

# Improving

Creating an impact: growing our business by acting to address some of humanity's greatest challenges.

# Taking inventory

#### of GHG emissions

In 2019, 3M embarked on a journey to calculate downstream Scope 3 greenhouse gas (GHG) emissions. The World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard, used by more than 90% of Fortune 500 companies, is an international accounting tool that helps business understand, measure and manage their GHG emissions.

The GHG Protocol separates emissions into three categories:

- Scope 1 All direct emissions, company controlled or owned sources
- Scope 2 All indirect emissions; company purchased energy generation
- Scope 3 All other indirect emissions; company related.

Since 2002, 3M's Environmental Health & Safety (EHS) Laboratory has calculated the company's Scope 1 and 2 emissions on an annual basis.

Scope 3 includes 15 separate categories of emission sources, both upstream and downstream of operations. Said EHS Laboratory Manager Brian Mader: "In 2012 we were able to start calculating categories one through eight and category 13." Due to the complexity of 3M's multiple businesses and 55,000 products, categories nine through 12 were not evaluated, and 14 and 15 do not apply to 3M's structure.

In 2019, the EHS Laboratory calculated nine through 12.

## "We weren't required to do any of this," says Mader.

"The standard we follow called out an exemption for complex companies like 3M."

As Mader explains it, there can only be a finite amount of GHGs in the atmosphere before the global temperature rises more than 1.5 °C. With this detailed science-based analysis, 3M will be able to look at where they are today and will then create a plan to do their part to keep the level of GHGs below this critical value.

Read the full story at our <u>corporate</u> <u>Sustainability report</u> page 15 in Feature stories.



# Networking for a circular economy o

## by joining the Ellen MacArthur Foundation CE100

In 2005, Ellen MacArthur became the fastest person to sail single-handedly around the globe.

The 71-day, 27,000-mile journey required scrupulous planning, since what she took with her on the sailboat had to last for the entire race. The experience gave her a very real understanding of what it meant to have a finite set of resources. "Suddenly, I connected the dots. Our global economy is no different. It's entirely dependent on finite materials we only have once in the history of humanity," she said.

Ellen wanted to change this and created the Ellen MacArthur Foundation in 2010 with three guiding principles:

- 1. Design out waste and pollution
- 2. Keep products and materials in use
- 3. Regenerate natural systems

In 2019, 3M joined the Ellen MacArthur Foundation's Circular Economy 100 (CE100), as part of 3M's strategic focus on Science for Circular.

Said Joe Murphy, the CE100 lead for the Ellen MacArthur Foundation. "We look forward to 3M contributing to our diverse and dynamic community to achieve faster, greater success than any individual organisation could alone."

#### Circularity at 3M

An example of how 3M scientists innovate to create products that promote a circular economy is 3M™ Thinsulate™ 100% Recycled Featherless Insulation, made from 100% recycled plastic bottles.

Within its supply chains, 3M also continually looks for ways to recover, reuse, and recycle by-products and other surplus materials.

# 3M is also moving to more recycled and renewable materials in its product and packaging designs.

We have removed PVC from more than 500 products in an effort to improve the recyclability of our packaging. We have also joined the How2Recycle® programme and have labelled close to 300 consumer products with recycling instructions.

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In 2019, the 3M Industrial Mineral Products Division's site in California installed solar cells containing 3M<sup>TM</sup> EPE Film.

Visit our Industrial Mineral Products California site here.



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## A message from Mike Roman



#### I think often about the impact I want to make on the world in my personal life and in the organisation I am honoured to lead.

For 3M, our purpose is articulated in our vision statement, ending with "improving every life." It's also reflected in our commitment to Sustainability, which is a value that matters deeply to our people, to our customers and to me personally.

We started our Pollution Prevention Pays programme back in 1975 - which has prevented over two million tonnes of pollution. Over the last two decades, 3M has reduced its greenhouse gas emissions by 68 percent while doubling our revenue. We've intensified our focus on creating a range of innovative solutions that help our customers be more sustainable - from glass bubbles that enable lower vehicle weight and improved fuel economy, to films that make homes, businesses and electronics more energy efficient.

I'm pleased that last year alone, 3M Science helped our customers avoid 17 million tonnes of emissions, which is the equivalent of taking more than three million cars off the road.1

The COVID-19 pandemic underscores the critical role that science and the business community have in solving global challenges. As a science-based company, our highest priorities have been the safety of our employees and the safety of the public, which includes supporting our heroic health care workers and first responders with vital products and supplies.

I am tremendously proud of how our 96,000 employees have stepped up to advance solutions for our stakeholders from communities around the globe and the health care teams that serve them, to our customers, employees, investors and business partners.

This shared global experience further deepens our commitment to continue advancing science and Sustainability, which includes our three priority areas:

- Science for Circular: Design solutions that do more with less material, advancing a global circular economy.
- Science for Climate: Innovate to decarbonise industry, accelerate climate solutions and improve our own environmental footprint.
- Science for Community: Create a more positive world through science and inspire people to join us.

#### In 2019, we took several big actions as part of this new framework.

Starting last year, we are formally embedding Sustainability into every 3M product, meaning that each new product must help solve an environmental or social challenge. Several new products - such as our 3M™ Smog-reducing Granules and Scotch-Brite™ sponges with scrubbing fibres made entirely from recycled material - reflect this value.

Additionally, we moved our St. Paul headquarters to 100 percent renewable electricity, while committing to move our entire global operations across 70 countries to renewable electricity by 2050. And we took actions to accelerate our Sustainability leadership by establishing a new goal to provide 300,000 hours of skills-based volunteerism by 2025.

#### We also continue to advance the knowledge and importance of science itself.

We're finding new and more exciting ways to support STEM education and we have appointed one of our top engineers, Dr. Jayshree Seth, to be 3M's first-ever Chief Science Advocate. And we continue to partner with Nobel Media to support science.

Our commitment to Sustainability includes active management of PFAS (perand polyfluoroalkyl substances) related issues. As with everything, we are guided by the principles of sound science, corporate responsibility and transparency and are committed to being part of the solution. Visit our PFAS Stewardship website to learn more.

The climate, environmental and public health challenges the world faces may seem daunting, but they are not insurmountable - especially if tackled with a collaborative, purpose-driven and science-based approach. In addition to our ongoing support for the UN Global Compact, as CEO of 3M, I commit to doing our part and partnering with others to make this decade of action - for the sake of our business and the greater good.

- Mike Roman, 3M Chairman of the Board and Chief Executive Officer

1 U.S. Environmental Protection Agency

Over the last few decades, 3M has reduced its greenhouse

gas emission by

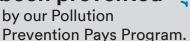
68%



Since 1975.

## 2M tons

of pollution have been prevented



In 2019, 3M technologies helped our customers avoid

tons of emissions

the equivalent of taking

3M+ 🚓 cars off the road.

# A message from Gayle Schueller



2019 was a year of Sustainability action and commitments from 3M. We implemented a new requirement, that every product entering 3M's new product commercialisation process must have a Sustainability Value Commitment (SVC) aligned with our Strategic Sustainability Framework:

To advance Science for Circular, we became a member of the Ellen MacArthur Foundation CE100, and established Circular Economy Working Groups within 3M to increase the use of renewable and recycled materials.

To advance Science for Climate,
CEO Mike Roman committed to moving
our global operations to 100 percent
renewable electricity by 2050 through
membership of the RE100. We flipped the
switch to 100 percent renewable sources
of electricity at our global headquarters.
3M had strong executive engagement
with global climate leaders at the United
Nations Climate Action Summit and
Climate Week in New York City as well as
COP25 in Madrid.

To advance Science for Community, we committed to 300,000 work hours of service across the globe through our skills-based employee volunteer programme, 3M Impact.

## I am proud that Sustainability remains at the heart of 3M.

It anchors purpose-driven innovation in our products, manufacturing processes, and new technologies — and we're always trying to do more.

- Gayle Schueller

Vice President and Chief Sustainability Officer

## A message from Lars Hanseid



As a region, we fully support 3M's sustainability framework and also remain committed to meeting local environmental targets.

I was honoured to become a signatory to a letter supporting the EU Green Deal on behalf of 3M in April 2020. This is an ambitious plan from the European Commission to make Europe the first climate neutral continent by 2050 and to help reboot economies for a sustainable future following the COVID-19 pandemic.

We will play our part by continuing to drive reductions in waste, water and energy consumption at our sites and offices and by developing new technologies and products to help our customers reduce their environmental impact.

In 2019, three Pollution Prevention Pays (3P) projects were completed at the Värnamo site in Sweden – covering engineering, supply chain and manufacturing. Between them these prevented more than 20,000 metric tons of greenhouse gas (GHG) emissions from entering the atmosphere.

We also continue to optimise our manufacturing processes to meet our target of zero landfill at all sites where this is possible and are delighted that the Värnamo site has retained zero landfill status.

We have an active Diversity and Inclusion programme running in North Europe, celebrating diversity in all its forms. The team has members representing every country in the region and ran a programme of activities and workshops throughout 2019 to ensure that everyone working at 3M feels included.

Our people also make a difference in the wider community. More than 50 volunteers from the Sollentuna office in Sweden helped two charities as part of 3M's Global Volunteer Day in September 2019. They helped to renovate a neglected local sports ground to make the facility more attractive and safer for local children and also took part in a bracelet making project for Young Cancer Association, a national charity supporting kids and young adults with cancer.

