

**3M Company - 2011 Sustainability Report**  
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1-888-3M-HELPS

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## I. 3M Overview

3M is fundamentally a science-based company. We produce thousands of imaginative products, and we're a leader in scores of markets - from health care and highway safety to office products and abrasives and adhesives. Our success begins with our ability to apply our technologies - often in combination - to an endless array of real-world customer needs. Of course, all of this is made possible by the people of 3M and their singular commitment to make life easier and better for people around the world.

3M is a \$27 billion diversified technology company with leading positions in the following six business segments: consumer and office; display and graphics; electronics and telecommunications; health care; industrial; safety, security and protection services; transportation and other businesses. Headquartered in St. Paul, Minnesota, the company has operations in more than 65 countries and serves customers in nearly 200 countries. 3M is one of the 30 stocks that make up the Dow Jones Industrial Average and also is a component of the Standard & Poor's 500 Index.

We began selling our products outside the United States in 1929, and established an International Operations organization in 1951. Today, more than half of 3M's sales come from outside the United States.

### Our Global Presence

3M businesses span the globe. Our businesses share leading-edge technology platforms, world-class manufacturing operations, extensive marketing channels and powerful brands. 3M's headquarters is in St. Paul, Minnesota. We operate companies in 30 U.S. states and in more than 65 countries. More than half our sales come from outside the United States.

- **More 3M Facts:** [http://solutions.3m.com/wps/portal/3M/en\\_US/History/3M/Company/about-us/](http://solutions.3m.com/wps/portal/3M/en_US/History/3M/Company/about-us/)
- **More Information on 3M Brands:** [http://solutions.3m.com/wps/portal/3M/en\\_US/Prods/3M-Brands/](http://solutions.3m.com/wps/portal/3M/en_US/Prods/3M-Brands/)
- **More Information on 3M Business Segments:**  
[http://solutions.3m.com/wps/portal/3M/en\\_US/History/3M/Company/business/](http://solutions.3m.com/wps/portal/3M/en_US/History/3M/Company/business/)
- **3M Products & Services:** [http://solutions.3m.com/wps/portal/3M/en\\_US/Products/ProdServ/](http://solutions.3m.com/wps/portal/3M/en_US/Products/ProdServ/)
- **3M Technologies:** [http://solutions.3m.com/wps/portal/3M/en\\_US/3M-Technologies/Home/](http://solutions.3m.com/wps/portal/3M/en_US/3M-Technologies/Home/)
- **A Brief Introduction to our Company:**  
[http://solutions.3m.com/3MContentRetrievalAPI/BlobServlet?locale=en\\_WW&lmd=1254231115000&assetId=1114293470864&assetType=MMM\\_Image&blobAttribute=ImageFile](http://solutions.3m.com/3MContentRetrievalAPI/BlobServlet?locale=en_WW&lmd=1254231115000&assetId=1114293470864&assetType=MMM_Image&blobAttribute=ImageFile)

## II. Sustainability Strategy and Analysis

### 3M's Sustainability Vision

#### Our Vision

3M's commitment is to actively contribute to sustainable development through environmental protection, social responsibility and economic progress. To us, that means meeting the needs of society today, while respecting the ability of future generations to meet their needs.

#### Corporate Values

3M's sustainability policies and practices are directly linked to our fundamental corporate values:

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

## **Sustainability Strategies**

### **Strategic Principles**

In 2008, 3M launched a project to develop three strategic principles around sustainability. 3M's strategies for sustainability encompass the pursuit of customer satisfaction and commercial success within a framework of environmental, social and economic values. These principles were developed to provide 3M businesses and corporate staff groups with a flexible framework to engage our customers and key stakeholders around sustainability including help our customers address environmental challenges through 3M products and technologies.

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

### **Key Objectives around Sustainable Development**

For more than 100 years, 3M has achieved consistent, profitable growth by creating innovative products, establishing strong relationships with customers and boosting operational efficiency. At the same time, we've created a culture that promotes employee pride and well-being, fosters integrity and supports social and environmental responsibility. Each year, 3M continues to move toward sustainability and strives to raise the bar on corporate environmental, social and economic management. In order to ensure continuous improvement, we annually reevaluate and/or identify new key sustainability objectives for the company.

These key issues are identified through 3M's management systems such as ISO 14001, Six Sigma methodology, and feedback from our stakeholders. A few of 3M's key objectives around sustainable development include:

#### **3M's Key Objectives**

- Manage our environmental footprint.
- Develop solutions that address environmental and social challenges for our customers and society.
- Assuring our products are safe for their intended use through their entire life cycle.
- Assuring the appropriate management of any 3M health and safety issues that may touch customers, neighbors and the public.
- Maintaining a safe and healthy workplace.
- Satisfying our customers with superior quality and value.
- Providing a supportive, flexible work environment.
- Supporting local needs and education in communities where 3M employees live and work.
- Conduct our business with the uncompromising honesty and integrity.
- Provide an attractive return for our investors.

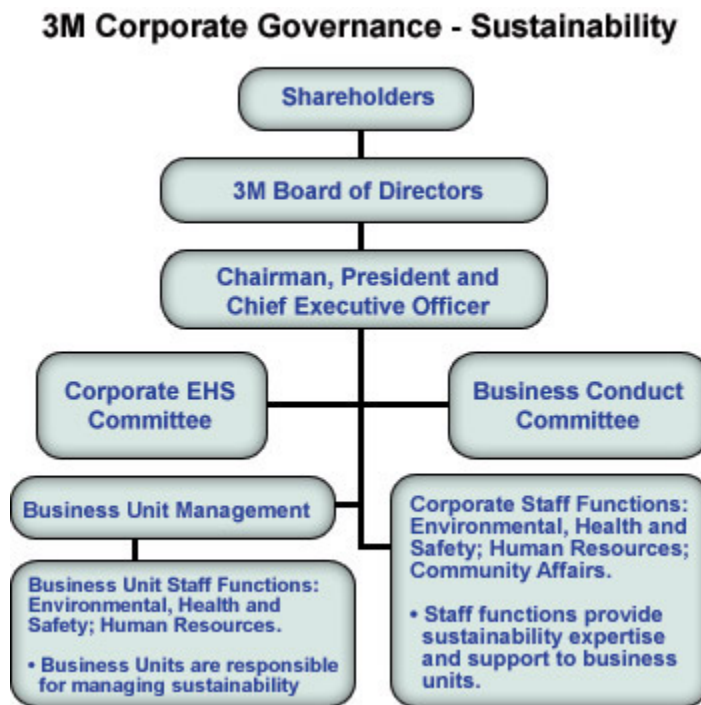
## 3M's Governance Structure

3M's actions are guided by our corporate values of uncompromising honesty and integrity. We are proud to be recognized worldwide as an ethical and law-abiding company. As a company, we are committed to sustainable development through environmental protection, social responsibility and economic progress. Our guiding principles in this endeavor include a commitment to making decisions based on sound science.

The 3M Board of Directors addresses sustainability issues by:

- Reviewing public policy and social trends affecting 3M.
- Monitoring the company's corporate citizenship activities.
- Evaluating company policies and programs to enable 3M to respond appropriately to its social responsibilities and the public interest in the conduct of its businesses, including activities related to the improvement of the environment and community relations.

3M's Corporate Environmental, Health and Safety Committee and its Business Conduct Committee consist of 3M executives and set policies and directions to move the company toward sustainability. 3M's environmental, medical, safety, human resources, community affairs and other staff groups provide the technical expertise to help business units carry out 3M's sustainability policies and directions.



- **3M's Leadership Team:** <http://phx.corporate-ir.net/phoenix.zhtml?c=80574&p=irol-govmanage>

### **3M's Board of Directors, an Independent Body**

3M's Board of Directors believes in having a substantial majority of independent directors on the 3M Board. Pursuant to the New York Stock Exchange listing standards, the board has adopted Director Qualification Standards concerning the determination of director independence. In accordance with these standards, the board must affirmatively determine that a director has no material relationship with the company (directly or as a partner, shareholder, or officer of an organization that has a relationship with the company) other

than as a director. The 3M Board of Directors has determined that every director, with the exception of the Chairman, President, and Chief Executive Officer, George W. Buckley, is independent under these standards.

### **Maintaining Excellence**

The Board's Nominating and Governance Committee periodically reviews with the 3M board the requisite skills and characteristics of its members. 3M's Corporate Governance Guidelines contain Board Membership Criteria that apply to nominees for a position on 3M's Board of Directors. The committee periodically reviews with the board the appropriate skills and characteristics required of board members given the current board composition. It is the intent of the board that the board, itself, be a high performance organization creating competitive advantage for 3M. To perform as such, the board is composed of individuals who have distinguished records of leadership and success in their arena of activity and who will make substantial contributions to board operations and effectively represent the interests of all stockholders.

### **Identifying Opportunities & Risks in Relating to Sustainable Development**

The Board's Public Issues Committee reviews public policy issues and trends affecting the company. It also reviews and advises on 3M's environmental, health and safety programs and compliance, human resources programs, as well as corporate contributions and 3M Foundation programs. It also reviews and approves the company's response to stockholder proposals relating to public policy issues. In addition, the committee:

- Monitors 3M's corporate citizenship activities.
- Offers advice, insights and makes recommendations regarding policies, programs, actions and procedures to enable 3M to continue to respond appropriately to our social responsibilities and the public interest in our business affairs, including activities related to the environment, human resources, labor and community relations.

The Board of Directors has determined that all Public Issues Committee members are "independent" under the New York Stock Exchange listing standards.

### **Shareholder Input**

3M values shareholder input. Stockholders may communicate with the chairs of the Audit, Compensation, Nominating and Governance, and Public Issues Committees of the board, or with our independent directors, by sending a letter to the following address: 3M Company, c/o Corporate Secretary, 3M Center, Building 0220-13W-39, St. Paul, MN 55144-1000.

### **Business Conduct**

Throughout 3M's more than 100 years, we have worked hard to earn our reputation of trust, integrity and ethical business practices. Guiding us are 3M's Business Conduct Policies and the values that are at the core of our company. Our Business Conduct Policies spell out what lawful and ethical conduct mean in every aspect of our operations -- from key decisions about 3M's strategic direction to everyday decisions and conduct on the job everywhere in the world where 3M does business.

Although 3M has business operations in more than 65 countries, we have only one set of Business Conduct Policies that apply globally. It sets a high standard of conduct for every employee. The 3M Business Conduct Manual helps define our everyday ethical and lawful business conduct. This manual is available to employees electronically and in print.

All 3M employees, supervisors, managers and other leaders are responsible for understanding the legal and policy requirements that apply to their jobs and for reporting any suspected violations of the law or 3M's Business Conduct Policies. Training is provided to help employees understand their responsibilities and the resources available to them. Executives and managers also are accountable for creating and promoting, by sound leadership and good example, a workplace environment in which compliance and ethical business conduct are expected and encouraged.

- **3M's Business Conduct Web Portal:** [http://solutions.3m.com/wps/portal/3M/en\\_US/businessconduct/bcmain/](http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/)
- **3M's Business Conduct Policies:**  
[http://solutions.3m.com/wps/portal/3M/en\\_US/businessconduct/bcmain/?WT.mc\\_id=www.3m.com/businessconduct](http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/?WT.mc_id=www.3m.com/businessconduct)

- **CEO Commitment to Legal and Ethical Business Conduct:**  
[http://solutions.3m.com/wps/portal/3M/en\\_US/businessconduct/bcmain/ceo/ceochairman/](http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/ceo/ceochairman/)
- **Investigations and Findings:** [http://solutions.3m.com/wps/portal/3M/en\\_US/businessconduct/bcmain/about/additional-info/](http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/about/additional-info/)

### 3M Public Policy

With operations in more than 65 nations and leading positions in a wide range of businesses and markets, developing 3M public policies can be a complex process. 3M manages this challenge by working with local, national and international government agencies and through membership organizations. In the United States, an evaluation process developed by the 3M Public Affairs Department establishes a public policy agenda of issues impacting our businesses. Internationally, 3M managing directors of host country businesses are responsible for evaluating and determining key government issues in their respective countries.

The Top-10 list of Public Policy Issues serves as a roadmap for company activities to include lobbying, trade association work, executive involvement, political contributions, grassroots communications and advocacy involving employees and retirees, as well as meetings with federal and state government officials. In selecting which priority issues make 3M's Top-10 list, the company uses a number of screens. Chief among these screens are issues with the potential to significantly affect 3M's financial performance and/or our corporate reputation. Other screens are immediacy of impact on the company; situations in which 3M may be uniquely advantaged or disadvantaged; importance based on instinct and/or history; or employee/retiree satisfaction. This list of priorities helps the Corporate Public Affairs team focus on those issues that have the greatest impact on the company. Finally, and probably most importantly, the Top-10 list of issues helps to ensure that the many faces of 3M always speak with a single, unified voice. Bottom line: the Top-10 list serves as the guide for advancing 3M's public policy goals and growth-through-government objectives.

