to women by employee category</td>
<td>3M sets and administers compensation based on external market competitiveness without regard to gender.</td>
<td>—</td>
<td>○</td>
<td>UNGC Principle 6 SDG 8, 10</td>
</tr>
<tr>
<td>G4-LA14</td>
<td>Percentage of new suppliers screened using labor practices criteria</td>
<td>Responsible Sourcing / Assessing Supplier Performance</td>
<td>29 34</td>
<td>○</td>
<td>SDG 5, 8, 16</td>
</tr>
<tr>
<td>G4-LA15</td>
<td>Negative labor practices impacts in the supply chain and actions taken</td>
<td>Responsible Sourcing / Due Diligence for Supply Chain Compliance and Risk Mitigation</td>
<td>29 30</td>
<td>○</td>
<td>SDG 8, 16</td>
</tr>
<tr>
<td>G4-LA16</td>
<td>Grievances about labor practices</td>
<td>This is considered Business Confidential</td>
<td>—</td>
<td>○</td>
<td></td>
</tr>
</tbody>
</table>

**PR**

**Product Responsibility**

| G4-PR1      | Percentage of product categories for which health and safety impacts are assessed/improved | Product Innovation / Driving Growth through Sustainable Product Stewardship | 23 24 | ○                   |                                          |
| G4-PR2      | Non-compliance concerning health and safety impacts of products | Product Innovation / Environmental Product Declarations | 23 27 | ○                   |                                          |
| G4-PR3      | Organization’s procedures for product labeling | Product Innovation / Product Marketing and Communications | 23 26 | ○                   | SDG 12                                  |
| G4-PR4      | Number of incidents for non-compliance with labeling | Significant non-compliance with labeling would be discussed in 3M 2015 10-K Annual Report | —     | ○                   | SDG 16                                  |
| G4-PR5      | Results of customer satisfaction surveys | This information is considered Business Confidential. | —     | ○                   |                                          |
| G4-PR6      | Sale of banned or disputed products | The 3M Code of Conduct Advertising and Product Representation Principle addresses this issue | —     | ○                   |                                          |
G4-PR7: Significant non-compliance concerning marketing communications would be discussed in 3M 2015 10-K Annual Report.

G4-PR8: 3M respects customers’ right to privacy: see 3M Global Internet Privacy Policy. Significant non-compliance concerning substantiated complaints regarding breaches of customer privacy would be discussed in 3M 2015 10-K Annual Report.


SO Society

G4-SO1: Percentage of operations with local community engagement, etc

G4-SO2: Operations with significant impact on local communities

G4-SO3: Percentage of operations assessed for risks related to corruption

G4-SO4: Communications and training of anti-corruption policies

G4-SO5: Confirmed incidents of corruption and actions taken

G4-SO6: Value of political contributions by country and recipient

G4-SO7: Legal actions for anti-competitive behavior

G4-SO8: Monetary value of significant fines

G4-SO9: Percentage of new suppliers screened for impacts on society

G4-SO10: Negative impacts on society in the supply chain and actions taken

G4-SO11: Grievances about impacts on society
INDEPENDENT ASSURANCE STATEMENT

Introduction and objectives of work

Bureau Veritas North America, Inc. (Bureau Veritas) was engaged by 3M Corporation (3M) to conduct an independent assurance of its 2016 3M Sustainability Report (the Report). This Assurance Statement applies to the related information included within the scope of work described below. The intended users of the assurance statement are the stakeholders of 3M. The overall aim of this process is to provide assurance to 3M’s stakeholders on the accuracy, reliability and objectivity of the information included in the Report as described in the scope of work. The assurance process also evaluated 3M’s management of sustainability in accordance with the principles of inclusivity, materiality and responsiveness.

The information that was assured and its presentation in the Report are the sole responsibility of the management of 3M. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

3M requested Bureau Veritas to include in its independent assurance the following:

- Data included in the Report for the calendar year 2015 reporting period as shown in the attached Summary of Assured Information;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze and review the data subject to the assurance process; and
- Evaluation of the Report in accordance with the Assurance Standard AA1000AS (2008)\(^1\) Type 2 assurance.

Excluded from the scope of our work is any assurance of information relating to:

- Text or other written statements associated with the Report;
- Activities outside the defined assurance period; and;
- Data reported that is not included in the Summary of Assured Information.

Methodology

Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of 3M (including managers and staff members at the corporate and site level);
2. Review of internal and external documentary evidence produced by 3M;
3. Audit of performance data presented in the Report including a detailed review of a sample of data;
4. Visits to manufacturing sites located in Cordova, Illinois; Hutchinson, Minnesota; Tonawanda, New York; and Wausau, Wisconsin
5. Remote data reviews for manufacturing sites located in Nevada, Missouri; Greenville, South Carolina; and Zwijndrecht, Belgium.
6. Visit to 3M headquarters office located in Maplewood, Minnesota; and

\(^1\) Published by AccountAbility: The Institute of Social and Ethical Accountability
7. Review of 3M data and information systems for collection, aggregation, analysis and internal verification and review.