In addition, Milla Olo from Finland was one of five 3Mers from the North Europe Region selected to take part in 3M Impact – an international programme that gives employees the chance to spend two weeks working overseas on a volunteering project to help solve some of the world's challenges.

As we finalise this report, we are working in the midst of the COVID-19 pandemic. At 3M we have a long history of supporting governments with emergency preparedness during pandemics, such as the SARS outbreak in 2002-2004.

During the COVID-19 pandemic we have again ramped up production of personal protective equipment (PPE) to protect front line health care workers across the globe and are working with local governments and health care organisations in our region to help tackle this crisis.

We will continue to be guided by our legacy of science and applying the expertise of our people to confront the challenges facing the world.

#### - Lars Hanseid

Managing Director North Europe Region

## Who we are

#### Impacting the world for the greater good



96,000 3Mers globally

835 3Mers in Denmark, Finland, Norway and Sweden.



Sales in ~200 countries



>200 sites in 36 countries



**50+** customer centers around the world with one in DK, FI, NO & SV, where our technologies & products are showcased.



32,1 billion in sales



One of

Companies listed in the Dow Jones Industrial Index.



More than 800 brands



>120.000 patents



We have manufacturing & converting in 36 countries/regions



There are 3 sites in Sweden, manufacturing thousands of products for the Safety & Industrial Business Group.



Offices in 70 countries, including DK, FI, NO & SV, where staff are responsible for sales, marketing & communication.



**R&D** labs in 50 countries, with 3 labs in Sweden, where innovative solutions and products are created for our customers.

#### 3M at a glance

3M is a global science-based innovation company. Founded in 1902 we have a proud history as one of the most innovative and ethical companies in the world. We support our customers in four core business areas through the manufacture of more than 55,000 products.

Our business groups have full responsibility for all aspects of strategy, portfolio and resource prioritisation across our entire global operations. This ensures accountability to serve both global and local customers, while enabling stronger customer insights and innovation. It allows us to leverage similarities across markets, while maintaining the robust local capabilities that differentiate 3M.

At 3M, many of our products are either designed for our customers or to meet specific performance or requirements. Working in both categories carries us through multiple commerce channels, distribution models, direct models, retail models and increasingly, e-commerce.

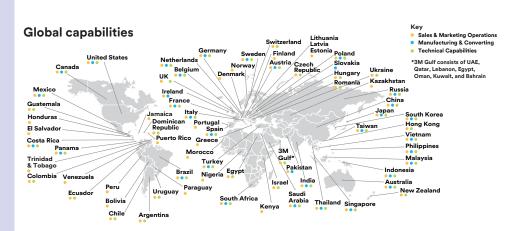
Manufacturing, supply chain and customer operations are consolidated into an end-to-end Enterprise Operations organisation. Likewise, key capabilities are part of our global Corporate Affairs organisation to advance Sustainability, our brand and reputation.

Our regionally distributed manufacturing approach allows us to apply the expertise of our people to serve customers in all geographies.



## Imagine a world where every life is improved.

At 3M we view Sustainability in terms of shared global needs. The challenges we must solve for a sustainable future don't always follow clear rules or methods – but we see them clearly. From our highly collaborative work environment to our community of scientists and 51 core technology platforms, we have the resources and the desire to make a real difference in the world.



## 3M Value Model

## The power of 3M comes from the way we connect our strengths to our customers.

These strengths — technology, manufacturing, global capabilities and brand — are the core of 3M. Our Value Model links our Vision, our strengths, the priorities we're driving, and our Values as a company. It makes us unique and differentiates us in the marketplace.

#### **Our Vision**

3M's corporate Vision inspires and motivates us. It's our North Star, guiding our work every day:

3M Technology Advancing Every Company

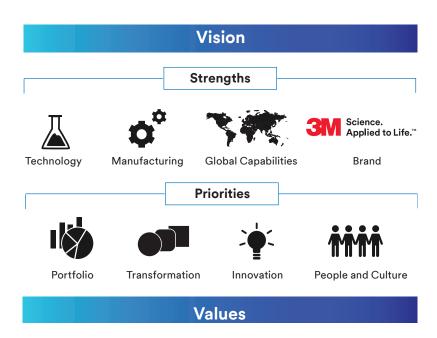
3M Products Enhancing Every Home

3M Innovation Improving Every Life

Our Vision encompasses how we use our technology, our products and our innovation to advance every company, enhance every home and improve every life; for our customers, every day. Our Vision drives us as we look to the future and it serves as a daily reminder of what the 3M Brand stands for.

#### **Our Values**

Our Values come to life through the dedicated efforts of our employees who aim to "Be 3M" — by being inclusive, respectful, encouraging, and by being champions of Diversity and Sustainability.



#### Our Strategic Sustainability Framework

We have made a clear commitment and set an ambitious, long-term strategy that will leverage our passion for science.

Our intent is to use a science-based approach to tackle challenges most material to 3M and critical to our planet and the people living on it. Building on our global capabilities and diverse technologies, we are focusing on three priority areas, as seen below.

#### Stakeholder engagement

3M's stakeholder engagement strategy on priority focus areas 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 frequently engage 3M employees globally through Sustainability communications and events with diverse content based on our materiality topics.

#### Science for Circular

Design solutions that do more with less material, advancing a global circular economy.

#### Science for Climate

Innovate to decarbonise industry, accelerate global climate solutions and improve our environmental footprint.

#### Science for Community

Create a more positive world through science and inspire people to join us.

#### **Materiality** assessment

In 2014, 2016, and 2018, 3M commissioned GlobeScan, an independent research consultancy, to assist us in better understanding our stakeholders' perspectives of key issues and assessing our corporate reputation and leadership opportunities.

3M conducted a similar process through an internal online employee survey. Following completion of the interviews, GlobeScan analysed insights from the stakeholders to develop our evidence-based focus area matrix.

This matrix identifies stakeholder expectations and the degree of importance they place on each issue, the ability of 3M to make a positive difference on the issue and the level of impact an issue may have on our reputation.

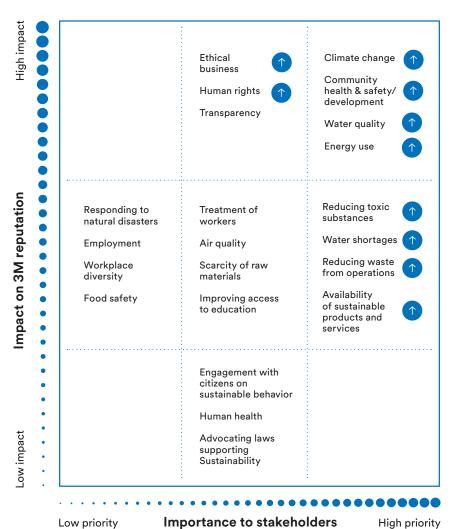
From our 2018 assessment, the top focus areas for stakeholders centred around climate change, waste from operations, fresh-water shortages, energy use, human rights, and the reduction of toxic substances.

Most of these focus areas were perceived to have increased in importance since 2016, along with scarcity of raw materials, water quality, social equality, and ethical business practices.

All material aspects are deemed material for all entities within the 3M organisation.

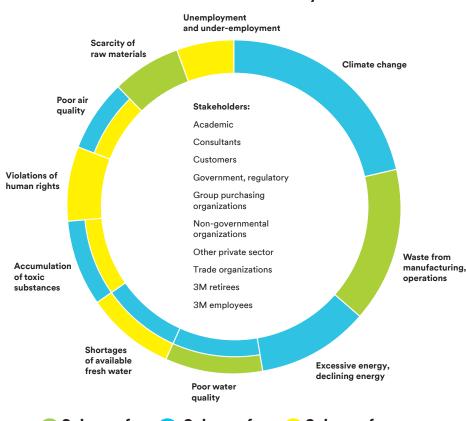
The prioritisation for the different aspects may vary within 3M operations and geographies, but they are still material.

The material aspects valid for Denmark, Finland, Norway and Sweden are therefore seen on the two figures to the right.



#### 2019 stakeholder assessment key focus areas

Indicates a higher priority on 2018 versus the 2016 assessment





## **Advancing impact**

#### Accelerating efforts to help solve the world's biggest challenges.

We are heading into a decade of action that will help accelerate solutions to the world's biggest challenges. We have a commitment — and the ability — to use our resources and capabilities to impact the world. Our Sustainability goals align with the United Nations 17 Sustainable Development Goals (SDGs). See our video here.

#### Our Strategic Sustainability Framework helps us apply science to improve every life.

For that reason, we've reorganised our 2025 Sustainability Goals to fit within each pillar of our Strategic Sustainability Framework. All goals are 2025 unless stated otherwise.































### Science for Circular

Design solutions that do more with less material, advancing a global circular economy.

- 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.
- Require every new product that enters 3M's new product commercialisation process to have a Sustainability Value Commitment, demonstrating how it drives impact for the greater good starting in 2019.
- 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 targetted raw material traceability and supplier performance assurance.

#### Science for Climate

Innovate to decarbonise industry, accelerate global climate solutions and improve our environmental footprint.

- Increase renewable energy to 50% of total electricity use by 2025; and to 100% by 2050.
- Improve energy efficiency indexed to net sales by 30%.
- Ensure GHG emissions are at least 50% below our 2002 baseline by 2025, while growing our business.
- Help our customers reduce their GHGs by 250 million tonnes of CO<sub>2</sub> equivalent emissions through the use of 3M products.