#### **Example: Top 10 3M Public Policy Issues in the United States (as of May, 2011)**

1. **Tax Policy** – Tax reform is essential to ensuring the long-term competitiveness of American businesses and workers. 3M believes business tax reform should focus on a significant reduction of the corporate income tax rate, making the research credit permanent, creating incentives for U.S.-based IP ownership and simplifying the tax code.
2. **Health Care Policy** – The U.S. health system should remain market-driven and efforts to address the uninsured should not weaken the current employer-based coverage system. 3M believes implementation of the health care law should focus on increasing efficiencies within the system as well as improving quality outcomes and patient safety.
3. **Environmental Policy** – Environmental policy and regulations should be guided by science-based decision making and a commitment to sustainability. Over a decade ago, 3M began to make significant investments that were designed to reduce its environmental impacts; those investments continue today. 3M supports prudent and meaningful actions to reduce greenhouse gas emissions. Specifically, we support the development of a cap-and-trade system for these emissions, so long as the system provides credit for companies (like 3M) that already have achieved significant reductions.
4. **Homeland Security** – 3M believes our nation's homeland security and defense preparedness should be strengthened through improved border and immigration security, improved force protection measures, additional support for first responders, and planning for pandemics or other national emergencies.
5. **Energy Policy** – National (and state) policies should ensure a continuous, reliable and uninterrupted supply of energy at competitive rates. 3M supports policies that address new sources of energy, alternative energy, faster adoption of technology and improved energy efficiency.
6. **International Trade Policy** – 3M believes the U.S. economy and American jobs depend on the expansion of free and fair trade through the passage of new trade agreements, such as those pending with the Republic of Korea, Panama, and Colombia. Additionally, 3M supports renewal of the president's Trade Promotion Authority so as to allow additional agreements to be negotiated. International trade policy also requires a level playing field, including recognition, protection, and enforcement of intellectual property rights and trading rules.



7. **Transportation Infrastructure Policy** – The maintenance and improvement of the nation's transportation infrastructure – which is important to 3M as a supplier of traffic safety and construction products, and as a user of the system – can only be achieved if the Highway Trust Fund remains solvent. 3M believes all highway user fees should be dedicated to the fund; additional steps should be taken to crack down on fuel tax evasion; and Congress should consider other measures, if necessary, to ensure the fund's solvency.
8. **Economic Development Policy** – 3M supports state government policies designed to incentivize capital investment and sustainable job creation. In particular, we believe state tax policy should reward both job creation and plant expansion and modernization investments. Worker training programs are also an important tool in a state's economic development portfolio. Additionally, ongoing regulatory reform should always be a part of the mix.
9. **Labor Policy** – 3M supports the full measure of rights provided to employers and employees under the National Labor Relations Act. This federal law allows both employers and unions the opportunity to explain the advantages of having a union or not. A key provision of the Act allows employees to cast their vote, either to accept or reject union representation, in a secret ballot election conducted by the National Labor Relations Board. 3M opposes any legislative or regulatory efforts to diminish or eliminate secret ballot elections for employees.
10. **Retirement Security** – Retirement security relies on a balance of Social Security, pensions and private savings. 3M believes government policies should ensure the viability of all options while maintaining the ability of employers to provide and effectively manage retirement benefits to employees.

### 3M Public Policy Issues Evaluation Process

3M's list of Top 10 public policy priorities helps the 3M Corporate Public Affairs team focus on issues that have the greatest impact on the company. The Top 10 List helps communicate 3M's perspective and guides its activities in the areas of lobbying, trade association work, political contributions, grassroots communications and advocacy involving employees and retirees, as well as in meetings with federal and state government officials.

The overall objectives of 3M's Top 10 public policies are to:

- Make the case for tax reform and lower U.S. corporate tax rates for a more level global playing field.
- Make the case for reducing the burden and costs of unnecessary U.S. regulations to allow for stronger global competition.
- Advance legislation that is in the best interest of 3M employees, retirees and the company as a whole.
- Help 3M businesses sell their products to federal, state and local governments.

### Economic Management: Building an Even Stronger 3M

A recognized leader in research and development, 3M produces thousands of innovative products for dozens of diverse markets. 3M's core strength is applying its 45 distinct technology platforms – often in combination – to a wide array of customer needs.

### The Company's Key Strengths

- **Strong Technology Base**  
Virtually anywhere you go, 3M technologies are at work – making life easier and better for people around the world. You'll find 3M technologies and products in homes, offices, hospitals, dental offices, manufacturing facilities, cars, aircraft, traffic signs, LCD displays and countless other places. Drawing on more than 40 technology platforms, 3M employees use their imagination to develop products that transform existing industries and create entirely new ones.

- **Leading Market Positions**  
3M is a world leader in most of its businesses. We've created many markets, frequently by developing products that fulfill unarticulated customer needs.
- **Healthy Mix of Businesses**  
3M serves a broad array of markets, providing many avenues for growth and cushioning the company from disruptions in any single market. 3M has a worldwide presence in the following markets: consumer and office; display and graphics; electro and communications; health care; industrial and transportation; and safety, security and protection services.
- **Well-Known Brands**  
Representing quality, innovation and reliability, 3M brands earn customer loyalty, encourage repeat purchases and motivate users to try new 3M products.
- **Worldwide Presence**  
We have companies in more than 65 countries around the world, and we sell our products in nearly 200 countries. More than half of our sales are outside the United States.

### 3M's Four Elements of Strategic Focus

George W. Buckley became 3M Chairman, President and Chief Executive Office effective December 7, 2005. In May of 2006, Buckley outlined four elements of strategic focus that comprise the company's emerging strategy for growth. These strategies remain in force today:

- **Grow the current core business**  
"We'll build first where 3M is strong, defend and expand market presence, and build size and scale. We will also grow through continuous invention and reinvention in our core businesses - the marketplace manifestations of 3M imagination and 3M innovation", Buckley said.
- **Complementary acquisitions to support both the core and expansion into adjacent markets**  
3M will also become more active in identifying and completing acquisitions to complement core businesses, usually in the form of smaller 'bolt-ons' to product lines or geographies. "In addition, acquisitions will help us enter adjacent markets and build business in new spaces more quickly," Buckley said.
- **Build new business via Emerging Business Opportunities**  
3M announced the formation of several Emerging Business Opportunities (EBOs) - growth-oriented units to address commercial opportunities presented by the mega trends of society. "3M has enormous opportunity to flourish in high-growth spaces like track and trace, filtration, energy and minerals extraction, and food safety," Buckley said.
- **Significantly increase investments in international opportunities**  
International growth plans include doubling investments in the developing economies of Brazil, Russia, India, China and Poland in the years ahead. "International remains our single largest growth platform and we intend to invest to fully capitalize on opportunities around the world," Buckley said.

### Additional Links

- **Investor Relations:** <http://phx.corporate-ir.net/phoenix.zhtml?c=80574&p=irol-IRHome>
- **2010 Annual Report:**  
<http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9ODY3NTB8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>
- **3M Technologies:** [http://solutions.3m.com/wps/portal/3M/en\\_US/3M-Technologies/Home/](http://solutions.3m.com/wps/portal/3M/en_US/3M-Technologies/Home/)
- **3M Products:** [http://solutions.3m.com/wps/portal/3M/en\\_US/Products/](http://solutions.3m.com/wps/portal/3M/en_US/Products/)

### Corporate Sustainability Goals

#### 3M Launches New 2015 Sustainability Goals

In 2011, 3M launched a set of new corporate goals that are designed to drive progress on 3M's sustainability principles around economic success, environmental stewardship and social responsibility. These new goals were endorsed by 3M's CEO (George

Buckley) and the Corporate Operating Committee in November 2010. They goals build on the great progress 3M has made to reduce its environmental footprint through Environmental Targets 2010 (ET'10).

The new 2015 Sustainability Goals take this work one step further by expanding the focus to include social responsibility and economic success in addition to environmental protection.



2015 Sustainability Goals	3M's Strategy to Achieve These Goals
<b>Environmental Stewardship</b>	
Reduce Volatile Air Emissions 15% <i>by 2015 from 2010 base year, indexed to net sales</i>	Developing solventless technologies, promoting pollution prevention, and using of pollution control equipment
Reduce Waste 10% <i>by 2015 from 2010 base year indexed to net sales</i>	Prevent waste at the source, reuse waste internally, and enhance recycling efforts
Improve Energy Efficiency 25% <i>by 2015 from 2005 base year, energy efficiency is defined as energy use indexed to net sales</i>	Continue site-specific reductions through project identification and prioritized plans and continue to partner with the US Environmental Protection Agency & Department of Energy.
Reduce Greenhouse Gas Emissions 5% <i>by 2011 from 2006 base year, indexed to net sales</i>	Energy conservation, process/product changes, and emissions control.
Develop Water Conservation Plans <i>for 3M sites Located in Areas With Scarce or Stressed Water Resources</i>	Focus efforts where water availability is threatened and engage with local communities on developing conservation plans.
<b>Social Responsibility</b>	
Develop Community Stakeholder Engagement Plans for Select Manufacturing Sites	Encourage open dialogue and information sharing with our neighbors and encourage community service/volunteerism among our employees.
Promote a Road to EHS Excellence at New 3M Sites	Ensure acquired facilities implement framework to promote EHS management, increase visibility of EHS issues during acquisition integration, and develop road maps for new facilities to integrate 3M's EHS Management System
<b>Economic Success</b>	
80% of Supplier Spend is Reviewed <i>to Drive Conformance with 3M EHS, Transportation &amp; Labor/Human Relations Standard by 2015 in the following countries: China, India, Korea, Malaysia, Taiwan, Thailand, Brazil, Mexico, Russia, and Turkey.</i>	Ensure business continuity with key suppliers, engage suppliers about the importance of Environmental Health, Safety Transportation & Labor/Human Relations management, perform due diligence in countries with less government oversight, and use spend as the variable to manage the largest business risks.
Enhance the Environmental Sustainability Attributes of New Products	Encourage the development of new products that help our customers address environmental challenges and educate 3Mers globally on environmental issues and trends.

## A Long History of Setting Goals to Drive Progress through Eco-Efficiency

3M has been working to reduce its environmental footprint through corporate environmental goals since 1990. A summary of those goal programs can be found below.

### History of 3M's Environmental Targets

Date Range	Program Name(s)	Target(s)	Accomplishment			
1990-2001	Air Emissions Reduction Program	70% reduction in air VOC emissions	Achieved 88% VOC reduction from 1990 to 2001			
1990-1995	Challenge '95 Program	35% reduction in generation of waste target	30% reduction worldwide in the amount of waste generated expressed as a percent of product produced between 1990 and 1995			
1995-2000	Year 2000 Environmental targets	50% reduction in generation of waste (waste / net sales)  3% energy efficiency improvement per year	Waste reduced 36% through 2000  Energy consumption increased 3% through 2000			
2000 — 2005	Environmental Targets 2005				Goal	Results
		Reduce volatile air emissions indexed to net sales			25%	58%
		Reduce U.S. Environmental Protection Agency Toxic Release Inventory Releases (TRI) indexed to net sales			50%	64%
		Improve energy efficiency (energy use indexed to net sales)			20%	27%
		Reduce waste indexed to net sales			25%	30%
		Double the number of Pollution Prevention Pays (3P) projects from the previous five-year period from 194 to 400 projects			400	1262
2002- goal Achievement  <i>Aspirational Target</i>	Global Greenhouse Gas (GHG) Reduction Goal	To reduce absolute, worldwide GHG emissions by 50% (from a 1990 base year).  Included both Kyoto and non-Kyoto greenhouse gas (GHG) emissions.		As of 2007, 3M has reduced worldwide, absolute GHG emissions by 62% from a 1990 base year.		
2002-2007	U.S. Environmental Protection Agency Climate Leaders Program Goal.	To reduce absolute GHG emissions in the United States by 30% by 2007 (from a 2002 base year). This goal was set as part of 3M's participation in the U.S. Environmental Protection Agency through the Climate Leaders program.  Included both Kyoto and non-Kyoto greenhouse gas (GHG) emissions.		In 2007, 3M exceeded its goal by reducing U.S., absolute GHG emissions by 60% from a 2002 base year.		
2005-2010	Environmental Targets 2010	Reduce Volatile Air Emissions by 25%  Improve Energy Efficiency by 20%		See detailed progress below		

		<p>Reduce Waste (NonProduct Output) by 20%</p> <p>Complete 800 Pollution Prevention Pays projects.</p> <p>(All goals are indexed to net sales, except 3P projects. 3M had a TRI releases reduction goal under its 2005 Corporate Environmental Goals program. Since most of 3M's TRI releases are volatile air emissions, these releases are addressed by 3M's volatile air emissions reduction goal under the 2010 Corporate Environmental Goals program.)</p>	
2006-2011	Global GHG Reduction Goal	<p>Reduce worldwide GHG emissions indexed to net sales by 5% by 2011 (from a 2006 base year).</p> <p>Included both Kyoto and non-Kyoto greenhouse gas (GHG) emissions.</p>	In 2010, 3M reduced global GHG emissions by 48%.

#### Environmental Targets 2010 & Other Key Environmental Metrics

	2005 Base Year	2006	2007	2008	2009	2010	Goal (2010)	Final Results
VOC (lbs/\$million sales)	710	590	520	520	480	490	530 (25% Reduction)	31% Reduction
TRI Releases (million lbs) (US only, TRI Releases based on year reported and sales based on year released)	3.82	3.67	3.70	3.33	2.72	2.25	N/A	N/A
Energy (million BTU/\$million sales)	1,125	1,053	1,001	970	899	829	900 (20% Reduction)	26% Reduction
Waste (includes offsite recycling) (million lbs/\$million sales)	.031	.030	.027	.025	.024	.0248	.0245 (20% Reduction)	19% Reduction
3P Projects	1262*	360 (in 2006 alone)	441 (in 2007 alone)	620 (in 2008 alone)	667 (in 2009 alone)	533 (in 2010 alone)	800**	2621 Projects

Note: Energy, Waste, VOC, and TRI Releases data are normalized to \$1 million of net sales.

Note: 1 pound (lb) = .454 kilograms

\* Five-year total for 2001-2005

\*\* Five-year total for 2005-2010

### III. Environmental, Health, and Safety Management

#### 3M's Environmental, Health and Safety Management System

3M's Environmental, Health and Safety (EHS) Management System promotes sound environmental, health and safety management at our facilities worldwide. It helps us address changing customer needs and expectations as we continue to drive sustainable growth.