The work was planned and carried out to provide a moderate level of assurance and we believe it provides a sound basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed information within the scope of our verification is not materially correct.
- Nothing has come to our attention to indicate that the reviewed information is not a fair representation of the actual environmental and health and safety data for calendar year 2015.
- It is our opinion that 3M has established appropriate systems for the collection, aggregation and analysis of quantitative data, including energy use, direct and indirect GHG emissions, water withdrawal and fate, waste quantities and disposition, injury and illness rate, lost day rate, severity rate and number of environmental violations.
- A summary of data within the scope of assurance for 2015 is attached.
- Nothing has come to our attention that the environmental, safety, and other sustainability data assured in the Report are not materially correct.
- Nothing has come to our attention to indicate that the assured information is not a fair representation of the actual data for calendar year 2015. It is our opinion that 3M has established appropriate systems for the collection, aggregation and analysis of relevant information, and has implemented underlying internal assurance practices that provide a reasonable degree of confidence that such information is complete and accurate.
- A summary of data within the scope of assurance for 2015 is attached.

Adherence to the AA1000 Accountability Principles

Based on the work undertaken during this assurance process, we are of the opinion that 3M adheres to the Accountability Principles of inclusivity, materiality and responsiveness as discussed below.

Inclusivity

Based on discussions with 3M, their processes appear to be inclusive of stakeholders. For example, 3M commissioned a third party provider to assist with stakeholder mapping and engagement. One of the goals of the work was to identify and prioritize stakeholders based on a range of criteria including the organization’s perceived level of influence, willingness to engage and the potential benefits of engagement. Subsequently, interviews were conducted and a quantitative survey was done with internal and external stakeholders. 3M has developed a list of external stakeholders that includes about 2,000 contacts.

Materiality

3M commissioned a materiality assessment as described in their 2015 Sustainability Report. The 2015 Sustainability Report explained the materiality assessment which considered the importance of issues to both internal and external stakeholders. The results of the materiality assessment were used to develop the 2025 goals that are presented in the 2016 Sustainability Report.
Responsiveness

Some examples of how 3M responds to stakeholder regarding sustainability issues through conference calls regarding the Sustainability Report, participation in investor calls, and responding to comments received through 3M.com. In response to shareholder interest, 3M presented their sustainability report and goals during the 2015 annual meeting.

Key Observations and Recommendations for 2015

- 3M’s commitment to continuous improvement in environmental performance was evident from the development and implementation of Water Conservation Plans. Also goals have been set for additional planning in water scarce areas.
- The commitment to decrease potential greenhouse gas emissions is shown through the improvements to air emission controls that specifically have decreased emissions of high global warming potential compounds.
- Community involvement and giving is evidenced development and implementation of Stakeholder Engagement Plans. 3M provides community support through Visiting Wizards, and many other engagements in the community. Corporately, the 3M Foundation provides funding to a variety recipients.
- Systems for collecting and compiling data appear to be successful for developing the Report, although some opportunities for improvement were observed at the site level.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual 2015 revenue of 4.6 Billion Euros.

No member of the assurance team has a business relationship with 3M, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting. We have conducted this verification independently and we believe there to have been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Attestation:

Lisa S. Barnes, Lead Verifier
Practice Line Leader
Sustainability and Climate Change Services

Trevor A. Donaghu, Technical Reviewer
Technical Director
Climate Change Services

Bureau Veritas North America, Inc.
Denver, Colorado
May 2, 2016

AA1000
Licensed Assurance Provider 000-94
### Summary of Assured Information

#### Reporting Year 2015

3M Company

#### Social Performance, Employees

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Global Employees at Year-End (Headcount)</td>
<td>Total Number</td>
<td>90,400</td>
<td>-3.13</td>
<td>7.16</td>
<td></td>
<td></td>
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<tr>
<td>Total Number Part-Time Employees</td>
<td>Total Number</td>
<td>2,520</td>
<td>-1.56</td>
<td>-0.40</td>
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<tr>
<td>Total Number Full-Time Employees</td>
<td>Total Number</td>
<td>87,900</td>
<td>-3.34</td>
<td>7.59</td>
<td></td>
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</tr>
<tr>
<td>Percentage of Female Employees to Total Employees</td>
<td>%</td>
<td>33.9</td>
<td>0.00</td>
<td>0.89</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Female Employees in Management Positions</td>
<td>%</td>
<td>26.9</td>
<td>3.07</td>
<td>12.08</td>
<td></td>
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#### Financial Performance