## Science for Community

Create a more positive world through science and inspire people to join us.

- Provide training to five million people globally on worker and patient safety.
- Invest cash and products for education, community, and environmental programmes.
- 100% participation in employee development programmes to advance individual and organisational capabilities.
- Double the pipeline of diverse talent in management to build a diverse workforce.
- Donate 300,000 skills-based work hours across the globe.

## **Communities** •

## Creating a more positive world through science and inspiring others to join us.



3M maximises social impact by combining 3M employee expertise with our products, technologies and philanthropy.

3M helps build sustainable communities through strategic investments and the involvement of 3M businesses, sites, and employees worldwide who volunteer and leverage their skills to make a difference.

#### 3Mgives

3Mgives is our corporate giving organisation focusing on three key areas:

- Education: Encouraging young people to study science, technology, engineering and mathematics (STEM) subjects and learn trade skills.
- Sustainability: Accelerating global solutions to tackle climate change and advancing a circular economy to foster sustainable communities and improve lives.
- Community: Enhancing community vibrancy by improving standards of living and preparing young people for life-long success.

As a Global Industry Partner of WorldSkills™ and a supporter since 2013, 3M has helped reduce the skills shortage across many industries around the world. 3M sponsors SkillsDenmark and World-Skills Sweden with funding and product donations supporting 24 different skills. Training is also provided to advance the teams' skills and advocate for safety.

#### Science for Community

Goal: Invest cash and products for education, community and environmental programmes by 2025





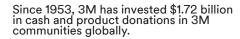












#### **Regional programmes**

In 2019 we launched our Employee Experience Programme in our region, comprising six key pillars. A country leader was appointed for each to communicate the aims of the pillar and coordinate activities. The focus of the 3Mgives pillar was to plan employee volunteering programmes for 2019/2020 to support STEM education, Sustainability and community activities in areas close to our 3M sites.

#### A helping hand from 3M Sweden

Two volunteering activities took place in Sweden in the second half of 2019. A 50-strong team made up of 3Mers from different departments participated in a bracelet making project for Young Cancer Association, a national charity supporting children and young adults with cancer. More than 300 bracelets were made for sale to raise funds. Marie-Louise Selander, the 3Mgives country leader, said: "I am really happy to see such engagement. We were proud to contribute to the local community and Young Cancer Association and really came together as a team."

A team of volunteers helped the Sollentuna community by transforming a recreational ground within a local school into a more attractive and safer environment for children to enjoy.



#### Science for Community



Goal: Provide 300,000 work hours of skills-based volunteerism by 3Mers to improve lives and help solve society's toughest challenges.

3M Impact is run by 3Mgives and aligns the company's social responsibility focus with the UN's SDGs by matching teams with organisations working in areas like public health, environment, education, occupational safety and traffic safety.



3M Impact is a skills-based service programme that allows employees to lend their business skills, experience and energy to make a difference in global communities, while also developing leadership, problem-solving and interpersonal communication skills.

#### From 50 participants to

125 😚

who travelled to 9 cities around the world.

#### A passion for making an impact

Milla Olo, who is a Corporate Sales and Marketing master trainer, pictured above, was selected from Finland to join a group of international 3Mers on a two-week volunteering project in Pune, India. Said Milla: "It was an amazing experience that started with six weekly preparation meetings. Upon arrival in Pune, we were split into sub teams of two or three people and I was assigned to work with the Swayam Shikshan Prayog organisation to support its work in the area of Women's Entrepreneurship and Leadership. In a nutshell, this involved creating an advanced business plan for grassroots enterprises run by women in rural areas as well as a high-level value chain map to help the organisation develop a standard operating procedure."

Milla met with female entrepreneurs running various businesses - such as manufacturing noodles, processing lentils, collecting milk and running a retail store - and spoke to representatives from local banks to understand the process for granting loans.

Added Milla: "The experience was something that will stay with me forever. I met some amazing people and enjoyed everything, from the food, colours and smiles to the new relationships I built. I felt blessed to be part of it all and to have been able to give something back by using the skills I have developed as a 3Mer. I also learnt a lot about myself."

# **Employee diversity** and inclusion

#### A thriving, diverse, inclusive culture

Diversity and inclusion are the foundation of our Value Model, which encapsulates the actions we take. <u>Our Code of Conduct</u> lays out what it means to be a 3M employee and includes the <u>3M Respectful Workforce Principle:</u>

Be Respectful: We strive to create a work environment that reflects and values the best in all of us, where we treat each other respectfully and professionally, and where individual differences are valued.

To foster this kind of workplace, we follow our <u>Equal Employment Opportunity</u> policies

#### Science for Community



Goal: Double the pipeline of diverse talent in management to build a diverse workforce by 2025.

Our definition of diversity includes gender, race/ethnicity, nationality, people with disabilities, U.S. military veterans and people who identify as lesbian, gay, bisexual, transgender, questioning and intersex (LGBTQI+). To measure progress against our goal, we use the 3M Diversity Index, which represents the total number of diverse future leaders within the company globally. To date, we have improved our Diversity Index by 9.2 points, moving from 32.6 percent to 41.8 percent, progressing toward our 2025 Goal of 65.2 percent.

The figures below highlight the percentage of female employees globally and as a total of the 2019 workforce in the Nordic region.

Increasing diversity in every region in which we operate is a core part of our our Sustainability Strategy.

#### Gender composition

The company policy is to actively consider diversity of gender, race and national origin when selecting recruitment and nomination of managers. In our region, women make up 45 percent of our executive team. Said Tina Monk, champion for Diversity and Inclusion, North Europe Region: "Considering our different cultures and backgrounds there is no doubt that it's important for us as a company to keep engaging, recognising and developing the differences and similarities among our employees to make sure that we continuously add value to our employees and are attractive in the market place for customers, partners and potential new 3M'ers".

In addition, 3M a/s meet and exceed the Danish direction of the gender composition. Since 2017, the gender representation on the Danish Board of Directors has been 50 percent, with two women among our four Supervisory Board members, elected by the General Assembly. This fulfils our objective for gender diversity for Denmark.

Regional Diversity and Inclusion Team In 2019 we launched our Employee Experience programme with six key pillars including one for Diversity and Inclusion (D&I). The D&I team is made up of representatives from all countries in the region, including our manufacturing sites,



and focuses on raising awareness of local geography, culture and facts. We also shared local treats from each country with colleagues across the region. The initiative was launched in Denmark, with a story on our intranet site featuring Tina Borchers as the local Diversity and

Inclusion representative. Said Tina: "We need to embrace our differences and celebrate the rich dimensions of diversity within each individual."

Other activities included local celebrations to mark International Woman's Day in the four countries. In addition, 3M Finland is a member of the Finnish Business & Society, FIBS and the Diversity Charter, of which 3M Sweden is also a member.

#### **CEO Inclusion Council**

The CEO Inclusion Council is a diverse group of 3M leaders from across the company with CEO Mike Roman as the champion. One of the first actions in 2019 was committing to the <u>United Nations</u> Women's Empowerment Principles and <u>LGBTI Standards of Conduct for Business</u>. 3M has hereby committed to having processes, policies and programmes in place that promote equality and safety, prevent harassment and discrimination, and advance women and LGBTI individuals in the workplace and the community.

3M Pride on 3M's Global Inclusion Day In 2019, November 7th was 3M's Global Inclusion Day – a time when we celebrate 3M's inclusive culture at a global, EMEA and regional level. Employees across our region joined a live broadcast "How companies can best support their LGBT+ employees".



## Recognition



Here at 3M we strive to improve every life, act with honesty and integrity and ask question after question to develop innovative solutions with a purpose.

We value the recognition we receive, as it shows we are a company driven by employees who are truly making a difference in the world.



#### WWW.ETHISPHERE.COM

## 7 TIME HONOREE

## The World's Most Ethical Companies®

The World's Most Ethical Companies® programme, managed by the Ethisphere® Institute, honours companies that excel in "promoting ethical business standards and practices internally, enabling managers and employees to make good choices and shaping future industry standards by introducing tomorrow's best practices today." This year's honourees spanned 21 countries and 51 industries. It was the seventh consecutive year 3M made the list.



## Euronext World 120 and Euronext U.S. 50

Euronext and Vigeo Eiris included 3M, for 2019, in the Euronext World 120 and Euronext U.S. 50 based upon social, environmental and governance performance. Companies included in this index have achieved the highest scores, as determined by nearly 330 indicators, assessed by the agency.

## Best Places to Work for Disability Inclusion

In the fifth annual Disability Equality Index® survey, 3M earned a top score of 100 percent, making the company one of the "Best Places to Work for Disability Inclusion."



## **EcoVadis Gold Recognition Level**

EcoVadis awarded 3M a Gold Recognition Level for achievements in the 98th percentile of suppliers assessed in corporate social responsibility in global supply chains.

## SDG Invest 🔅

In 2019, 3M was included in the SDG Invest portfolio as one of the 60 best performing companies in the world. SDG Invest is a Danish investment fund launched in 2017, created by investment and Sustainability professionals. SDG Invest is listed on the NASDAQ stock exchange and is an active member of Climate Action 100+. SDG Invest only includes companies that address the UN's SDGs by setting ambitious targets and driving change through actions.