The EHS Management System:

- Builds on the strengths of our previous environmental, health and safety achievements.
- Includes an integrated, holistic system that anticipates and addresses long-term issues and drives continuous improvement.
- Requires each business unit to identify EHS issues, develop formal prioritized action plans, set goals and measure results.
- Promotes a strategic planning process that integrates EHS issue resolution into business unit strategic plans.
- Requires a Life Cycle Management review of all new products and of existing products on a prioritized basis.

As a result of good planning and priority setting, resources can be efficiently allocated to maximize EHS improvement.

#### Safety and Health Management

##### **3M Framework for Strong Safety and Health Performance**

3M has a long history of ensuring the safety and health of our employees. Our Safety and Health Policy applies to all 3M operations worldwide, including new acquisitions. The policy confirms 3M's commitment to protecting the health and safety of those working at or visiting a 3M location. It holds all visitors, vendors, contractors and contract workers at 3M locations to the same safety and health requirements that it holds for 3M employees. Based on our core business values, the policy stems from our vision for "Safe and Healthy People, Products and Planet." The business process to manage safety and health performance is a disciplined cycle of risk analysis and planning. Goals are set for performance improvements that are measured and tracked on a regular basis. A quarterly EHS Scorecard monitors a variety of metrics. Scorecard results are used to make program adjustments. Then, the results become critical input for future analysis and planning.

#### **Planning & Performance**

##### Performance Expectations – 3M Global Safety & Health Plan

In 1996, a Global Safety & Health Plan was initiated for all 3M locations worldwide, meeting the overall intent of the 3M Safety and Health Policy. The Global Safety & Health Plan is a system of standards categorized into multiple elements addressing various areas of safety and health, including prevention of injuries and illnesses, prevention of unplanned events such as fires and explosions and promotion of 24-hour safety and health. Through implementation of this plan, each location develops safety and health management systems, identifies gaps in their safety and health programs/performance, and develops plans to close any gaps and drive continuous improvement in their own safety and performance.

##### Performance Assessment

The Global Safety & Health Plan is an integral part of our safety and health management system, which allows locations to assess their current status versus safety and health systems requirements. Using a standardized approach allows meaningful performance results to be shared throughout the company. Indicators such as reduced injury/illness rates and days away from work are sometimes used as goals for improved safety and health performance. However, 3M prefers to focus on measurements of preventive actions taken (leading performance indicators), which would tend to reduce the total number and/or severity of incidents.

##### 3M Global Safety & Health Plan

3M has developed and maintains a variety of performance standards collectively known as the

3M Global Safety & Health Plan (GSHP). These standards provide a roadmap to help 3M locations in the prevention of injuries and illnesses; unplanned events, such as fires and explosions; and to promote 24-hour safety and health. The standards help facilities meet the overall intent of the 3M Safety and Health Policy.

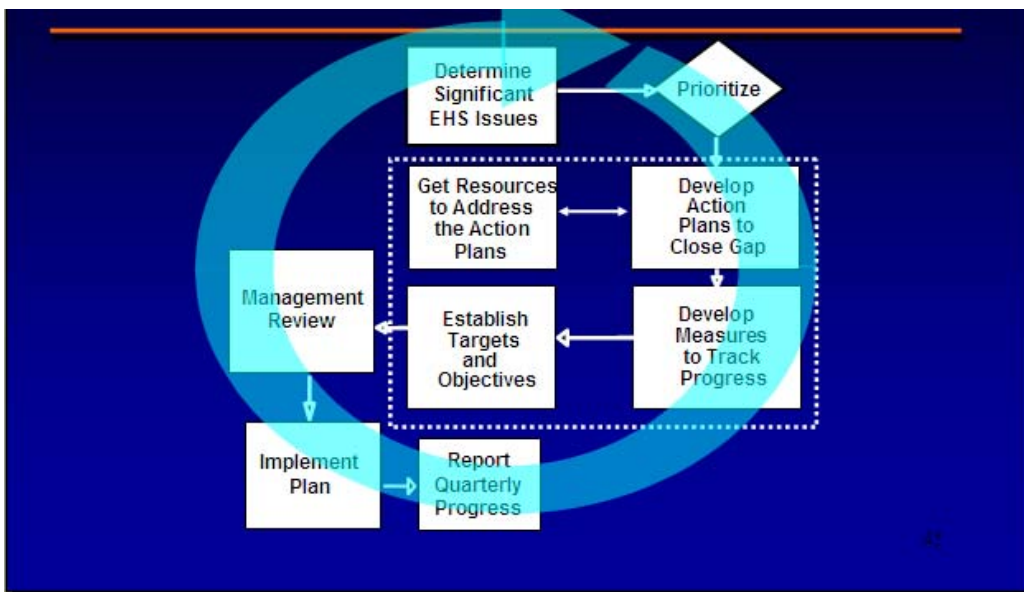
The GSHP standards are categorized under the following elements:

- Management System Elements  
Requirements include Local Safety and Health Plans, Safety and Health Committees, Performance Appraisals, Staffing and Qualifications, Self Evaluations, Maintaining Records, Employee engagement, Orientation and Training, and 24-hour Safety and Health
- Process Elements  
Requirements include Chemical Exposure Assessment / Management, Ergonomics, and Process Safety
- Procedural Elements  
Requirements include Incident Management, Hazard Reporting, Contractor Safety and Health, and Emergency Preparedness
- Medical Elements  
Requirements include Employee Monitoring to Noise and Other Exposures for Bodily Harm
- Chemical Hazard Elements  
Requirements include Communication and Training Programs and Use of Protective Equipment
- Physical Hazard Elements  
Requirements include Electrical Safety, Machine Guarding and Fire Prevention

#### Continuous Improvement: Plan, Do, Check, Act

By implementing the 3M Global Safety & Health Plan, locations determine their significant safety and health issues. They use risk management tools to prioritize these issues and develop action plans to close the gaps. Measures are developed and used to drive improvement in their safety and health performance.

Performance results are reviewed against these measures and further improvement actions are taken as needed. The chart below demonstrates this continuous improvement cycle.



#### Execution of Compliance and Risk Management Activities

3M develops and/or provides corporate data management systems and tools to support facilities' issues and incident tracking and response. A standardized approach for worldwide operations provides meaningful performance results that can be shared throughout the company.

Standardized systems and tools include:

- Incident and Injury/Illness Reporting
- Environmental Releases

- Chemical and Noise Exposure Risk Management
- Ergonomic Risk Management
- Various Risk Assessment Calculators

## Promoting Health

### Ergonomics

3M has increasingly focused on identifying and preventing illnesses and injuries related to ergonomic factors. 3M's Ergonomics Program consists of a management system for hazard awareness, standard risk assessment tools and implementation of ergonomic solutions. With increasing effectiveness of our ergonomics programs, plus employee education on the signs and symptoms of musculoskeletal disorders, the frequency and severity of ergonomics injuries has improved significantly. And along with that comes continued improvements in productivity and quality.

Our ergonomics program is defined in 3M's Global Safety & Health Plan and applies to all global operations. The program includes requirements for annual planning, application of standard risk assessment tools, development of skilled location resources and ergonomics training for all employees. For over 18 years, the objectives of 3M's Ergonomics Program have been to:

- Reduce the impact and costs of work-related injury and process inefficiency
- Improve employee health and job satisfaction
- Enhance human performance
- Increase efficiency of production

### Exposure Risk Assessment & Management

3M's approach to recognizing, understanding and managing potential exposure risks during manufacturing and throughout a product's life cycle is embedded in our vision for "Safe and Healthy People, Products and Planet." To ensure that health-related issues are responsibly addressed for the workplace and 3M products, 3M employs Life Cycle Management for health risk analysis during a product's development and throughout its life cycle. 3M monitors scientific and medical developments and offers guidance, tools and education to help employees and customers understand and manage any risks associated with 3M products.

## Promoting Safety

### Life Safety

3M facilities around the world promote Life Safety with regular attention to hazard identification and special measures for the well-being of employees who may be exposed to potential risk. Life Safety Programs involve minimizing and controlling situations when a job involves an unusual risk for severe injury, illness or death. In addition to ongoing safety training, employees are encouraged to take responsibility and authority for their own health and safety, as well as that of their peers. At the same time, knowledge and ideas pertaining to potential risks are exchanged across functions, organizations and nations.

### Process Hazard Management

3M Process Hazard Management complements 3M's safety and health efforts worldwide by promoting systematic management of safety and proper training throughout all operations. Using a risk-based approach, the Process Hazard Management Program helps prevent hazardous chemical releases or conditions that have the potential to cause fires or explosions. Critical control requirements, along with performance monitoring, support continuous improvement goals set by 3M facilities.



## Health & Safety Metrics

Metric	Type	Unit	2008	2009	2010
Lost Time Injuries Frequency Rate (LTFIR)	Employees (100% Employees and Contingent Workers)	number/million hours worked	2.58	2.48	1.82
Lost Time Injuries Frequency Rate (LTFIR)	Contractors (Contractor Employees)	number/million hours worked	NA	8.73	8.38
Occupational Illness Frequency Rate (OIFR)-US	Employees and Contractors	number/million hours worked	4.19	3.74	3.45
Occupational Illness Frequency Rate (OIFR)-Worldwide	Employees and Contractors	number/million hours worked	Not Available	Not Available	1.53
Fatalities	Employees (work related)	Total	0	0	1
Fatalities	Contractors (work-related)	Total	0	0	0

*LTFIR Clarification: 3M begins recording LTFIR on the 1st full day absent (date of injury is not counted). 3M uses hours paid to calculate LTFIR and The absence hours are extracted from the hours paid and are not included in the LTFIR (which includes paid and unpaid leaves of absence including sick, vacation, family medical leave, etc.) Missed days is based on missed calendar days, not scheduled shifts.*

## Sustaining the Environment

3M has been working to reduce the environmental impact of its products and processes since the late 1960s. In 1975, 3M's commitment to the environment was formalized when the Board of Directors adopted the 3M Environmental Policy. This global environmental policy, which is believed to be the first policy with measurable results from a major manufacturing company, is a comprehensive statement of 3M's environmental commitment with special emphasis on preventing the creation of pollution. Also in 1975, years before it became clear that environmental and business concerns could be mutually supportive, 3M introduced the voluntary Pollution Prevention Pays (3P) program. The 3P program has been successful beyond our expectations. It also has helped keep 3M facilities ahead of many regulatory requirements. By 2011, 36 years later, 3P ideas and initiatives from employees prevented 3 billion pounds of pollutants.

3P provides much of the philosophical basis for 3M's environmental, health and safety programs. The prevention, rather than treatment, approach and extensive employee involvement are part of 3M's culture.

These are found in 3M's Life Cycle Management process and are emphasized in the company's environmental, energy, and health and safety policies. Prevention and employee ingenuity also guide our comprehensive Environmental, Health and Safety Management System, which requires continuous improvements toward sustainability through ever tougher environmental targets.

We are pleased with our progress to date in reducing volatile organic air emissions, releases to water and solid waste. 3M has been a leader in addressing climate change through energy efficiency, manufacturing process improvements and developing products that help customers reduce their greenhouse gas emissions.

Looking forward, 3M will continue to set and achieve aggressive environmental, health and safety goals. We will continue to seek partnerships with environmental organizations, such as the U.S. Environmental Protection Agency and Department of Energy's ENERGY STAR Program, to address climate change.

And along the way, we will continue to help customers improve their own environmental footprints with energy saving and greenhouse

gas reducing products.

## 35 Years of Preventing Pollution Through 3M's Pollution Prevention Pays (3P) Program

3M's Pollution Prevention Pays (3P) program celebrated its 35<sup>th</sup> anniversary in 2010. Over the last 36 years, the program has prevented more than 3 billion pounds of pollutants and saved nearly \$1.4 billion based on aggregated data from the first year of each 3P project. The 3P program helps prevent pollution at the source - in products and manufacturing processes - rather than removing it after it has been created. When 3P was launched in 1975, the concept of applying pollution prevention on a companywide basis and documenting the results was an industry first.

The 3P program was updated in 2002 to provide more opportunities for participation by our research and development, logistics, transportation, and packaging employees with the addition of new award categories and criteria.

3P is a key element of our environmental strategy and in moving toward sustainability. 3P has achieved that status based on our belief that a prevention approach is more environmentally effective, technically sound and economical than conventional pollution controls. Natural resources, energy and money are used to build conventional pollution controls, and more resources are consumed operating them. Conventional control only constrains the problem temporarily; it does not eliminate the problem. 3P seeks to eliminate pollution at the source through:

- Product reformulation.
- Process modification.
- Equipment redesign.
- Recycling and reuse of waste materials.

The 3P program depends directly on the voluntary participation of 3M employees. Innovative projects are recognized with 3P Awards. A 3P Coordinating Committee representing 3M's engineering, manufacturing and laboratory organizations - and the Environmental, Health and Safety group - administers the program.

3M employees worldwide have completed over 8,600 3P projects. Projects must meet these criteria to receive formal recognition:

- Eliminate or reduce a pollutant.
- Benefit the environment through reduced energy use or more efficient use of manufacturing materials and resources.
- Save money - through avoidance or deferral of pollution control equipment costs, reduced operating and materials expenses, or increased sales of an existing or new product.

A special award also recognizes projects that demonstrate technical innovation.