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>Million USD</td>
<td>30,300</td>
<td>-4.72</td>
<td>2.36</td>
<td></td>
<td></td>
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<tr>
<td>Operating Income</td>
<td>Million USD</td>
<td>6,950</td>
<td>-2.66</td>
<td>12.5</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Net Income Attributable to 3M</td>
<td>Million USD</td>
<td>4,830</td>
<td>-2.62</td>
<td>12.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Share-Basic</td>
<td>Actual USD</td>
<td>7.72</td>
<td>1.18</td>
<td>27.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Share-Diluted</td>
<td>Actual USD</td>
<td>7.58</td>
<td>1.20</td>
<td>27.2</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total Debt to Total Capital (total capital = debt plus equity)</td>
<td>%</td>
<td>48.0</td>
<td>41.2</td>
<td>92.0</td>
<td></td>
<td></td>
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<tr>
<td>Capital Expenditures</td>
<td>Million USD</td>
<td>1,460</td>
<td>-2.01</td>
<td>5.80</td>
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<tr>
<td>Research, Development and Related Expenses</td>
<td>Million USD</td>
<td>1,760</td>
<td>-0.565</td>
<td>12.1</td>
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<tr>
<td>Employee Compensation and Benefits</td>
<td>Million USD</td>
<td>8,790</td>
<td>-0.566</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to Providers of Capital</td>
<td>Million USD</td>
<td>2,700</td>
<td>13.0</td>
<td>52.5</td>
<td></td>
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<tr>
<td>Provision for Income Taxes</td>
<td>Million USD</td>
<td>1,980</td>
<td>-2.46</td>
<td>18.6</td>
<td></td>
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#### Community Engagement

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total Global Giving</td>
<td>Million USD</td>
<td>72.8</td>
<td>-10.5</td>
<td>9.76</td>
<td></td>
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<tr>
<td>Total Cash Donations</td>
<td>Million USD</td>
<td>34.1</td>
<td>10.4</td>
<td>22.2</td>
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<tr>
<td>Total In-Kind Donations</td>
<td>Million USD</td>
<td>38.7</td>
<td>-38.5</td>
<td>19.4</td>
<td></td>
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</table>

1 To be verified in independent audit by others
### Environmental Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Metric Units</th>
<th>RY-2015</th>
<th>2014-2015 Annual Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Significant Spills</td>
<td>Total Number</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Number of Significant Fines</td>
<td>Total Number</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total Monetary Value of Significant Fines</td>
<td>Million $USD</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total Number of Non-Monetary Sanctions</td>
<td>Total Number</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Environmental Liability Accrued at Year End</td>
<td>Million $USD</td>
<td>0</td>
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### Health and Safety

<table>
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<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Global Lost Time Incident Rate</td>
<td>Per 100 3M Employees (200,000 work hours)</td>
<td>0.32</td>
<td>-11.1</td>
<td>-15.8</td>
</tr>
<tr>
<td>Global Recordable Incident Rate</td>
<td>Per 100 3M Employees (200,000 work hours)</td>
<td>1.22</td>
<td>-15.9</td>
<td>-16.4</td>
</tr>
<tr>
<td>Work Related Fatalities - 3M Employees</td>
<td>Total Number</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Related Fatalities - 3M Contractors</td>
<td>Total Number</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Related Fatalities - Total Number</td>
<td>Total Number</td>
<td>0</td>
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<td></td>
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</tbody>
</table>

### Air Emissions - Greenhouse Gas Scope 3

<table>
<thead>
<tr>
<th>Metric</th>
<th>Metric Units</th>
<th>RY-2015</th>
<th>2014-2015 Annual Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Scope 1 Emissions (Direct)</td>
<td>Metric Tons CO2e</td>
<td>3,770,000</td>
<td>-14.1</td>
</tr>
<tr>
<td>Absolute Scope 2 Emissions (Indirect)</td>
<td>Metric Tons CO2e</td>
<td>1,860,000</td>
<td>-17.0</td>
</tr>
<tr>
<td>Total Scope 3 Emissions (Upstream)</td>
<td>Metric Tons CO2e</td>
<td>9,500,000</td>
<td></td>
</tr>
<tr>
<td>Total Greenhouse Gas Emissions (indexed to net sales)</td>
<td>Million Metric Tons per Net Sales (MM $USD)</td>
<td>186</td>
<td>-10.6</td>
</tr>
<tr>
<td>Total Greenhouse Gas Emissions (Absolute - Kyoto and Non- Kyoto)</td>
<td>Million Metric Tons CO2e</td>
<td>5.63</td>
<td></td>
</tr>
<tr>
<td>Total Volatile Organic Compound Emissions (Absolute)</td>
<td>Metric Tons</td>
<td>4,770</td>
<td>-14.1</td>
</tr>
<tr>
<td>Total Volatile Organic Compounds Emissions (indexed to net sales)</td>
<td>Metric Tons per Net Sales (MM $USD)</td>
<td>0.197</td>
<td>-9.75</td>
</tr>
</tbody>
</table>

### Air Emissions - Category 4 - Upstream Transportation and Distribution

<table>
<thead>
<tr>
<th>Units</th>
<th>RY-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric Tons CO2e</td>
<td>780,000</td>
</tr>
</tbody>
</table>

### Other

- Customer GHG Avoidance through 3M Product Use using 2015 Sales Volume | Million Metric Tons CO2e | 14 |