## Best Places to Work for LGBTQ Equality

The Human Rights Campaign
Foundation's 2020 Corporate Equality
Index is the American benchmarking
tool for corporate policies and practices
relating to equality for LGBTQ employees.
For the eighth straight year, 3M earned
a perfect score of 100 percent and
the distinction of being named among
the "Best Places to Work for LGBTQ
Equality."

## How we work

Just as Sustainability is embedded throughout our value model, sustainable thinking is embedded into the core of 3M and in the strategic planning process we use for every region, every market and every business.

In each of our business groups and regions, we have dedicated Sustainability leaders who develop a strategy for their market demands and business goals. Said Head of Government Affairs & Sustainability, EMEA, Maxime Bureau: "Seeing the number of Sustainability initiatives and events run across EMEA not only makes me incredibly proud; it also energises me and the entire team to go the extra mile and make a difference for our customers, our operations and the communities around us."

In 2019, the 3M Board of Directors established a new committee to provide oversight of the scientific and technological aspects of 3M's businesses, Sustainability and stewardship activities: the 3M Science, Technology and Sustainability Committee of the Board of Directors. The committee will review the company's Sustainability policies and programmes, analysing Sustainability, materials vulnerability and geopolitical issues that may impact our business strategy, global business continuity and financial results.

## R&D at 3M is a little different: We separate the R and the D.

First, the "R". Scientists are free to focus on pure research. Our unique 15% Culture gives them the freedom to follow their instincts. At the same time, our Tech Forum is a key enabler of collaboration. This self-directed, self-organised group unites 10,000-plus scientists and engineers who work together to solve problems across oceans and continents, regardless of which business they're from.

For the "D", 3M development teams within each of our business groups draw upon our core technologies to create products for targetted markets and geographies.



## Assessing and planning for risk at all levels.

At 3M, we continually evaluate our approach to opportunity and risk. We believe that the whole concept of risk appetite and tolerance is an essential component of strategic planning. This includes broad risk oversight by the Board and its committees, with committee-level risk analyses reported to the full Board and executive-level internal General Auditor and Chief Ethics and Compliance Officer appointed by and reporting directly to the Audit Committee. 3M's Annual Report on Form 10-K, Item 1A, outlines risk factors applicable to the company.

3M has operations in more than 70 countries, with regionalised supply chains that enable more localised and diversified production of our products. This helps reduce our risk from local climate impacts on our operations.

# 3M's Code of Conduct

The <u>Code of Conduct</u> is part of 3M's value model. Our values bind us together as 3M employees — across business groups and across geographies.

We have one <u>Code of Conduct</u> that applies to all of our 96,000 employees. Our Code of Conduct summarises 3M's compliance principles and provides direction when the right choice may not be clear.

## 3M's Code of Conduct defines how we work:

- Be Good
- Be Honest
- Be Fair
- Be Loyal
- Be Accurate
- Be Respectful

3M employees, including all managers and 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 of Conduct.

Our <u>Code of Conduct</u> lays out what it means to be a 3M employee and includes the <u>3M Respectful Workforce Principle</u>:

#### Be Respectful:

We strive to have a work environment that reflects and values the best in all of us, where we treat each other respectfully and professionally and where individual differences are valued.

#### Compliance education

We provide training globally to ensure that all 3M employees comply with the law, 3M's Code of Conduct, supporting policies, standards and procedures, including Human Rights.

In 2019, 835 employees in the Nordic region completed a combined total of 2,560 online compliance courses. We are proud to report a

100% completion rate of the course:

'Code of Conduct certification'
for eligible employees.

"At 3M our Code of Conduct is a cornerstone for the way we do business globally. It is amazing to see how our Code of Conduct is brought to life every day in all corners of the world. Early in 2020, 3M was named as one of the World's Most Ethical Companies® by Ethisphere for the seventh consecutive year. This highlights the relentless commitment of our employees to our Code of Conduct and doing the right thina."

—Anders Stryg-Madsen Ethics & Compliance Partner, Nordic region

#### Commitment to **Anti-Corruption**

As a participant of the United Nations Global Compact (UNGC), 3M is committed to supporting Principle 10 on Anti-Corruption.

3M's Code of Conduct requires compliance with all applicable antibribery laws, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and local laws in countries where 3M operates. It applies to 3M employees and our business partners.

In addition, 3M's Anti-Bribery Principle, policies and procedures have been communicated to all employees. Most non-production employees are required to complete the Avoiding Bribery and Corruption course. This course had a 99 percent on time completion rate by 514 Nordic employees in 2019.

**Ethics and Compliance Department** Ethics and compliance remain at the core of what we do for our employees, customers, business partners, communities and shareholders. The Ethics and Compliance Department will continue to bring our Code of Conduct to life to ensure that we drive a speak-up culture and do business the right way.

In addition to offering online training, the Ethics and Compliance Department — in close collaboration with 3M Legal Affairs, Finance and Human Resources provides tailored, in-person training opportunities for businesses, subsidiaries and staff groups. Some of this training takes place as part of an annual schedule, on request or when deemed appropriate.

## Human rights

#### Doing business: the right way is the only way we do business.

Our Human Rights Policy applies to all 3M employees and contingent workers as well as anyone doing business with or on our behalf, and others acting on 3M's behalf.

In 2014, we became a participant of UNGC, thereby committing to align our operations and strategies with the UNGC principles on business and human rights. We support its "protect, respect and remedy" framework and its principles of due diligence. Furthermore, our Code of Conduct requires compliance with all applicable laws and respect for internationally recognised human rights in all our global operations.

#### Strong support for human rights charters

3M continues to support several human rights charters. Among them:

- **United Nations Global Compact**
- Universal Declaration of Human Rights
- European Convention on Human Rights
- United Nations Guiding Principles on **Business and Human Rights**
- International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
- **OECD Guidelines for Multinational** Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Agenda 21 United Nations Convention against Corruption



#### Compensation

#### Equitable pay for everyone, everywhere.

3M is a pay-for-performance company and provides competitive market-based pay and comprehensive benefits. In addition to earning a base salary, eligible employees are compensated for their contribution to the company's growth, profitability and other goals. Compensation for 3M employees is tied to their job descriptions as well as how they perform in their jobs. This holds true for general leadership responsibilities as well as performance related to

3M Leadership Behaviours establish expectations and ways that everyone can demonstrate and meet those expectations through their actions and interactions.

#### The six behaviours of effective leaders at 3M include the following:



Sustainability issues.

Play to win



Foster collaboration and teamwork



Innovate



Prioritize and execute



Develop others and self



Act with integrity and transparency

**Employee programmes** 

At 3M we lead with culture. We want our employees to focus on making an impact on the world and feel empowered to bring innovation into their lives.

## Recognising employees as our most valuable asset

The Employee Experience is a programme set up by the North Europe Region's leadership team in 2019. It covers every aspect of what it is to be a 3Mer, recognising that employees are the region's most valuable asset.

The programme has six pillars with a senior leader appointed to champion each of the focus areas:

- Wellbeing;
- 3Mgives Volunteering;
- Celebrating Success;
- Diversity and Inclusion;
- · Communication and Listening; and
- 3M Culture

#### Wellbeing events in Denmark

3M Denmark nominated June as Wellbeing Month and organised a number of activities for employees, including exercise sessions after work.

In addition, Theis Rosenkvist from the Humanic movement was invited into the Copenhagen office to talk to 3Mers about how exercise can impact on both physical and mental health.

Said chair of the 3M Club in Denmark, Sanne Waldorff: "This thought-provoking session gave us an insight into how the body and mind work together."

In November, renowned Danish physiologist, author and TV presenter, Chris MacDonald (pictured above) also paid a visit to the Copenhagen office to run a wellbeing session for employees.

#### **Employee Development**

3M is the place to be for employees interested in development opportunities. Our company touches nearly every industry in every market globally. If you work at 3M, you have a range of development opportunities few other companies can offer. Our people can live in different countries, learn about different cultures, and develop a variety of skills across different industries.

#### Science for Community





Goal: 100% participation in employee development programmes to advance individual and organisational capabilities by 2025. We encourage our employees to pursue areas of interest, and we support the development of career paths and opportunities aligned with those interests.

In the four countries we achieved 70 percent completion of employee development plans, with Finland and Norway achieving 100 percent completion. The individual country scoring is shown at the bottom of the page with a comparison to 2018 results.

We leverage a 70-20-10 development model which indicates that, over the course of a career.

70%



of learning is done on the job

20%



comes through other employees

10%



of meaningful development is reached through formal training

Employee Development Plans % complete in Workday



## Health and safety

#### Protecting our people at home and at work

3M is at the forefront of the global effort to bring science and innovation to workplace safety. At the same time, as an enterprise with 96,000 employees working around the world, we are always taking steps to further advance the safety, health and wellbeing of our employees.

#### **Employee safety and** health

The 3M Safety and Health Policy applies to 3M operations everywhere, including new acquisitions. Hazards in 3M's workplaces must be well understood and effectively managed to protect 3M employees, visitors, sites and surrounding communities.

In addition, we continue to evaluate opportunities to raise our safety and health standards. We visit sites regularly to identify and manage EHS risks; evaluate compliance with regulatory requirements and conformance to 3M policies and standards; identify opportunities for continuous improvement; and share examples of best practice among 3M auditable entities.