### 2010 3P Results

- 533 projects submitted
- \$75 million saved
- 122 thousand pounds of pollution prevented
- Nearly 1.8 million metric tons of CO<sub>2</sub>-equivalent Greenhouse Gas emissions prevented

## Dr Joseph Ling, The Father of Pollution Prevention

Dr. Joseph Ling, 3M's former Staff Vice President, Environmental Engineering and Pollution Control, was a pioneer in the field of environmental and air quality management and is recognized, worldwide, as the father of pollution prevention. Throughout Dr Ling's distinguished career he revolutionized the way society understands and manages its environmental impacts. He was one of the first individuals to articulate and embrace a holistic approach to environmental management that considers the environmental impacts to all media (air, water, and land) when evaluating policy and program decisions. As early as 1971, Dr. Ling advocated this holistic approach in his testimony before the U.S. Congress regarding the creation of new drinking water quality regulations. Dr. Ling argued that the proposed legislation, which relied heavily on pollution controls, would generate significant air pollution and waste through its implementation and that pollution prevention was a more prudent approach.

Dr. Ling took his novel ideas one step further by integrating them into 3M's business processes. In 1975, Dr. Ling launched 3M's revolutionary Pollution Prevention Pays program or 3P. The 3P program is based on the reality that pollution prevention is more environmentally effective, technically sound and economical than conventional pollution control equipment. 3P seeks to eliminate pollution at the source through product reformulation, process modification, equipment redesign, and the recycling and reuse of waste materials.

The program has been instrumental in helping 3M to reduce its volatile organic air emissions through a series of projects ranging from the creation of new products with fewer emissions to the transition from solvent to water based adhesives. While Dr. Ling's impact on 3M's operations and air emissions was vast, his greatest impact comes from his work to spread these ideas globally. In 1976, Dr. Ling first presented his ideas at the Non-Waste Technology and Production Conference sponsored by the United Nations Economic Commission for Europe. Shortly after, countries such as the United Kingdom, France, Germany, and Sweden adopted pollution prevention as a formal part of their environmental policies and Dr. Ling was approached by the Director of the United Nations Environmental Program to develop a booklet explaining these theories for distribution to UN member countries. In addition, Dr. Ling further spread these ideas by serving as an advisor to three sitting U.S. presidents, the United Nations, and the U.S. EPA; serving as a delegate to the U.S. -U.S.S.R environmental treaty in 1979; speaking at conferences throughout the United States, Europe, and Asia; and serving on numerous boards and associations. Up until his death in 2005, Dr. Ling continued to advocate a holistic, pollution prevention approach and donate his time to advancing proactive, science based environmental decision making.

## Climate Change & Energy Management

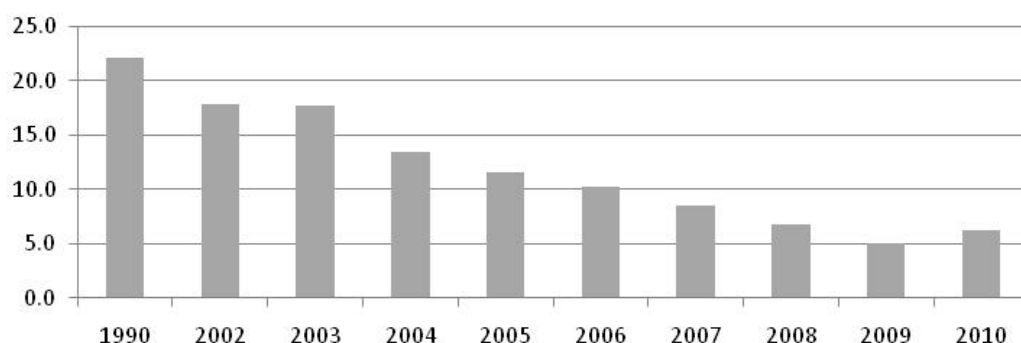
### Reducing Greenhouse Gases

Greenhouse gas emission reductions have been a long time priority for 3M. Although the science of global climate change is evolving, 3M has taken and continues to take voluntary, responsible action to reduce GHG emissions. 3M reduces its global greenhouse gas emissions (including both the basket of greenhouse gases outlined in the Kyoto protocol and other greenhouse gases not included in the protocol) through manufacturing process improvements, energy conservation and additional pollution control equipment. Since 1990, 3M has reduced worldwide, absolute GHG emissions by 72%.

Rigorous greenhouse gas accounting systems and reduction goals are key components of 3M's greenhouse gas management strategy. 3M develops an annual inventory of its greenhouse gas emissions worldwide using the [World Resource Institute/World Business Council for Sustainable Development GHG Protocol](#). See "Corporate Sustainability Goals."

### Worldwide Greenhouse Gas Emissions

(million metric tons of CO<sub>2</sub>-equivalent emissions)



Million metric tons of CO2-equivalent emissions (includes Kyoto & non-Kyoto gases)

	1990	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S. GHG Emissions		16.3	15.9	11.4	9.6	8.1	6.7	5.1	3.4	3.9
Worldwide GHG Emissions	22.1	17.8	17.9	13.5	11.6	10.3	8.5	6.8	5	6.2
Worldwide Direct (Scope 1) GHG Emissions				11.9	10.2	8.7	6.7	5.1	3.2	4.3
Worldwide Indirect (Scope 2) GHG Emissions				1.6	1.5	1.5	1.7	1.7	1.7	1.9

*\*\*Totals vary due to rounding*

Results:

- 3M reduced worldwide, absolute GHG emissions, in 2010, by 72% from a 1990 base year.
- 3M reduced U.S., absolute GHG emissions, in 2010, by 76% from a 2002 base year.
- In 2005, 3M exceeded its goal to reduce energy use indexed to net sales by 20% off a 2000 base year, reducing energy use by 29%.

Investing in Renewable Energy

3M is also working to manage its greenhouse gas emissions impact by purchasing and installing on-site renewable energy.

- In 2006, 3M's Perth, Canada plant began installing a 2,000 square foot solar wall on the south side of the warehouse. The solar wall is expected to displace 329 million Btu's of electricity for the site each year. The new wall will both preheat the air and reduce the building transmission loss.
- 3M has been purchasing wind energy at its Austin, Texas location since March of 2001. This location purchases approximately 1,250,000 kWh annually equaling 13% of its annual energy use.

In addition, 3M is also exploring opportunities to utilize landfill gas, on-site and off-site wind energy, and biodiesel at other 3M locations.

Product Carbon Footprints

A product carbon footprint is the total amount of carbon dioxide and other greenhouse gases that are released through the products life cycle. This includes but is not limited to creating or growing and harvesting raw materials, manufacturing, transport, storage, use and disposal of the product by the consumer. Today, there are only a few guidance documents available, which when utilized do not enable easy comparison of Carbon Footprint numbers between products. 3M is applying current available standards and is working the World Resource Institute and World Business Council for Sustainable Development (WRI / WBCSD), peer companies, governments, and environmental organizations to develop a common system.

Helping Our Customers Address Climate Change through 3M Products

One of 3M core business strategies is to build lasting customer relationships by developing differentiated, practical, and ingenious solutions to their sustainability challenges.

Consumers may not realize that some televisions use up a good chunk of electricity in their homes. 3M is inventing a better tomorrow by helping customers reduce their environmental footprint with innovative products like 3M™ Dual Brightness Enhancement Film (DBEF) designed to help cut LCD TV energy consumption by up to 32 percent. This is just one example of 3M know-how enabling the development of entire families of energy-saving products for customers, while reducing its own environmental footprint.

"At 3M, we are experts at problem-solving, whether it's our own environmental challenges or that of our customers. Harnessing the chain reaction of new ideas, we create game-changing technologies and products in the sustainability space," said Fred Palensky, 3M Chief Technology Officer and Executive Vice President, Research and Development.

3M DBEF, for example, improves the efficiency of LCD TVs by recycling polarized light making TVs more energy efficient -- and with the advantages of a thinner and lighter television.

#### Architectural Lighting

More than that, 3M researchers are developing alternative lighting options for buildings. 3M™ Sunlight Delivery System, which tracks, captures and transports the sun's natural, full visible spectrum daylight deep into the interior spaces of buildings where natural lighting is limited. By harvesting free and abundant light from the sun, the Sunlight Delivery System provides a sustainable, energy-efficient lighting that results in reduced energy demand during high cost, on peak hours. This product incorporates artificial lighting and controls when the sky is overcast and for nighttime. Plus, use of this system contributes to LEED /sustainable building code certification.

#### Energy Conservation

3M doesn't stop with products that capture and transport light. The company's Prestige Series window films use non-metalized nano-technology to create reflectivity that's actually lower than glass. Homeowners' views remain true; the films do not distort the interior or exterior aesthetics of a building. These innovative films comprise hundreds of layers, yet are as thin as a Post-it® Note. They reject up to 97% of the sun's heat-producing infrared (IR) light and 99.9% of ultraviolet (UV) rays to keep occupants cool and comfortable. 3M Prestige Series films benefit commercial and residential buildings; 3M Crystalline Film for automobile applications minimize heat build up inside vehicles.

#### Fire Protection

Facility operators of commercial buildings can also reduce their environmental footprint with an entirely different technology platform. 3M™ Novec™ 1230 Fluids are used in facility fire suppression and have an ozone depletion potential of zero and a global warming potential of one. This enables facility managers to achieve a 99.9 reduction of greenhouse gas emissions in their critical function fire suppression systems. Conventional products in this area are based on HFC technologies, and in addition to a large global warming potential, the HFC products live in the atmosphere for 30 years when released, while the 3M Novec 1230 fluid has an atmospheric lifetime of five days. Unlike water, the fluid will not damage sensitive computer, telecommunications, data or hospital equipment

#### Additional information Related to Energy & Climate

- **3M Joins the Clinton Climate Initiative:**  
[http://solutions.3m.com/wps/portal/3M/en\\_US/WF/3MWindowFilms/CustomerSupport/ClintonClimateInitiative/](http://solutions.3m.com/wps/portal/3M/en_US/WF/3MWindowFilms/CustomerSupport/ClintonClimateInitiative/)
- **3M Provides Electrical Vehicle Charging Stations for 3M's Employees and Guests at 3M's Headquarters**  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000940&newsId=20110210006961&newsLang=en&vnsId=3M-Installs-Electric-Vehicle-Charging-Station-Guests](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000940&newsId=20110210006961&newsLang=en&vnsId=3M-Installs-Electric-Vehicle-Charging-Station-Guests)
- **3M Solar Mirror Film Enhances Abengoa Solar Thermal Installation**  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000941&newsId=20110302005205&newsLang=en](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000941&newsId=20110302005205&newsLang=en)
- **U.S. Energy Secretary Chu Tours 3M Headquarters**  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000941&newsId=20110221005121&newsLang=en](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000941&newsId=20110221005121&newsLang=en)

#### 3M's Greenhouse Gas Inventory Development

In order to better understand 3M's greenhouse gas (GHG) emissions footprint and track progress towards the company's GHG emissions reduction goals, 3M has developed and maintains a worldwide GHG inventory. This inventory is developed and managed by

3M's ISO/IEC 17025 certified Environmental Laboratory in accordance with the World Resource Institute/World Business Council for Sustainable Development GHG Protocol.

3M's Environmental Laboratory documents all aspects of inventory data gathering according to laboratory's standard operating procedures (SOP) to ensure transparency. This data collection occurs annually using internally developed electronic systems. Each inventory is reviewed by an on-site third party Quality Assurance Unit for completeness, accuracy, and transparency and each inventory component is evaluated for uncertainty. In addition, 3M's 2002 and 2007 GHG inventories were successfully verified by an external third party.

3M's GHG inventory reflects the company's diversity and complexity. Data from over 200 facilities are gathered via an electronic survey and over 600 facilities are captured under 3M's inventory. The inventory includes Kyoto and non-Kyoto emissions sources categorized as WRI Scope 1 (direct) and Scope 2 (indirect) emissions.

The corporate-wide inventory includes emissions from the following sources:

- Direct emissions of CO<sub>2</sub> from stationary combustion of fossil fuels, waste and solvents.
- Indirect emissions of CO<sub>2</sub> from the use of electricity and steam.
- Direct emissions of CH<sub>4</sub> from wastewater treatment.
- Direct emissions of CO<sub>2</sub> from 3M-owned and leased mobile sources.
- Direct process-related emissions of other greenhouse gases.

## Improving Energy Efficiency

Energy efficiency is an important part of reaching our GHG reduction goals. Strong energy conservation strategies have helped us achieve an 81 percent improvement in energy efficiency in the United States since 1973. Improvements result from employee programs that increase energy efficiency of existing operations, new equipment and facilities designed to be energy efficient, and the development of new, more energy efficient 3M products and processes. Using Life Cycle Management, new product development teams work to improve the energy efficiency of 3M products. They consider energy efficiency in their choices of raw materials, product formulations and manufacturing processes.

Since 1990, our energy requirements have increased with the installation of energy-intensive, pollution control equipment to reduce emissions of volatile organic compounds (VOCs). At the end of 2010, 3M had reduced VOCs by 95% from 1990 levels. 3M has been making advances in solventless technology since 1990. As 3M's solventless manufacturing processes advance, the need for emission controls and associated energy demands will decrease.

To drive continuous improvement in energy management, the company has set a goal to improve energy efficiency by 25% from 2005 – 2015.

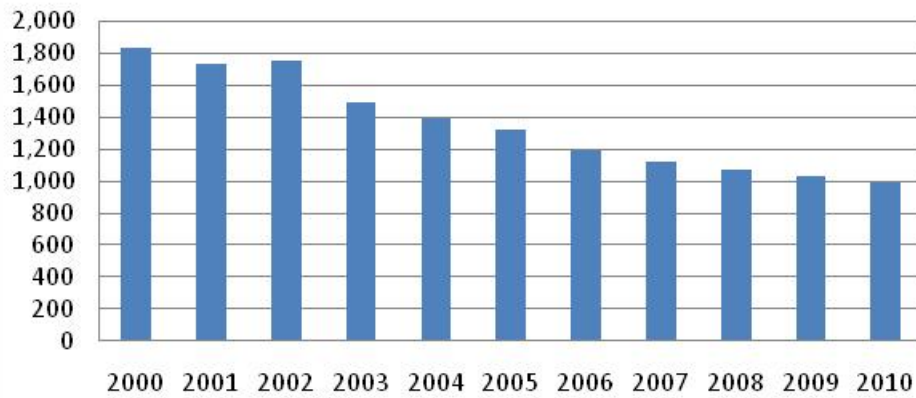
During 2010, 3M implemented 169 energy projects which saved \$8.1 million and more than 542,000 MMBTUs. We continue to adopt new methods to improve energy-efficiency, including the use of Six Sigma methodology and increasing our use of alternative, renewable energy.

### Results:

- 81 percent improvement in energy efficiency at 3M's U.S. operations since 1973
- 46 percent improvement in energy efficiency at 3M's operations worldwide since 2000
- 25 percent improvement in energy efficiency from 2005 – 2010

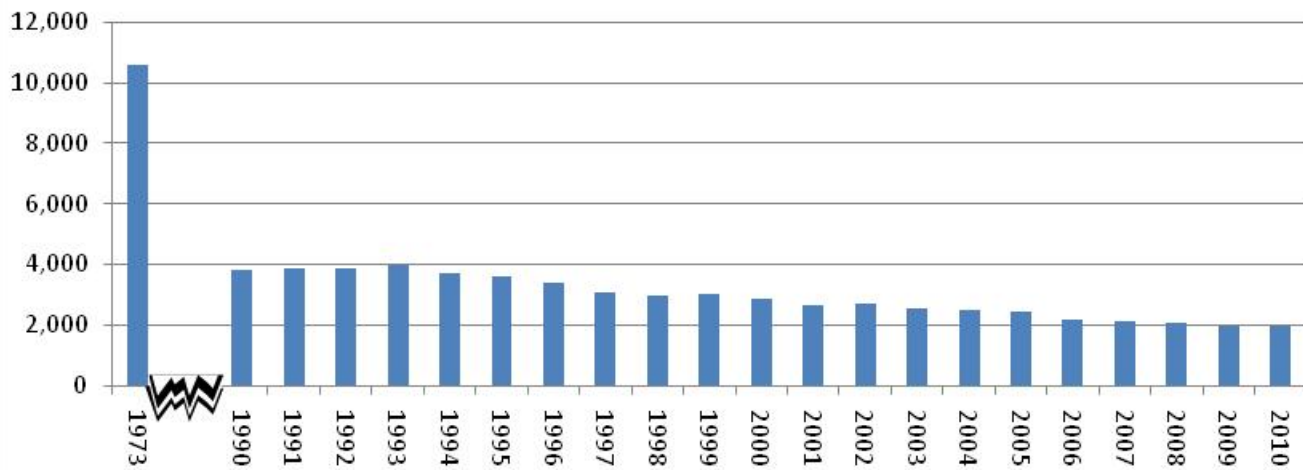
## Worldwide Energy Use

million btus / million dollar sales



## United States (U.S.) Energy Use

million btus / million dollars U.S. sales



### Energy Use by Type

Energy Source*	2006 Use (MMBtus)	2007 Use (MMBtus)	2008 Use (MMBtus)	2009 Use (MMBtus)	2010 (MMBtus)
Electricity	9,300,000	9,600,000	9,240,000	8,400,000	9,500,000
Steam	800,000	820,000	800,000	730,000	800,000
Natural Gas	15,000,000	15,200,000	15,270,000	13,400,000	14,900,000
Fuel Oil (Number 1, 2, & 6)	1,500,000	1,100,000	1,070,000	750,000	690,000
Gasoline & Diesel	330,000	360,000	410,000	280,000	230,000
Propane & Jet Fuel	250,000	350,000	300,000	230,000	320,000
Coal	0	0	0	0	0

\*Data covers 100% of manufacturing facilities and any 3M location greater than 2,800 square meters.

\*\*Totals vary due to rounding

YEAR	Global Energy Use millions GJ
2000	32
2001	29
2002	30
2003	29
2004	29
2005	29
2006	29
2007	29
2008	29
2009	25
2010	28

\*Data covers 100% of manufacturing facilities and any 3M location greater than 2,800 square meters.

### More Efficient Packing Reduces Miles Traveled

3M has saved over \$1 million per year and reduced miles traveled by more than 1,750,000 miles each year by eliminating the use of pallets and loading to fill all of the available space in some of our trailer loading processes. This allows for more cartons to be loaded into a trailer and ultimately reduces the number of trucks required to ship 3M's products. This practice reduces costs and conserves natural resources.

### Spreading the word about Energy Efficiency: 3M Sponsors the U.S. Environmental Protection Agency's ENERGY STAR Exhibit House at the Minnesota State Fair

3M teamed with the U.S. Environmental Protection Agency's ENERGY STAR program to bring the ENERGY STAR Exhibit House to the Minnesota State Fair to demonstrate 3M's commitment to energy savings and spotlight some 3M energy-saving products. Through the hands-on exhibit, fairgoers had the opportunity to learn about a variety of energy saving actions they can take in their homes.

## **Reducing Air Emissions**

One of 3M's highest priorities is reducing volatile organic air emissions stemming from manufacturing and emissions of substances listed on United States Environmental Protection Agency's (EPA) Toxic Release Inventory (TRI). The majority of 3M's TRI releases are air releases (during the 2006 reporting year, over 75% of 3M's onsite TRI releases were releases to air).

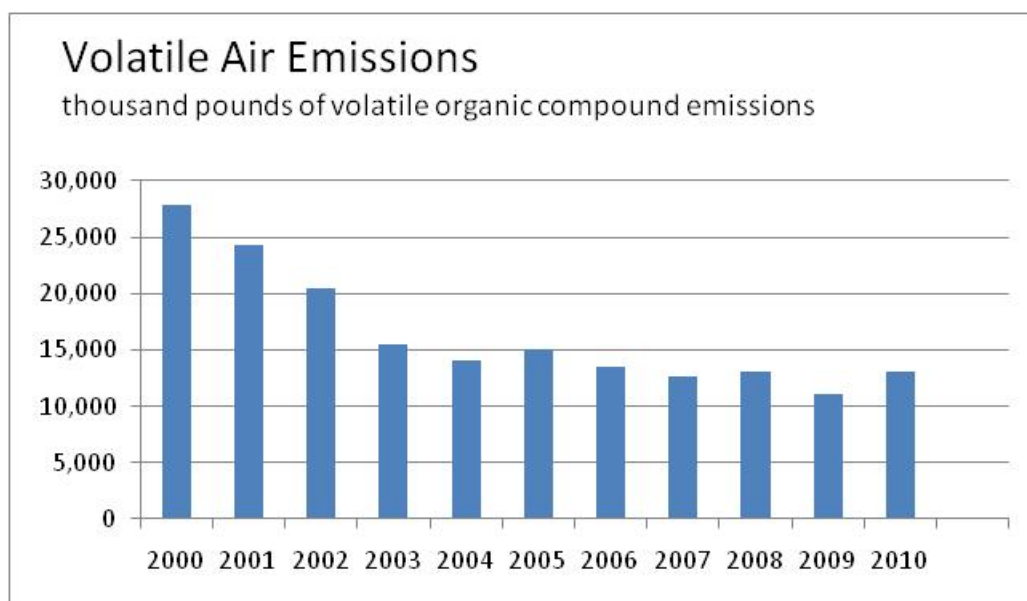
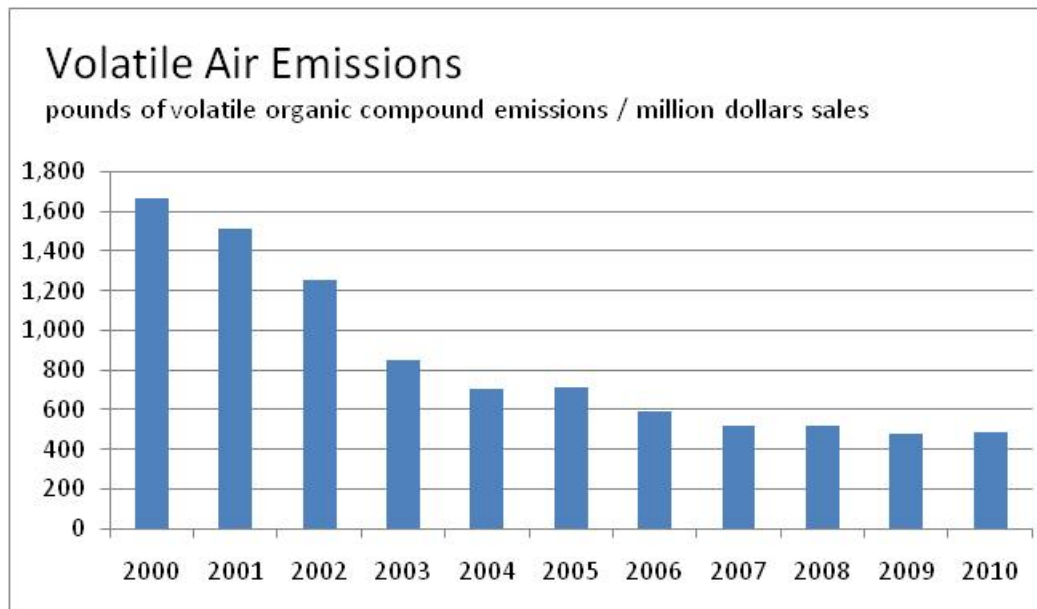
Reductions have been accomplished through:



- Development of solventless technologies.
- Pollution prevention programs.
- Pollution control equipment.

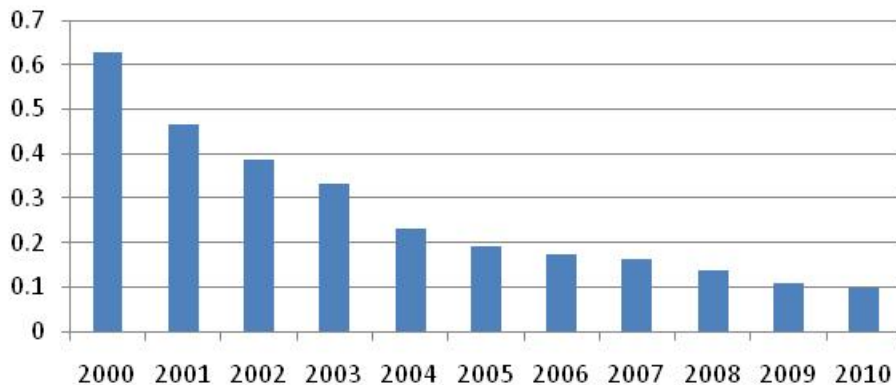
Results:

- 95 percent reduction in total pounds of volatile organic air emissions since 1990.
- 99 percent reduction in total pounds of U.S. EPA TRI releases since 1990.
- 3M's global operations emitted 13 million pounds of volatile organic air emissions in 2010 compared with 255 million pounds in 1990 (1 pound = .454 kilograms).
- 3M released 2.2 million pounds of TRI releases in the United States in 2009 (2010 reporting year) compared with 69.5 million pounds in 1990.



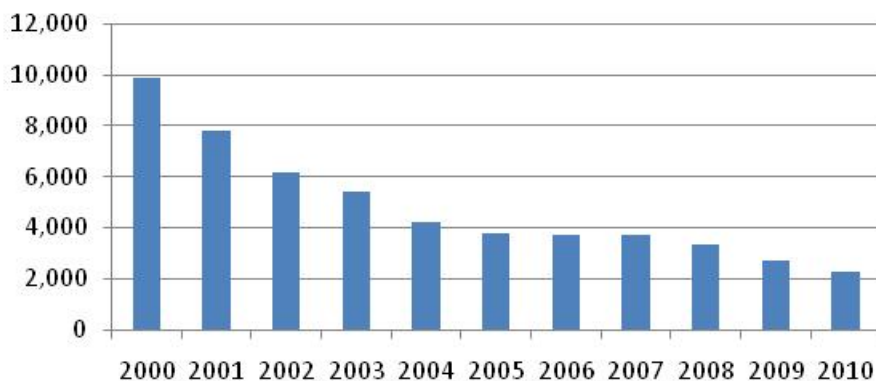
## U.S. TRI Releases by Reporting Year

thousands of pounds / million dollars net sales



## U.S. TRI Releases by Reporting Year

thousands of pounds

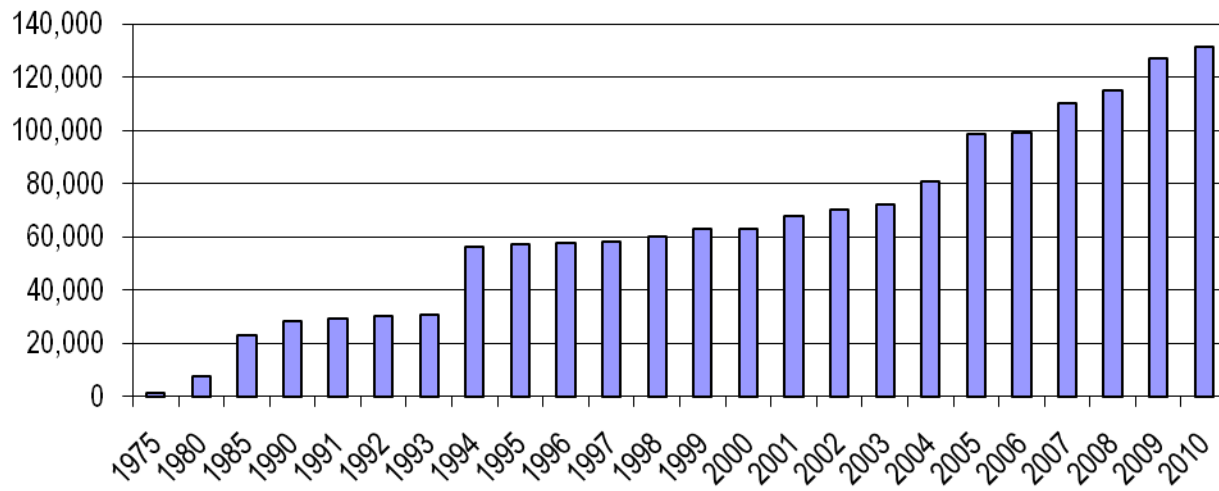


### Water Management

Water use and water quality are important global issues and 3M continues to work toward reducing our water releases and use. We have been actively managing our water releases for many years. 3M wastewater receives a high degree of treatment to reduce its environmental impact. We continue our improvement efforts today by investing in further pollution prevention projects and pollution control equipment. In addition, 3M has been preventing water releases through the Pollution Prevention Pays (3P) program for 36 years. Since 1975, 3M has prevented over 131 million pounds of water releases (based on aggregated data from the first year of each project).