#### **EHS** management system

In 2019, our Global Safety and Health Plan (GSHP) and Self-Assessment and Global Environmental Management Self-Assessment (GEMSA) were combined to create 3M's EHS Management System Self-Assessment, which is the basis for our self-assessment and audit protocols.

This system defines EHS requirements that apply to manufacturing, supply chain and R&D operations.

#### Significant injury/illness and fatality (SIF) and significant injuries and events (SIE) rates

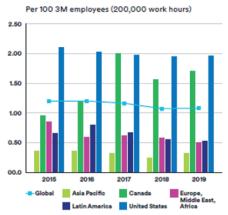
At the end of 2019, more than 110,000 risk assessments resulted in the identification and reduction of risk associated with more than 30,000 activities, including 8,300 associated with activities that have greater potential to result in a SIF.

From 2012 to 2018, there has been a net reduction in the number of SIFs of 42.1%. In 2019, we refined and expanded our internal SIF classification criteria. Previously, our SIF definition included specific types of injury. SIE is more broadly defined by impairment, disability, and other considerations. It also includes non-injury and illness events, such as fires, spills, and communicable disease outbreaks. In 2019, we established a new baseline for the SIE rate.

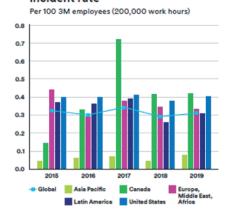


In 2019. of 3M manufacturing sites worldwide had active employee safety and health committees.

#### 3M regional and global recordable incident rate



#### 3M regional and global lost time incident rate



#### 3M global recordable incident rate category

Per 100 3M employees (200,000 work hours) 0.3 0.2

## **Environmental management**

#### Responsible stewardship.

In 1975, 3M's Board of Directors adopted the <u>3M Environmental Policy</u>, formalising its commitment to environmental stewardship. This policy established the framework for environmental management and conservation of resources, emphasising prevention of pollution at the source.

3M's strategies and resulting actions are demonstrated in the following policies, standards and positions:

- Energy Policy,
- GHG Management Standard,
- <u>Disposal of Chemical Waste</u> Standard.
- Waste Management Program Standard,
- Water Stewardship Standard and
- Global Climate Change Position Statement.

We are committed to complying with all environmental requirements and regulations worldwide.

## **Environmental Management System**

3M's Environmental Management System (EMS) framework provides structure and consistency for overseeing daily activities and puts the company in a proactive rather than a reactive mode regarding our environmental focus. The EMS identifies, tracks and manages corporate-wide environmental management and performance data. Each site must establish, implement and maintain environmental objectives and goals.

#### Nordic environmental goals

The 2020 Nordic environmental goals are shared as a summary for the Gagnef, Värnamo and Västervik sites in Sweden. Goals and progress cover waste, water and energy consumption with a baseline of 2015 and can be found in the Circular and Climate section of this report.

#### **EHS** incident management

Since 2010, all 3M sites have reported incidents such as injury or illness, fire or explosion, environmental exceedances, spills, agency notices and fines through our EHS 360 system.

#### Applying ISO 14001

The ISO 14001 EMS standard is an internationally recognised approach for managing the environmental impacts of an organisation's products, services and processes. In 2018, 3M recertified all relevant sites to the ISO 14001 standard including Västervik in Sweden.

Altogether, our ISO 14001-certified sites account for approximately

92.3% of 3M's total product output.



## Global commitment to PFAS stewardship

Per- and polyfluoroalkyl substances (PFAS) are a broad class of chemical compounds containing two essential elements – carbon and fluorine. The carbon-fluorine bond is strong and stable even at high temperatures. This property has been used for a number of health care and advanced electronics applications and as a replacement for materials with high global warming potential.

As the science of PFAS progressed, we learned that some of these materials were becoming widespread and had the potential to build up over time. As part of our commitment to environmental stewardship, in May of 2000, 3M made the decision to phase-out PFOS and PFOA globally. We chose to stop production ahead of any regulatory requirement, and we shared our learnings with the U.S. Environmental Protection Agency and the rest of the industry.

3M is committed to responsible environmental stewardship and protecting natural resources. We work with all relevant authorities and are dedicated to acting responsibly and transparently in the way we treat our customers and the environments in which we operate.



## 3P - Pollution Prevention Pays



An industry first in 1975, the 3M Pollution Prevention Pays (3P) programme is based on the belief that a preventative approach to pollution is more environmentally effective, socially acceptable and economical than treatment.

In the last 45 years, the programme has prevented more than 2.66 million metric tons of pollutants and saved over \$2.30 billion based on aggregated data from the first year of each 3P project.

Since 2007 our sites in Sweden prevented more than

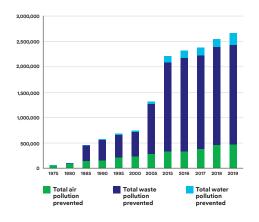
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metric tons of air, water and waste pollutants based on the first year data of each 3P project.

In 2019, we continued to expand global project tracking with a new pollution prevention system. 3M employees can add waste, water and energy reduction ideas and list barriers to implementation. Engineers, developers and managers can then see opportunities across our vast Technology Platforms ensuring visibility and insight into waste, water and energy reduction opportunities in the company.

## 3P global pollution prevention achievements: 1975-2019

First year total pollution prevention cumulative totals, short tons.



## Circular materials •



Design solutions that do more with less material, advancing a global circular economy.



At 3M, Science for Circular is one of the three pillars of our Strategic Sustainability Framework. To contribute to our aspirations laid out in this Framework, we required 100% of products entering our product commercialisation process to have a Sustainability Value Commitment (SVC) as from 2019. Considerations include reusability; recyclability; and water, waste and energy savings to the specific product throughout its life cycle. See also the "Our products" section.

#### Reusable, renewable and recycled materials

3M continually looks for ways to recover, reuse and recycle by-products and other surplus material and we include renewable and recycled materials in our products whenever possible. Through our SVC efforts, we develop reusable products and create products using renewable or recycled materials, like:

#### Scotch-Brite® Greener Clean **Non-Scratch Scrub Sponges**

- 100% plant-based using renewable resources with plant-based adhesives
- recycled materials

#### Water stewardship

Water is an important raw material supporting our product manufacturing processes. 3M's Water Stewardship Standard outlines our commitment to water resources that secure social equity, economic growth and environmental protection. Water resources include water intake, effluent water discharge and rainwater.

3M's total water usage includes sanitary, process, heating, cooling, remediation and miscellaneous sources. Water usage data is tracked and reported annually on a global basis for manufacturing sites that produce greater than 4.54 metric tons of product per year. The reported data accounts for 99% of sales value of production.

#### Science for Circular



Goal: Reduce global water use by an additional 10%, indexed to net sales by 2025.

#### **Total water consumption** decreased

between 2005 and 2019.

indexed to corporate-wide net sales. Results have been achieved through recycling, reuse, product redesigns and improvements to our buildings and manufacturing processes.

#### Nordic water usage

Most of our water use originates from our office facilities. In our manufacturing sites we have no continuous use of water for processing products. However, water is used for heating and/or cooling during our manufacturing processes.

#### **Science for Circular**



**Goal: Reduce Nordic water** use by an additional 10% by 2020 indexed to net sales.

Progress towards our Nordic goal is reflected as a total of our Gagnef, Värnamo and Västervik sites with a 2015 baseline. Our water usage has slightly increased, as seen in the table below.

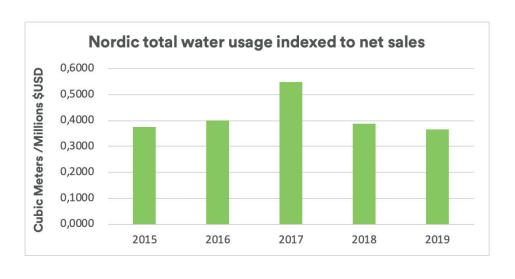
Water usage	2015	2016	2017	2018	2019
m <sup>3</sup>	11,340	12,026	17,301	12,686	11,713

Our water usage in the three Swedish sites indexed to net sales decreased by

from 2015 to 2019.



In this period, all three sites have reduced their water use indexed to net sales. In 2017 both Gagnef and Västervik experienced an increase in water usage due to the repair of a leak and an increase in production.



#### **Packaging**

3M's product diversity, markets and global multi-channel distribution systems create a complex situation that does not lend itself to a "one solution fits all" approach. Our packaging Sustainability roadmap's top priorities include:

- Product protection: Design packaging to protect the product from point of manufacture to point of use.
- Efficient packaging: Minimise the amount of material used. Optimise cube utilisation at all pack levels. Eliminate all unnecessary packaging
- Circular packaging: Design packaging to be reusable, recyclable, and/or made with renewable resources. Maximise recycled content of packaging materials

Packaging for a line of hearing protection was moved from a plastic clamshell to a paperboard carton, resulting in nine metric tons of plastic being removed from the global waste stream. The carton is made from renewable resources.

In 2019, we optimised product protection with the least amount of materials. We did this by removing and light-weighting material and maximising product-topackage ratios (removing as much empty air space as possible from the package).

Efforts this year yielded a reduction of packaging weight by more than

1,300 metric tons alobally.

#### Waste management

We reduce, recover, reuse and recycle by-products and other surplus material in our operations whenever feasible.

The 3M Waste Management Standard applies to all 3M sites and provides a framework for managing all waste types from the time of generation until it is reused, recycled, treated or disposed of. The standard encourages waste minimisation and recycling. Our Disposal of Chemical Waste Standard manages risks and protects the environment.