## Aggregate First Year Water Pollution Prevented

(thousand pounds)



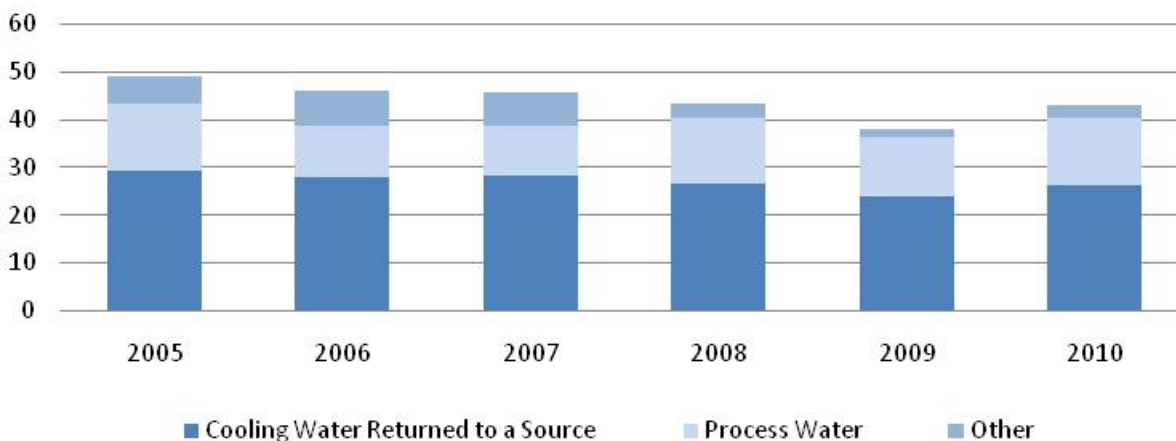
3M is also working to reduce our water consumption through recycling and improvements to our buildings and manufacturing processes. In 2010, 3M established a new goal around water management. The goal seeks to address water use in water stressed and scare areas across the globe by requiring 3M manufacturing locations in those areas to establish water conservation plans to drive continuous improvement in water management. The goal's objectives are to focus reduction efforts where water availability is threatened most and to promote engagement by 3M locations in those areas with their local communities.

3M defines water stressed and scare areas according to the World Business Council for Sustainable Development Global Water Tool. The Global Water Tool compares human use relative to renewable water resources per watershed. For more information on the Global Water Tool:

<http://www.wbcsd.org/templates/TemplateWBCSD5/layout.asp?type=p&MenuId=MTc1Mg&doOpen=1&ClickMenu=LeftMenu>

## 3M Global Water Use at Manufacturing Facilities

million cubic meters

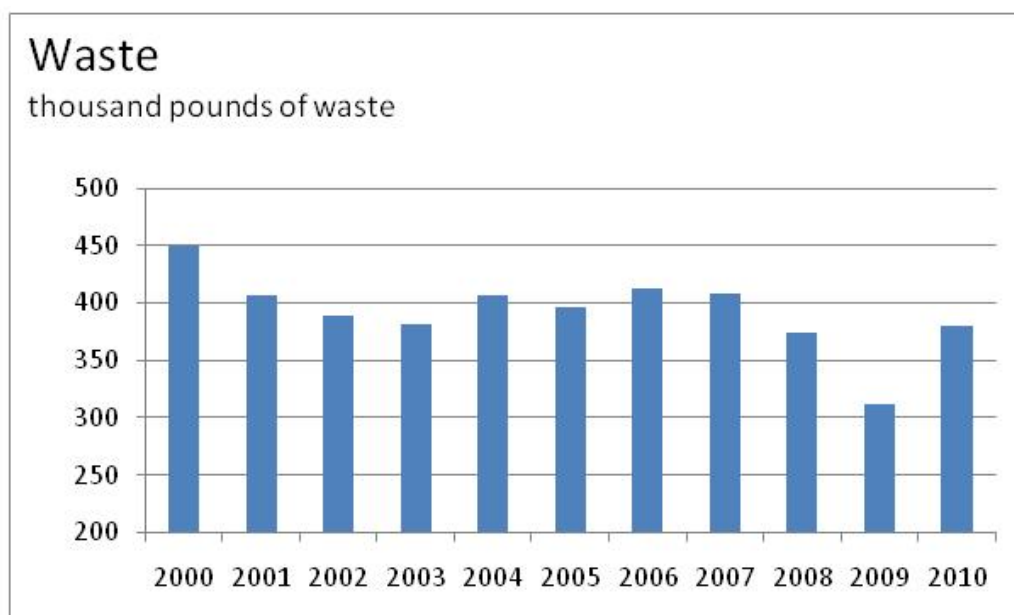
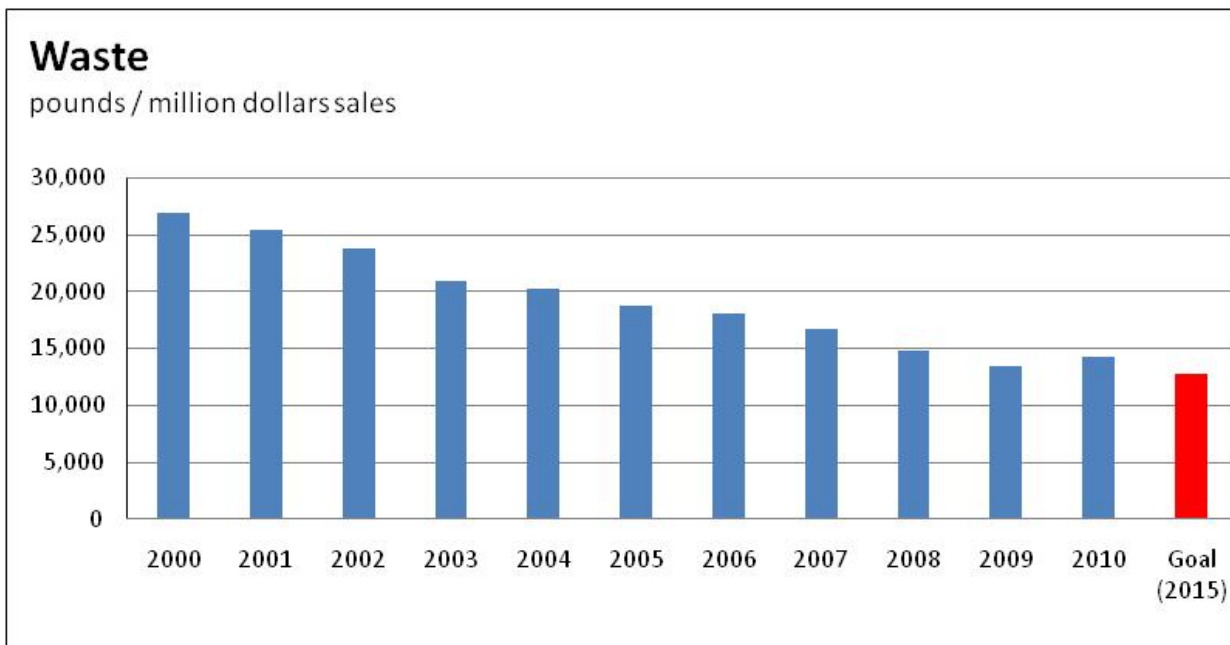


## Reducing Waste

Waste minimization is 3M's most important strategy for reducing environmental releases. Waste is mostly unused raw materials. The purchase of raw materials for manufacturing 3M products is a significant expense. So wasted raw materials (waste generation) is a financial, as well as an environmental, issue.

### Results:

- 47 percent reduction in waste indexed to net sales in 2010 from a 2000 base year.
- 66 percent reduction in waste indexed to net sales in 2010 from a 1990 base year.



### Redefining Waste for 3M's Environmental Targets 2010 Program

In 2005, 3M revised its definition of waste and set a new, aggressive goal to reduce waste indexed to net sales in 2010 by 20%. The new definition considered materials that 3M sends to be recycled outside of 3M as waste. While 3M has always promoted recycling, the new definition was established to challenge the company to find ways to prevent the generation of waste in the first place. While difficult, the goal helped to increase focus on pollution prevention, design changes in products and process, and on internal recycling and reuse programs. At the end of 2010, 3M had reduced waste under the revised definition by 19%.

Going forward, 3M has returned to a more traditional definition of waste and set a goal to reduce waste by an additional 10%, indexed to net sales, between 2010-2015.

### Results:

Millions of Pounds of Waste by Recycling, Reuse, & Disposal Type						
	2005	2006	2007	2008	2009	2010
Offsite Reuse*	7,582	6,731	6,636	5,076	4,692	4,346
Onsite Recycle + Reuse*	3,928	3,690	2,860	2,020	2,020	1,874
Offsite Recycle	251	264	264	262	238	283
Treatment/ Incineration	104	100	95	82	64	87
Landfilled Waste	214	222	233	214	177	209
Waste-to-energy	78	91	79	79	71	83

*\* 3M's "Offsite Reuse" and "Onsite Recycle + Reuse" values are significantly impacted by the reuse/recycling of mineral fines produced as a byproduct during the producing of 3M roofing granules.*

### Compliance with Mandatory Standards

3M's goal is to be 100% compliant with all laws and regulations that impact our business. This applies to wherever 3M operates. In the environmental area, this can create a complex matrix of local, regional and national regulations. 3M has adopted management systems and resources to meet this complex web of global laws.

### US Compliance Metrics

	2004	2005	2006	2007	2008	2009	2010
Exceedances (U.S. Only)	24	19	22	33	22	25	
Spills (U.S. Only)	55	77	77	82	82	67	109
Agency Notices (U.S. Only)	17	14	24	31	19	25	
Fines (\$US) (U.S. Only)	\$71,100	\$20,782	\$110,205	\$11,742	\$46,450	\$8,892	

### 2010 Global Compliance Metrics

- Exceedances: 31
- Spills: 95
- Agency Notices: 15
- Fines: \$165,196

### 3M Remediation Program

3M's early proactive installation of the corporate hazardous waste incinerator in 1972 had a major impact in reducing the number of sites and the financial impact of landfill disposal sites to be remediated (cleaned up). In addition, our proactive assessments of 3M manufacturing sites and waste disposal practices have led to the early identification of potential sites and earlier resolution.

### Remediation Sites

3M has been involved in a number of federal, state and voluntary remediation site clean-ups since the inception of the Superfund program in 1980. To date, 3M has closed nearly 75 percent of these sites through formal settlements, regulatory closure agreements and proactive voluntary cleanups.

### Environmental Remediation Reserves

Global Environmental Remediation Reserves have been set aside for 3M's remediation sites.

- Reserves are reviewed on a quarterly basis with input from engineering, legal, outside financial auditors and internal financial controllers.
- Reserves are based on when it is probable that a liability has been incurred and can be reasonably estimated.
- Reserves are reviewed periodically with senior management.
- For more information on 3M's environmental matters, please see "Legal Proceedings" in 3M's Form 10-K for the year ending December 31, 2010.

### Remediation Spending

- Average 3M spending since inception of Superfund has been about \$13 million/year (range of \$3 million to \$30 million per year).
- All 3M international manufacturing sites have been assessed for potential remediation and further investigations are underway at several locations.

### Remediation Success Factors

Key program characteristics that minimize liabilities of remediation sites

- Centralized management to ensure coordinated strategies and optimization.
- Established business process for all aspects of remediation.
- Effective use of risk-assessment and sound science-based evidence to influence remedy selection and drive effective outcomes.
- Development and maintenance of cooperative relationships with all key stakeholders.
- Effective use of innovative remediation technology to achieve effective cleanup.

## **IV. Product Environmental Management**

### Environmental Solutions

3M's commitment to sustainability and environmental protection goes beyond minimizing our impacts to the environment from our operations. 3M provides product solutions that help our customers minimize their own environmental impacts. For more than a century, 3M's success has come from developing innovative technologies that are the foundation for products that make people's lives easier and better. Our inspiration comes from listening to customers and creating new products and solutions for the challenges and opportunities they face.

**Download copies of 3M's Environmental Solutions catalogs that feature these products:**

[http://solutions.3m.com/wps/portal/3M/en\\_US/3M-Sustainability/Global/Resources/Downloads/](http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/)

Products included in 3M's Environmental Solutions catalog meet one or more of the criteria below.

**Products that help 3M customers to reduce their environmental footprint**

- Products that reduce air pollution
- Products that reduce customer energy use &/or greenhouse gas emissions
- Products that reduce customer waste (via reuse, recyclability, & compostability)
- Products that reduce customer water use or pollution
- Products that prevent the disturbance of environmentally sensitive areas or clean up industrial pollution
- Improve fuel economy in vehicles (i.e via light weighting)

**Products that are manufactured with a reduced footprint**

- Products manufactured using a low/no solvent (VOC) process
- Products that are made with recycled content, renewable resources, or using 3rd party certified materials
- Products that do not contain materials of concern typically found in competitive products
- Products with less of a carbon footprint than other similar solutions using the same methodology

**Driving Growth through New Products with Environmental Advantages**

One of the metrics that 3M tracks to monitor business growth is its new product vitality index or NPVI. NPVI is the percent of sales attributed to new products. It is calculated by taking the net sales of products introduced within the past five years and dividing that by total product sales. In 2007, 3M's NPVI was 25% and it has grown steadily over the past few years to 31% in 2010. In 2010, 3M set a new goal as part of its 2015 sustainability goals to "further increase the sales of new products with environmental attributes." Progress towards this goal will be measured by looking at the % of sales in 3M's NPVI that come from products with an environmental attribute. In 2011, 3M will be working to establish a base year measurement. Attributes across the products entire lifecycle will be considered including:

- raw materials (i.e. recycled content),
- manufacturing (i.e. products that are manufactured using no/low solvent processes when complete products rely on solvent based manufacturing processes),
- product design (i.e. products that are designed to be reusable when complete products can only be used once),
- customer use (i.e. products that reduce energy use for the customer), and
- disposal (i.e. products that can be recycled).

**Product Life Cycle Management**

3M is committed to managing the life cycle impacts of our products and developing solutions that can help our customers address their environmental challenges.

3M's Life Cycle Management (LCM) Program places a focus on products throughout their entire life cycle, from manufacturing through customer use and disposal. In 2001, 3M adopted a new Life Cycle Management Policy requiring all business units to conduct LCM reviews for all new products and for existing products on a prioritized basis. With hundreds of new products introduced each year, 3M has a continuous flow of opportunities to significantly add to our environmental, health and safety progress. Life Cycle Management (LCM) is a formal part of 3M's new product introduction process worldwide.

Cross-functional, new product introduction teams use a Life Cycle Management matrix to systematically and holistically address the environmental, health and safety (EHS) opportunities and issues over each stage of their product's life. 3M's LCM process focuses on the broader impact of products and processes over their entire life cycle:

- from development and manufacturing
- through distribution and customer use
- to disposal

## **Developing the Next Generation of Environmental Solutions**

Through 3M's new Community of Practice "Solutions for a Better Environment," 3M's research and development, technical, and marketing staff are working to develop and commercialize new products that have environmental advantages in the manufacturing stage and can help our customers address their environmental challenges.

For example, 3M's Corporate Research Laboratory has an initiative to identify and drive the utilization of renewable materials as replacements for petroleum based polymers and monomers in 3M films, fibers, adhesives, molded products and more. The initiative is expected to reduce the environmental footprint of 3M's products and help ensure a more sustainable, cost-effective source of supply as oil becomes scarcer and prices fluctuate.

## **Recent News Regarding 3M's Efforts to Help Our Customers Address Their Sustainability Challenges**

- 3M and Its Customers Are Inventing a Better Tomorrow Through 3M's Sustainable Technologies and Products  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000941&newsId=20110421006264&newsLang=en](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000941&newsId=20110421006264&newsLang=en)
- 3M Invests in MAMA Sustainable Incubation AG  
3M, through its New Ventures business, has entered into a strategic relationship with MAMA Sustainable Incubation AG – a newly formed technology incubator specializing in the development of solutions for emerging green-markets such as renewable energy, sustainable architecture and water treatment, based in Berlin, Germany. Terms of the transaction were not disclosed.  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000940&newsId=20100212005627&newsLang=en&vnsId=](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000940&newsId=20100212005627&newsLang=en&vnsId=)
- 3M Acquires Hybrivet Systems Inc.  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000940&newsId=20110217006051&newsLang=en&vnsId=3M-Acquires-Hybrivet-Systems](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000940&newsId=20110217006051&newsLang=en&vnsId=3M-Acquires-Hybrivet-Systems)
- NREL and 3M Sign Agreement on Renewable Energy Research  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000940&newsId=20100324006030&newsLang=en&vnsId=](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000940&newsId=20100324006030&newsLang=en&vnsId=)

## **Management and Characterization of Product Opportunity and Risk**

Inherent in 3M's Life Cycle Management Process is the characterization and management of both product risk and opportunity. Risk reflects the potential for exposure and the hazards of the materials associated with the product over its life cycle, as well as the degree of uncertainty and feasibility of controlling exposure. Opportunity addresses finding solutions to these issues. This proactive approach by 3M to product risk characterization and management complements the American Chemistry Council's (ACC) Global Chemical Management Policy and the Responsible Care initiative. The chemical operation of 3M is a member of the ACC.

Factors that may be considered when reviewing a product include exposure, hazard, uncertainty and market opportunity.

- Exposure considerations may include the following: duration, concentration, distribution, frequency, pattern of product use, location, demographics, impurities and byproducts, competency of user, and potential for abuse or misuse.
- Consideration of potential marketing opportunities from a product's reduced impact on the environment, health or safety may include increased energy efficiency, reduced toxicity, reduced global warming potential, reduced energy use, recycle-ability, and reduced worker health and/or safety concerns.
- Hazard considerations may include the following: type of outcome, potential severity of outcome, uniqueness of hazards, permanence of effect, and treat-ability.
- Uncertainty considerations may include the following: completeness of information, knowledge of product, product history and analogy to similar products, knowledge of customer, and knowledge of ultimate end-use.

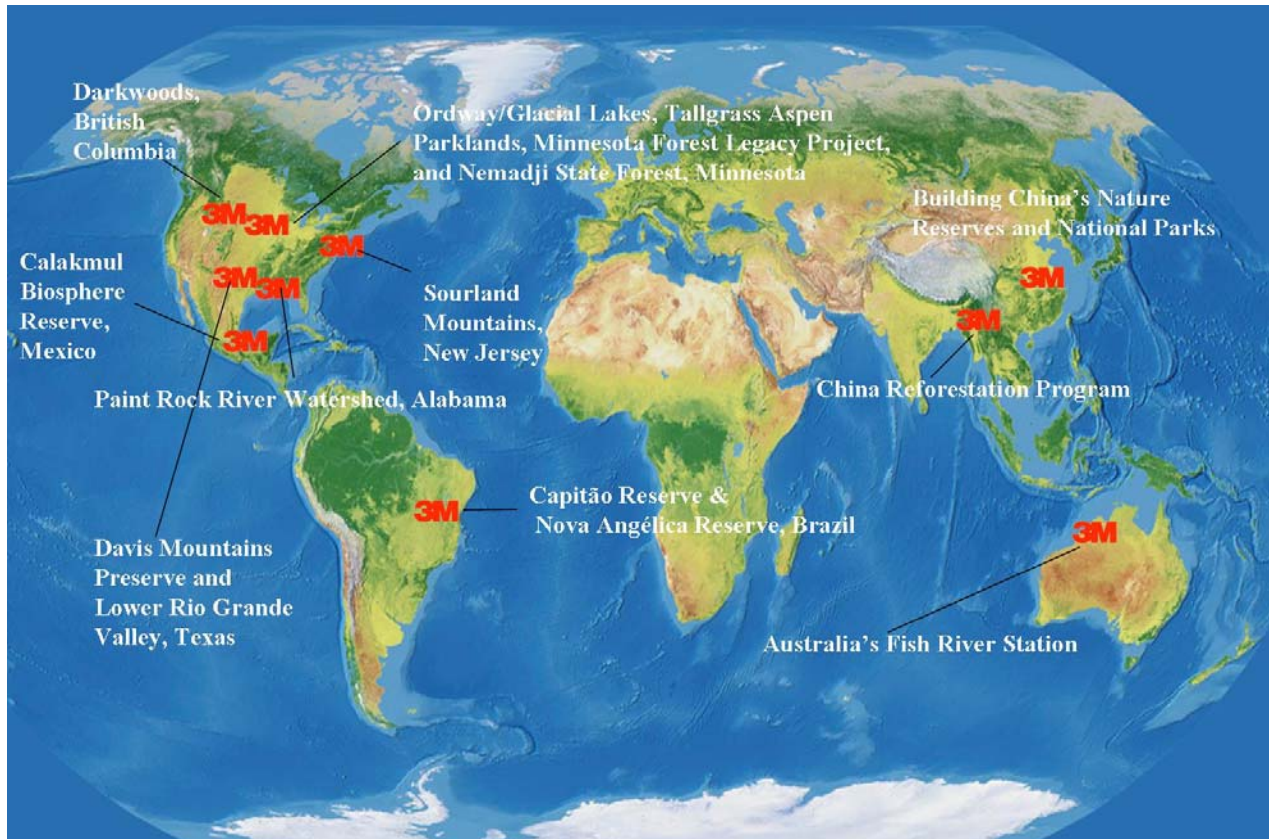
## **Enhancing Biodiversity**

### **Partnering to Preserve Biodiversity**

Enhancing and preserving biodiversity is an important part of 3M's value of respecting our social and physical environment. 3M has been working to preserve biodiversity both on our property and through our support of organizations like The Nature Conservancy and Conservation International.



### 3M Global Conservation Projects by Location



### The Nature Conservancy

Over the last few years, the 3M Foundation has donated over \$10 million to The Nature Conservancy to preserve habitat in the United States, Australia, Brazil, Mexico and China. This partnership is helping to safeguard critical habitat and preserve biodiversity.

At the same time, the partnership involves 3M employees and local residents. Besides increasing the amount of protected lands for migration zones, endangered wildlife and rare indigenous plants, we are working together to improve visitor access and learning opportunities for the public.

#### **In The United States:**

In 2007, 3M donated \$1.5 million to the Nature Conservancy's Forest Legacy Partnership in Minnesota. The Partnership's objectives are to:

- Maintain and protect sustainable forest industry-related jobs in logging, forest product manufacturing, equipment, and related businesses, as well as jobs in other sectors tied to forest resources including tourism, hospitality, and recreation.
- Preserve and protect some of Minnesota's most biologically diverse and important wildlife habitat, and preserve water quality, including the Upper Mississippi River Basin.
- Maintain and protect the availability of significant recreational opportunities in these forests, including skiing, hunting, fishing, hiking, and biking that contribute greatly to our quality of life and support industries connected to the natural environment.

In addition, the 3M Foundation also granted \$500,000 to The Nature Conservancy for the Davis Mountains Preserve in west Texas to help complete the purchase of the 10,000-acre Eppenauer-Fisher Ranch tract in the Davis Mountains. The Davis Mountains is a high-priority conservation area within the Chihuahuan Desert Ecoregion of western Texas. This acquisition would connect two existing

Conservancy preserves and create a protected area of more than 32,000 acres of rich natural habitat to enhance the ecological diversity, protect lands and watersheds and improve public access to this unique natural area.

In 2009, the 3M Foundation provided \$500,000 to The Nature Conservancy for the Darkwoods Project – From Yellowstone to the Yukon – in British Columbia, Canada. In July 2008, The Nature Conservancy (TNC) with partner organization, Nature Conservancy of Canada (NCC) secured the single largest private land purchase for conservation in Canadian history, the Darkwoods property. A \$500,000 gift from 3M would help protect, restore and connect the Darkwoods property. 3M's funding would go towards the acquisition price of Darkwoods, restoring the property for the benefit of biodiversity, and connecting the property with neighboring protected areas.

#### **In China:**

3M Supports Three Projects of The Nature Conservancy (TNC) Through a \$1 Million Grant in 2008 China's Nature Reserves

The Chongming Dongtan Nature Reserve near the mouth of the Yangtze River near Shanghai is an important corridor for migratory birds from Japan to Australia and a critical fish spawning area. TNC will help develop conservation management plans, including ecotourism to help ensure that environmental safeguards are in place to protect the area. The State Forestry Administration of China has asked TNC to help direct their efforts to create a system of 51 model Nature Reserves in China by 2020. These reserves will serve as demonstration sites for the government to promote effective conservation management and the integration of community and economic development with conservation efforts.

One example of a nature reserve in need of environmental safeguards is the Chongming Dongtan Nature Reserve. It is at the mouth of the Yangtze River near Shanghai, home to unique biodiversity, an important corridor for migratory birds from Japan to Australia, and a critical fish spawning area.

TNC's goals:

1. Conduct proven conservation planning methodology
2. Develop conservation management plans including ecotourism
3. Implement a training program with Tsinghua University, East-West Center, and the State Forestry Administration
4. Conduct analysis of sustainable funding mechanisms for long-term management
5. Support policy reform and legislation on protected areas at the national level

3M operates seven manufacturing facilities in China and is a proud partner with TNC to help protect China's environmental treasures for future generations.

#### **In Brazil:**

In Brazil, a 3M grant is helping The Nature Conservancy preserve the concentration of unique and threatened plants and animals that can only be found in Brazil's Atlantic Forest. Less than 8 percent of the original tropical forest remains today. The purchase of nearly 2,400 acres will manage and protect it from further clearing and environmental threats.

The Atlantic Forest provides drinking water to 70% of Brazil's 120 million people. TNC is launching a large-scale reforestation and protection program in the Atlantic Forest where one of its most important project sites provides water to nearly 9 million people in Sao Paulo. 3M's plant in Campinas has been supporting national- and municipal-level reforestation projects in the area since 2004.