**Science for Circular** 



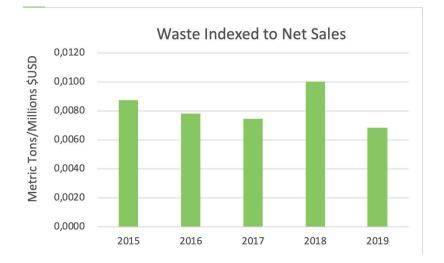
Goal: Reduce global manufacturing waste by an additional 10%, indexed to sales, by 2025.

Raw material utilisation is a measurement of overall product and process yield and is indicative of operational excellence in our product design and manufacturing processes. Our raw material utilisation includes the product, the process and all by-products. The first step in waste management is reduction of waste, which also increases raw material utilisation.

Between 2015 and 2019, 3M has reduced the amount of material sent for landfill and incineration by

12.6% indexed to net sales.

We have decreased our waste, indexed to net sales, by 32.9% since 2005. 3M's waste metrics include 3M manufacturing sites with total output greater than 4.54 metric tons per year.





management

Science for Circular



**Goal: Reduce Nordic** manufacturing waste by an additional 10%, indexed to sales, by 2025.

Our progress towards our Nordic goal is shown as a total of our Gagnef, Värnamo and Västervik sites in the graph below. This shows that the waste from our three Swedish sites

decreased by

indexed to net sales from 2015 to 2019. Our waste in metric tons is listed in the table below with data from 2015-1029.

ı	Waste	2015	2016	2017	2018	2019
	Metric	265	236	236	328	219

**Science for Circular** 

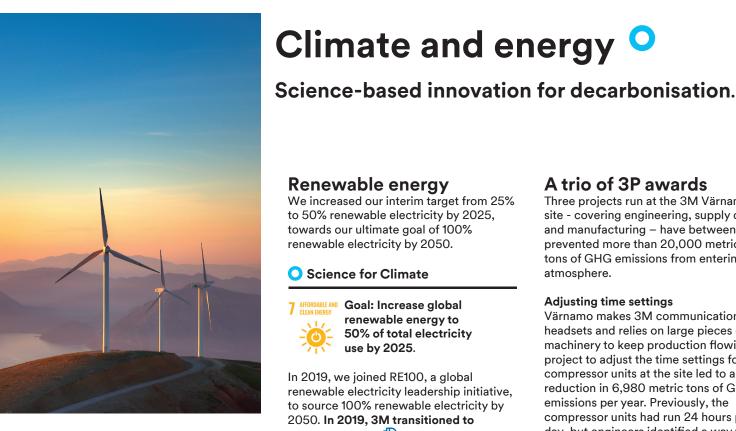


Goal: Achieve zero landfill status at more than 30% of manufacturing sites by 2025

At 3M, zero landfill means no byproduct is sent directly to landfill from a 3M manufacturing site in a calendar year. A site will continue to be a zero-landfill site as long as no manufacturing operations waste is sent to landfill. Waste, as defined here, does not include ash generated from 3M material sent to a waste-to-energy or incineration site controlled by a third party.

By the end of 2019,

of 3M sites had attained zerolandfill status, incl. Värnamo.



## Renewable energy

We increased our interim target from 25% to 50% renewable electricity by 2025, towards our ultimate goal of 100% renewable electricity by 2050.

#### Science for Climate

Goal: Increase global renewable energy to 50% of total electricity use by 2025.

In 2019, we joined RE100, a global renewable electricity leadership initiative, to source 100% renewable electricity by 2050. In 2019, 3M transitioned to



renewable electricity at our headquarters in St. Paul, Minnesota, which raised our total global renewable electricity usage to over 30% for the year.

#### **Energy management**

3M energy management is a team effort guided by the global 3M Corporate Energy Policy and coordinated by the Corporate Energy Management Team

#### Science for Climate



Goal: Improve global energy efficiency by 30%, indexed to net sales, by 2025.

**Goal: Reduce Nordic energy** usage by 15% by 2020.

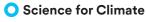
Between 2015 and 2019 our three manufacturing sites reduced their total energy usage by 5 percent.

2015 2016 2017 2018 1000 kWh. 48,467 46,521 45,176 54,154 46,000

Our energy usage in the three Swedish sites decreased by

indexed to net sales from 2015 to 2019.

#### **GHG** emissions





Goal: Ensure global GHG emissions are at least 50% below our 2002 baseline, while growing our business.

Since 2002, 3M has

reduced Scope 1 GHG emissions



and reduced absolute Scope 1 and 2 location-based GHG emissions by 68.1%.

#### **Energy Indexed to Net Sales** 1,7 1,65 1000 kWh / Millions \$USD 1,6 1,55 1,5 1,45 1,4 1,35 1,3 2015 2016 2017 2018 2019

#### A trio of 3P awards

Three projects run at the 3M Värnamo site - covering engineering, supply chain and manufacturing - have between them prevented more than 20,000 metric tons of GHG emissions from entering the atmosphere.

#### Adjusting time settings

Värnamo makes 3M communication headsets and relies on large pieces of machinery to keep production flowing. A project to adjust the time settings for compressor units at the site led to a reduction in 6,980 metric tons of GHG emissions per year. Previously, the compressor units had run 24 hours per day, but engineers identified a way to reduce the operating times to core weekly hours, reducing electricity use.

#### Switching from air to ocean freight

A supply chain project involved swapping the shipment of parts used in the manufacturing process from air freight to ocean freight. This meant a reduction of 28 flights from Hong Kong to Sweden each year and a reduction of air pollution by 21,600 metric tons of CO<sub>2</sub> annually.

#### Doubling the capacity of cavity tools

A manufacturing project focused on reducing plastic waste in the moulding process. This increased the capacity for cavity tools from one to two per cycle, saving 71 machine hours every month. As a result of the new process, plastic use will be reduced by 1,500 kg annually and savings in electricity use will prevent 13,980 metric tons of GHG emissions from entering the atmosphere.

Speaking about the 3P awards, EHS leader at the Värnamo site, Jeanette Enbom, said: "It is great to get this recognition for three of the projects that we ran in 2019. The electricity that we use at Värnamo comes from 100 per cent renewable sources and we run projects every year aimed at making our energy usage as efficient as possible.

"We have set up a Sustainability group at the site, made up of colleagues working in areas such as Engineering, Lean Six Sigma, Facilities and EHS, and we meet up regularly to explore new opportunities for further reducing our energy use. This is our key area of focus as we don't use any water in our manufacturing processes and our site has already achieved zero landfill waste status."

## **Suppliers**

## Our supply chain is an extension of our commitment to Sustainability.

We understand that our Sustainability impacts extend beyond our own operations. 3M works with a broad, complex supply chain, consisting of over 63,900 suppliers in over 270 subcategories in

109 countries around the world.



At each step in the supply chain there are benefits like employment and community-building as well as the potential for negative impacts like pollution or unsafe or unfair labour practices. Our commitment is to maximise the positives and mitigate the potential negatives by aligning our supplier expectations with our own corporate values.

#### The Supplier Responsibility Code

The <u>3M Supplier Responsibility Code</u> (SRC) outlines 3M's social and environmental expectations for new and existing suppliers anywhere in the world and for any supplied material or service. The SRC is based on 3M's corporate values for sustainable and responsible operations and aligns with the 10 Principles of the UNGC, of which 3M is a signatory.

The SRC is also consistent with the Code of Conduct of the Responsible Business Alliance.

A self-assessment questionnaire helps 3M understand supplier programmes and determine whether they conform to 3M expectations. An on-site assessment may be conducted by 3M or a third party to identify potential deficiencies addressed through the SRC Corrective Action Preventive Action process.

#### 0

Science for Circular



targ trac by 2

Goal: Drive supply chain Sustainability through targetted raw material traceability and supplier performance assurance by 2025.

In the past nine years, we have conducted over 6,900 self-assessments or on-site audits of suppliers in prioritised countries. In 2019, 3M completed over

#### **550**



#### assessments

which included the RBA framework and expanded from 18 to 31 countries, covering every region of the world.

In addition to the global SRC expectations for all suppliers, certain areas warrant additional expectations for responding to risks. Our Due Diligence Management System consists of the following elements, as seen below:

## Focus: responsible minerals sourcing

One prioritised area is the responsible sourcing of minerals. 3M deplores the violence and inhumane treatment that has occurred in the Democratic Republic of Congo and adjoining countries and is committed to supporting responsible sourcing of tin, tantalum, tungsten, gold, and cobalt from all such regions. Learn more in our Responsible Mineral Sourcing Policy and in Supplier Direct, Supplier Requirements.

#### Focus: pulp and paper

3M has also prioritised pulp and paper products due to potential environmental risks, such as deforestation and habitat loss; potential human rights issues, such as infringement of indigenous people's rights; and potential unsafe labour practices. We adopted our Pulp and Paper Sourcing Policy in 2015 to set standards of excellence for our suppliers through all tiers of supply from the forest. Visit our Sustainable Forestry website.



#### Supplier assessments

We partner with a third-party provider, Earthworn Foundation (EF), to help us review the information we obtain from our supplier surveys and combine that with geography and industry-specific knowledge to conduct "desktop" risk assessments of our supply chains. We use these assessments to prioritise further engagement and to learn more about our suppliers' responsible sourcing and sustainable forestry practices.

With the help of EF, we have conducted

## 14 field



assessments across all regions covering 16 million hectares.

#### 3M supply chain Due Diligence Management System

**Values** 

Establish

policies and

management

strong

systems

#### Transparancy



Identy and assess risks in the supply chain

#### Transformation



Design and implement a strategy to respond to identified risks

#### Verification



Audit supply chain duediligence

Report on supply chain duediligence activities

## Gagnef, Sweden

3M site spotlight



With 150 employees, the 5,500 square metre site sits on 7,500 square metres of land and supports 3M's Safety & Industrial Business Group. 3M Gagnef manufactures thousands of products for the Personal Safety Division including approximately 220,000 welding helmets.

The 3M™ Speedglas™ Welding Helmet brand is the world's leading product line of personal protective solutions for welding safety and is a vital part of 3M's diverse range of personal protective equipment.

3M Gagnef has been producing some of the world's most advanced welding face schields since its origin. The engineer Åke Hörnell developed the auto-darkening filter Speedglas in 1976 and founded Hörnell Elektrooptik in Gagnef in 1980, which later became Hörnell International. Over time, the company became the world leader in LCD technology-based welding helmets and was purchased by 3M Company in 2004.

Besides welding helmets, the 150 employees also produce the award-winning Adflo fresh air fan, which the welder uses together with his or her Speedglas™ helmet.

#### **Preventing Pollution**

3M's 3P programme is alive and well at 3M Gagnef, which has completed 44 3P projects since 2007. Most of these projects are focused on yield improvements but also include reduce, reuse and recycle, process modifications, equipment redesign, product reformulations and energy and water reduction.

Since 2007,

143



## metric tons of pollution have been prevented at Gagnef.

These achievements have mainly addressed reductions in waste and water. As seen from the graph on Gagnef's 3P pollution prevention achievements below, there are no achievements from 2019, as these projects are still ongoing.

On top of this achievement, the site has prevented more than

**4,650**<sup>1</sup>

GHG emissions since 2007.

## Optimising production processes

The Gagnef site is continuing to optimise its engineering and manufacturing processes to reduce waste as well as water and energy consumption.

A number of projects were carried out during 2019, including one to reduce plastic waste and improve yield in the moulding process. The moulding tools were reformulated and the manufacturing process was redesigned, resulting in a reduction of 3.5 metric tons of plastic waste annually.

This project is ongoing and therefore not part of the 2019 achievements, but is also expected to lead to a reduction in electricity and water use during the production process.

In addition, an initiative to re-use cardboard boxes that are used to stack and store components for welding helmets during the manufacturing process has saved 1.1 metric tons of cardboard from being scrapped every year.

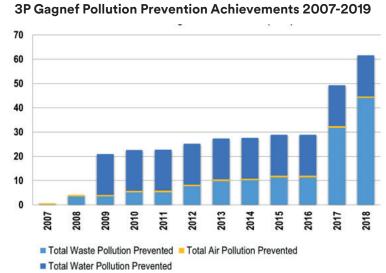
Previously, the boxes were used just once, but each one is now used up to ten times with no impact on quality.

Said EHS manager for 3M Sweden, Lars Stam: "The idea to re-use the cardboard boxes came from an employee working in production and this simple idea is resulting in big savings in cardboard waste.

"We actively encourage 3Mers working in engineering and maintenance to come up with ideas for further optimising our processes as they are the ones working on the front line. This gets more challenging each year; but projects like these show that there are still improvements that we can make to reduce our impact on the environment and save costs for 3M too."

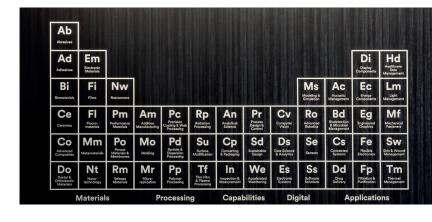
1 We have become aware of an error in our 2020 Sustainability Report. We reported that our Gagnef site had prevented more than 52,000 metric tons of total GHG emissions since 2007. This should have been reported as the prevention of 4,650 metric tons of total GHG emissions."

First year savings cumulative totals (Short tons)



## What we create

Our customers' challenges are our challenges.



Using our 51 Technology **Platforms** and collaborative culture, our people apply their talent to combine technologies across businesses, creating unique solutions for our customers and society, all in support of the greater good.

## Our customers

Whether it's technology, manufacturing, global capabilities or our brand, we are committed to connecting our strengths to those of our customers. Our four strategic priorities deliver value for our customers: portfolio management, transformation, innovation and people and culture.

In April 2019, 3M realigned from five to four business groups to enable our company to better serve global markets and customers. Our innovation is based on customer and market insights, technology and a culture of collaboration and entrepreneurship.

We strive to invent products that are not only new, but useful. That is why 3M scientists based in our 56 customer technical centres work directly with customers to solve their unique challenges. In our centre in Sweden, our customers can experience first-hand the breadth of 3M technologies and see how they can benefit from them.

We also have labs and application engineering capabilities in 50 countries, including our lab in Sweden. All Nordic countries have a Customer Innovation Centre where products and technologies are on display for our customers.

#### **Science for Community**



Goal: Provide training for five million people globally on worker and patient safety by 2025.



We deliver educational content to health care professionals in hospitals and clinics, at conferences and via online webinars through the 3M™ Health Care Academy. This helps professionals improve outcomes for their patients and customers.

Our purpose is the same for our Personal Safety Division, where we instruct workers on workplace safety hazards and health risks, PPE, and the proper use and maintenance of 3M products.

In 2019, the total number of training interactions was

589,000. 😃



This includes our e-learning platforms and in-classroom events globally.

## **Innovation** management

At 3M, we apply science to improve lives.

When developing products, 3M's business groups can draw on 51 Technology Platforms. These are the engine of our company's innovation and allow us to apply science from one area to advance another.

In 2019, we invested almost

**5.9 %** 



Said Pontus Broddner, Senior R&D Global Key Account Leader: "The 3M R&D activities in Sweden focus on, and spring from, a long tradition of developing products to keep people safe in their workplace.

"The products from Gagnef protect welders from damaging light, radiation and fumes while enabling them to work comfortably and productively.

"In Värnamo we develop products that protect the hearing of professionals and people exposed to noisy environments. By tapping into digitalisation, these products are more intelligent with new capabilities.

"At Västervik we have a long tradition of producing world-leading abrasives for widespread use in the manufacturing industry. We continuously optimise the manufacturing processes for these products to drive improvements in areas such as sustainability."

#### Creative 15 % culture

Our 15 % Culture — introduced six decades ago - inspires creativity, risk-taking and collaboration. It gives employees the freedom to take risks and learn from mistakes, which is essential for scientific discovery. Employees can use 15% of their time on their own projects.

3M has been awarded more than 120,000 patents, with an average of

3,780



patents per year, for the past 5 years.



#### **Product stewardship**

Responsibility for product stewardship at 3M is shared between 400 product stewards who help ensure our products meet or exceed the requirements of 3M policies, government regulations and our customers. 3M's Product Safety, Compliance and Stewardship Policy underscores our commitment to commercialise and sell products that are safe for their intended use; compliant with all applicable EHS regulations and 3M expectations; while continuously ensuring EHS improvement.

Chemicals Management Policy
3M's Chemicals Management Policy
identifies specific chemicals whose
use in products and manufacturing
processes are subject to restrictions or
specific management actions.

## Advertising and Product Representation

It's our policy to represent our products truthfully, fairly and accurately in all sales, advertising, packaging and promotional materials. All product claims must be substantiated and technically accurate, as specified by the Advertising and Product Representation Policy.

Principle Hazard communication
Communicating the potential hazards of 3M materials supports 3M's core values and is an integral part of keeping stakeholders informed. These hazards and product chemical components are communicated in <u>safety data sheets</u>, product labels, instructions for use, transportation classification documentation and the <u>Ingredient Communication website</u> on 3M.com.

#### Life cycle management

Life cycle management (LCM) is 3M's approach to ensuring that EHS and associated regulatory considerations are integrated into the development and commercialisation of 3M products through 3M's New Product Introduction (NPI) process. During NPI, our business teams provide LCM deliverables such as raw material composition; assessments in human health and environmental toxicology; electrical and mechanical safety; conformance to regulatory and customer EHS requirements; and hazard communication documents.

#### **Life Cycle Assessments**

In addition to the LCM programme, which applies to all 3M products, we also conduct ISO 14040-compliant Life Cycle Assessments (LCAs) for prioritised 3M products. At 3M, we primarily focus on cradle-to-gate LCAs, since the majority of our products have a variety of uses and disposal life cycle stages that are difficult to characterise.

We also complete ISO 14040—compliant cradle-to-gate LCAs for several intermediates and internally produced chemicals. The evaluation of these materials allows us to better understand the potential environmental impacts of key components and processes used in the production of our products.

#### Global certifications

In 2019, 3M LCA teams in the U.S. and Europe renewed their process certifications using The International EPD® (Environmental Product Declaration) System.

This was to demonstrate that an appropriate management system is in place to produce scientifically sound, technically defensible LCAs and EPDs. This global certification of the LCA process for multiple parts of our organisation is thought to be the first of its kind.

Similar to other quality management certifications, we are expected to continuously monitor and improve systems and processes to guarantee ongoing compliance with standard requirements. To that effect, LCA services are widely promoted within the 3M community, using training sessions, fact sheets and other means of communication.

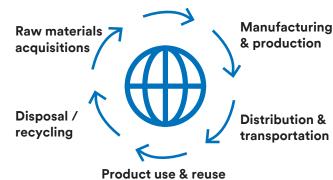
Said Jonas Depelchin, EMEA LCA Leader: "LCA is a reliable and efficient method of evaluating a product's Sustainability performance and is a good solution for boosting the product's environmental profile. LCA allows us to analyse both the bigger picture and the details of a product's life cycle. The fact that LCA is science-based and driven by standards is the reason for LCA becoming increasingly important in green building certification schemes, public bids and tenders or eco-design principles. Being transparent about the product's environmental properties is what matters nowadays and generates a significant Leap to Competitive Advantage."

In 2019, an EPD was published for 3M™ Envision™ Print Wrap Film LX480mC. With a strong public focus on improving the Sustainability properties of the Construction sector, projects were started in 2019 for a new range of Flexible Air Sealing Tapes as well as Solar Window Films, both of which will result in the publication of EPDs in 2020.

#### What the world thinks of Science

At 3M, science is important to us. It's what fuels our vision. In 2018 we conducted our own research to understand what the world thinks of science. The results have been published in the 3M State of Science Index.

#### Research & development



## Our products

#### Embedding a Sustainability Value Commitment within all business groups.

At 3M, we share technology, manufacturing, marketing and other resources across our four business groups to increase our speed and efficiency bringing product solutions to different markets.

Science for Circular







Goal: Every 3M product entering the new product commercialisation process will include a Sustainability Value Commitment that demonstrates how it drives impact for the greater good.

In 2019, 100% of the new products entering the commercialisation process had a SVC attributed to them.

A SVC is a clear demonstration of how the product incorporates environmental or social factors such as reusability; recyclability; energy, waste and water savings; and responsible sourcing or the use of renewable materials appropriate to the specific product from the beginning to the end of its lifecycle.

This commitment can also stem from the purpose of the product if it helps to solve an environmental or social challenge, such as improving air quality, reducing GHG emissions or improving worker and patient safety in health care and industrial settings.

Our new SVC goal embeds Sustainability into 3M's pipeline of new diverse global products.

Throughout 2019, we deployed our 3M|Grow system to incorporate our SVC in each phase of product development, from initial idea to launch.

#### Safety & Industrial



#### **Driving industrial** performance; better, safer, connected.

- Roofing granules that harness the power of the sun to help improve air quality.
- Light-redirecting films, tapes and materials that enable high-efficiency solar panels.
- Wind protection tapes that help improve wind turbine uptime.

#### **Health Care**



#### Using the power of 3M science to help make better health possible for people around the world

- 3M<sup>™</sup> Ioban Antimicrobial Incise Drapes effectively help prevent surgical site infection.
- 3M<sup>™</sup> Petrifilm<sup>™</sup> Plates use 79% less water when compared with traditional agar test methods
- Temperature-monitoring equipment that reduce the risk of patient infection during surgery.

#### Transportation & **Electronics**



#### Advanced transportation and a connected world

- Light-weighting vehicles for fuel efficiency.
- Energy-saving window films.
- Water and chemical waste-reducing cleaning solutions.
- 3M™ Envision™ Wrap Films made in part with bio-based materials recognised with a GREENGUARD Gold Certification.

#### Consumer



#### Bringing 3M to the hearts and minds of consumers

- 3M<sup>™</sup> Thinsulate<sup>™</sup> 100% Recycled Featherless Insulation made from plastic bottles.
- Post-it® Super Sticky Notes are made with plant-based adhesive (60% by weight).
- Post-it® Flex Write Surface with a 60% plant-based adhesive backing that can be written on with both dry-erase and permanent markers, only to be wiped clean with water. No chemical cleaning

# | About | Report

#### Report period

Current issue: June 12, 2020 Next issue: May 2021 Previous issue: May 6, 2019 This report provides a summary of the activities carried out in the fiscal year 2019 (January 1 to December 31, 2019).

#### Report scope

The report is based on our corporate Sustainability report that covers 3M's owned manufacturing sites and leased facilities worldwide, where 3M has full operational control. Where specified, data and achievements are also included for our sites in Denmark (DK), Finland (FI), Norway (NO) and Sweden (SV).

#### **Data collection**

Topics included in this report, and the material aspects we cover, were prioritised based on our corporate Sustainability report and relevance. The data is based on activities carried out during 3M's fiscal year 2019, but for some performance indicators the previous year's data is provided to allow for annual comparisons. All units are listed in the metric system.

#### Reporting standards

3M is subject to the requirements of the Danish Financial Statements Act sections 99a and b and the Swedish Annual Accounts Act on Non-Financial-Reporting. This report complements the 3M a/s and 3M Svenska AB Annual reports. Collectively 3M's Annual Reports 2020 and its 2020 Sustainability Report fulfil the requirements of Non-Financial-Reporting by accounting for the company's business model and reporting related to environment, climate, human rights, labour and social conditions, anticorruption and gender distribution.

#### **Availability**

The report is available as an online version on our local country websites under 'About 3M'. This is the continued story of our purpose #improvinglives

## Sustainable development goals

As a global corporation, contributing to society through diverse markets, we believe that we have a significant responsibility to advance the United Nations SDGs across the world.

Science for Circular	UN SDG	SDG Targets
Reduce global water use by an additional 10%, indexed to sales.	G CREAM MATER AND SAMPLYDICKS	<b>6.4:</b> By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address wate scarcity and substantially reduce the number of people suffering from water scarcity.
Engage 100% of water-stressed / scarce communities where 3M manufactures on community-wide approaches to water management.	G CREAM MATER AND SAFETURES	6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate and/or 6.B: Support and strengthen the participation of local communities in improving water and sanitation management.
Invest to develop more sustainable materials and products to help our customers reach their environmental goals.  AND  Sustainability Value Commitment.	8 EKENET CEGIX AND EKENETUL SEGRETH	8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.
	9 HELITINE HOLDANINE SOUTHWAST HETILE	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	12 RESPONSIBLE ORIGINATION AND PRODUCTION	12.2: By 2030, achieve the sustainable management and efficient use of natural resources and/or 12.5: By 2030 substantially reduce waste generation through prevention, reduction, recycling, and reuse.
Achieve zero landfill status at more than 30% of manufacturing sites.	12 RESPONSIBILE ON ANY PROPERTY OF THE PRODUCTION	12.2: By 2030, achieve the sustainable management and efficient use of natural resources and/or 12.7: promote public procurement practices that are sustainable, in acc. with national policies & priorities.
Reduce manufacturing waste by an additional 10%, indexed to sales.	12 RESPONSIBLE CHRONOLOGICAL CONTROL C	<b>12.5:</b> By 2030 substantially reduce waste generation through prevention, reduction, recycling, and reuse.
Drive supply chain Sustainability through targeted raw material traceability and supplier performance assurance.	15 of two	15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and increase afforestation and reforestation globally.



Science for Climate	UN SDG	SDG Targets		
Improve energy efficiency indexed to net sales by 30%.	7 ATTOCAGE IND	7.3: By 2030, double the global rate of improvement in energy efficiency.		
Increase renewable energy to 50% of total electricity use (increased from 25%).	7 ATTORIZACIE IND GER DECKY	7.2: By 2030, increase substantially the share of renewable energy in the global energy mix and/or 7.A: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology and promote investment in energy infrastructure and clean energy technology.		
Ensure GHG emissions at least 50% below our 2002 baseline, while growing our business.	13 ACTER	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.		
Help our customers reduce their GHGs by 250 million tons of CO2 equivalent emissions through use of 3M products.				
Science for Community	UN SDG	SDG Targets		
100% participation in employee development programs to advance individual and organizational capabilities.	8 ERGENT VOLEX AND EDGENTH	<b>8.5</b> : By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.		
Double the pipeline of diverse talent in management to build a diverse workforce.	5 RUALTY	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic & public life.		
	10 IEDASB HEROUTES	10.2: By 2030, empower and promote the social, economic & political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.		
Provide training to 5 million people globally on worker and patient safety.	3 NO ASIT-FERE	<b>3.C</b> : Substantially increase health financing and the recruitment, development, training, and retention of the health workforce in developing countries, especially in least developed countries and small island developing states.		
	8 BEGON VOLK AND BEGONDING GEOMETH	8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.		
Provide 300,000 work hours of skills- based volunteerism by 3M employees to improve lives and help solve society's toughest challenges.	12 REPORTED CONSTITUTION OF THE CONSTITUTION O	12.A: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.		
	17 PRETAINERING TO THE COALS	17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources to support the achievement of the sustainable development goals in all countries, in particular developing countries.		
Invest cash and products for education, community, and environmental programs.	1 Poesty Martin	2 7150 4 CHAITY 8 BROHNELEOFF 10 NECONOLIST 11 SECONOLIST 12 CHOTCHIS INSTRUMENTAL THE CONTROLLS INSTR		



#### Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i 3M Svenska AB, org.nr 556021-9684

#### Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2019 och för att den är upprättad i enlighet med årsredovisningslagen.

#### Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

#### Uttalande

En hållbarhetsrapport har upprättats.

Kista 11 juni 2020

Öhrlings PricewaterhouseCoopers AB

Robert Nyholm Auktoriserad revisor

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