TNC goals:

1. Map all properties in the Salto Micro-watershed, engage and sign contracts with farmers interested in the project
2. Create a management plan for each rural property engaged
3. Plant and maintain trees on steep slopes, and in riparian and recharge areas
4. Fence around these key areas
5. Design, implement, and monitor a carbon project, and set up a carbon revolving fund to finance reforestation of the entire Cantareira system
6. Liaise with municipality, state government and other partners to leverage 3M's investment

#### **In Mexico:**

The forests of Mexico's Yucatan Peninsula are of extraordinary ecological importance. More than 1.5 million acres of forest have been set aside – with assistance from 3M and other donors – in protected areas such as the Calakmul Biosphere reserve. Still, important

forest lands are lost or threatened by illegal logging, conversion to agriculture, settlement, and unsustainable tourism.

TNC's goal for the region is to protect the forest while developing livelihoods for local people through sustainable forestry and tourism activities.

Project strategies:

1. Protect an additional 250,000 acres of forest by acquiring land, decreeing protected areas, and working with private and community landowners
2. Develop sustainable forestry practices on 100,000 acres of private and community-owned forest lands
3. Promote and develop community-based, sustainable tourism
4. Reforest up to 10,000 acres of forest lands damaged by Hurricane Dean
5. Effectively manage forest protected areas by implementing wildfire controls, reducing illegal logging and deterring Poachers

#### **In Australia:**

In 2010, the 3M Foundation provided \$500,000 to The Nature Conservancy for the Wild Australia project in the Northern Territories. The Nature Conservancy has joined with the Australian Government, in-country and global partners, and local indigenous communities to protect Northern Australia's unique wildlife and ecosystems. They are working with their partners to purchase Fish River Station in Northern Australia, which will protect over 452,000 acres of highly biodiverse savanna woodlands and rainforest as well as important floodplains for the Daly River. The diversity of habitat types and species of wildlife make Fish River a very high priority for conservation. Fish River is also an important opportunity to showcase how conservation organizations and indigenous communities can work together to improve land management practices. Finally, Fish River is the key to a much larger protected area network in Australia's Northern Territories. This purchase will link together existing conservation areas and could lead to a protected area network covering nearly two million acres of public and private lands south of the city of Darwin.

#### **Conservation International**

3M worked with Conservation International to protect endangered wildlife and restore the threatened forests in China through a \$3 million multi-year grant from the 3M Foundation. The Mountains of Southwest China are home to rare giant pandas, red pandas, golden monkeys, elusive snow leopards, more than 685 bird species, as well as 12,000 species of trees and plants. Many of these species are unique to this area that has become one of the world's most critically threatened biodiversity hotspots.

In 2007, 3M built upon these efforts by extending its donation and giving an additional \$1 million to Conservation International's Forest Restoration for Climate, Community, and Biodiversity project. The extension will address water issues resulting from forest degradation. Conservation International will:

- Assess and prioritize freshwater biodiversity conservation sites and develop a strategic plan for designing payments for watershed services that would lead to a series of pilot demonstration projects to be implemented as a second phase after this initial bridge grant;
- Design a financing mechanism to support Freshwater conservation - The China Freshwater Fund; and
- Raise the awareness of Chinese and international audiences of the importance of presenting China's biodiversity.

### Acres Protected Through 3M's Work with Conservation International

Project Location	Region in China	3M Support	Acres Protected with 3M Support (Acres supported reflected work over multiple years)	Activity (* indicates this is a future activity)
Reforestation on Degraded Lands	Sichuan Province	\$4,000,000	5,560	Reforestation - Planting finished in 2008
Reforestation in Degraded Habitats of Wang Lang Nature Reserve	Sichuan Province		280	Reforestation - Planting finished in 2007
Small scale forest restoration project on degraded lands in Tengchong	Yunnan Province		1,175	Reforestation - Planting finished in 2007
Multi-purpose Reforestation on Degraded Lands in Longyang	Yunnan Province		3,315	Reforestation - Planting scheduled to begin in 2009

### Enhancing Biodiversity at 3M Locations

The locations of some of 3M's facilities share the same land with rare species of wildlife. In these locations and on other 3M properties that support wildlife, the company works to enhance and protect the area's natural habitat. For example, 3M's Austin, Texas facility is located within critical habitat for the endangered golden-cheeked warbler. The 3M Austin facility has worked hard to not only limit the impact of its operations on the warbler, but to enhance the facility's property to create a habitat that can be used by the warbler as well as a number of other species found near the facility.

3M Austin worked with The Wildlife Habitat Council, a nonprofit organization that helps corporations, conservation organizations and individuals interested in protecting and enhancing wildlife habitat. The group makes recommendations in the form of a detailed wildlife plan for the property that will allow wildlife to prosper. After programs are put in place, the Wildlife Habitat Council operates a Corporate Habitat Certification/International Accreditation Program. This program recognizes exceptional habitat management and environmental education programs at corporate sites.

Currently, five 3M facilities have received certification from the habitat council including 3M's Decatur, Alabama; Menomonie, Wisconsin; Cottage Grove, Minnesota; and Greenville, South Carolina facilities and Corporate Center in Austin, Texas. Two additional sites are in the process of seeking certification. In 2004, 3M's Decatur, Alabama facility was awarded the Wildlife Habitat Council's Rookie of the Year Award from the WHC to honor "an outstanding newly certified wildlife habitat program."

#### **3M Austin Center's Wildlife Habitat Program**

The 3M Austin Center is an administrative and research facility in the city of Austin, Texas. 3M Austin Center contains a unique mix of natural areas, landscape gardens and recreational areas for employee use. 3M Austin's goals for the site are habitat enhancement, employee and community involvement and environmental education.

A number of actions have been adopted by 3M Austin to enhance its site, including establishment of no-mow zones around the property, placement of decals on large plate-glass windows to deter bird collisions, creation of a 58-acre wildflower meadow with 128 different wildflower species and construction of a nature trail. Most recently, 3M Austin developed a water conservation program, a monitoring and control program to deal with uncontrolled animal populations and a hummingbird garden.

#### **3M's Cottage Grove, MN Facility Partners with Friends of the Mississippi River to Preserve and Restore Wildlife Habitat**

3M's Cottage Grove, MN facility is located on the banks of the Mississippi River. Since 2003, the facility has partnered with Friends of the Mississippi River to preserve and restore natural habitat on the facility's site. The facility has focused its efforts on preserving 30 acres of oak savanna and restoring an additional 170 acres surrounding the savanna.

Volunteers from both 3M Cottage Grove and the Friends of the Mississippi River worked together to remove buckthorn and other invasive plants, collect seeds, plant native plants, and perform a planned, controlled burn. Next year, the facility plans to continue its restoration work and conduct a bird survey.

#### **Additional Information on 3M's Work to Enhance Biodiversity:**

- **Brazil's EDP Bandeirante Installs 3M ACCR for Line Upgrade to Avoid Building New Towers or Expanding Right-of-Way:**  
[http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news\\_view&ndmConfigId=1000940&newsId=20110105005051&newsLang=en&vnslId=Brazil%E2%80%99s-EDP-Bandeirante-Installs-3M-ACCR-Line](http://www.businesswire.com/portal/site/3m/index.jsp?ndmViewId=news_view&ndmConfigId=1000940&newsId=20110105005051&newsLang=en&vnslId=Brazil%E2%80%99s-EDP-Bandeirante-Installs-3M-ACCR-Line)

### **Supply Chain Sustainability**

As 3M sets a high bar for itself regarding environmental, health and safety, it expects the same from its suppliers. 3M has a formal process as part of its Sourcing Policy that sets policies for its suppliers in the areas of environmental, health and safety, transportation, labor and human resources and supplied materials. The policies apply to the selection and retention of all suppliers that provide goods or services to 3M worldwide and establish a framework that 3M considers important to a safe and healthy workplace, to the maintenance of fair and reasonable labor and human resource practices (including slavery and human trafficking), to the management of manufacturing and distribution operations to minimize adverse impact to the environment, and to the content of materials supplied to 3M. 3M expects suppliers to establish programs that are consistent with 3M's Supply Chain Policies: EHS, Transportation, Labor/Human Resources and Supplied Materials (Policies). 3M monitors sustainability matters associated with its supply chain, including assessing performance with EHS, labor, transportation and material content expectations, pursuing relationships with small, women-owned and minority-owned supplier businesses, and working with our customers to improve their sustainability efforts.

#### **Supplier EHS/Labor/Transportation Performance**

Assessing supplier EHS and labor performance is complicated because of the complexity of supply chain matters associated with 3M's global operations. Because of the number and the multi-tiered nature of suppliers used, it is very difficult to ensure that significant issues are being identified in a timely manner in our supply chain. Nevertheless, the continued implementation of our supplier assessment process and the use of the mix of tools described below represent a significant effort to ensure that our suppliers are abiding by the 3M expectations placed upon them. 3M estimates that it uses approximately 15,000 suppliers worldwide to assist in the manufacture of goods.

The following steps are included as elements of the 3M program to assess supplier conformance with the Policies:

1. The suppliers may be ranked using a prioritization matrix tool.
2. The "prioritized" suppliers may be asked to and/or complete a self-assessment survey.
3. An on-site audit may be conducted.
4. If any deficiencies are identified during an on-site visit, a correction plan is put into place and a follow-up audit and/or communication with the supplier is conducted.

The 3M program integrates several assessment tools:

1. **Prioritization matrix:** This matrix tool takes into account a combination of factors, including the country where the supplier operation is located, the type of supplier manufacturing operations, and the total dollar spent by 3M with the supplier.
2. **Supplier Assessment Surveys (SAS):** The 3M questions and supplier answers are intended to provide a framework for understanding the supplier's programs and the importance the supplier places on these issues. The objective of the questions is to determine whether the supplier generally meets the intent of the Policies.
3. **Audit process:** To assure compliance with the Policies, a supplier audit checklist has been developed that contains audit guidance on EHS management, general working conditions, specific working hazards, health and safety inspections, EHS training, emergency response, transportation management, hazardous materials management, HR management and compliance, employment practices, child labor, forced labor, discrimination and freedom of association. Audits are conducted by 3M staff in most cases, but 3M may use third party audit firms as necessary. As well, customer or general public concerns can be brought to 3M's attention via phone or website ([http://solutions.3m.com/wps/portal/3M/en\\_US/About/3M/](http://solutions.3m.com/wps/portal/3M/en_US/About/3M/)).

More than a thousand self-assessments and/or on-site audits of suppliers have been conducted in China, Taiwan, India, Korea, Brazil, Mexico, Russia and Turkey over the past 5 years. While the majority of companies are found to meet 3M's requirements, others are provided input on actions that 3M expects to be taken to retain 3M business. Most companies are willing to work with 3M to improve their processes and pass 3M's requalification assessment after the corrective work is completed.

Overall, the most common EHS findings have been insufficient machine guarding and low use of personal protective equipment. Similarly in the labor standards area, common findings include weak human resource documentation and overtime pay controls. Once identified, most suppliers work very quickly to address any findings. In increasingly rare situations, companies have been determined to be either unwilling or unable to improve their efforts in a timely fashion and have been de-listed or terminated by 3M. More typically, 3M policies and guidance in meeting them have helped potential suppliers raise their capability to become a 3M supplier. In addition to existing suppliers many potential suppliers have been assessed using one of the 3M-developed tools, and several business groups within the U.S. have incorporated EHS and labor considerations into their life cycle management reviews and have performed assessments of their key suppliers.

### **Supplier Development**

3M actively engages suppliers in sustainability by communicating 3M's sustainability expectations through clauses in contracts, links to 3M's website and in direct business meetings. Improving energy efficiency and reducing waste are common agenda items. 3M is involved with the US "Energy Star" program and has promoted the pledge program with key suppliers, and has hosted a best practice seminar.

### **Sourcing Training**

Sourcing staff with responsibility for supplier relationships receive training on all aspects of supply chain sustainability, including slavery and human trafficking prohibitions. In the past year there has been additional focus on understanding and managing environmental preference factors in supplier selection.

### **Supplier Diversity**

Sourcing from diverse businesses that are small, minority-owned, woman-owned, small veteran-owned, service-disabled veteran-owned, and certified HUBZone is an important part of the way 3M purchases goods and services. These businesses comprise a vital, growing segment of our economy and great potential for helping 3M obtain best value, innovation, growth, and diverse goods and services. In addition small and diverse businesses provide economic and social energy to the communities in which we operate. 3M is committed to aggressively and proactively identifying diverse business sources for all goods and services purchased, and works to solicit capable firms and execute orders and contracts with those firms as required to support 3M business needs. Buyers within 3M have access to various supplier diversity directories and resources to assist in identifying sources.

When awarding business to suppliers, 3M considers the community impact of the sales footprint to the supplier that the business represents. Changing demand patterns may have a significant impact on the supplier if 3M's footprint is too high. 3M attempts to limit the business volume to prevent excessive impacts to local communities.

3M's Partners and Suppliers website is the gateway to learn more about 3M's supplier requirements and our diversity initiative: [http://solutions.3m.com/wps/portal/3M/en\\_US/Partners/Suppliers/](http://solutions.3m.com/wps/portal/3M/en_US/Partners/Suppliers/)

### **Supplier Information**

3M has established product responsibility databases and tools to better manage environmental and health and safety information related to 3M products. Extensive efforts have been undertaken with 3M suppliers to gather raw material composition information and other environmental, health and safety information to provide to customers of 3M products and/or to ensure compliance with the European Union Restriction on Hazardous Substances (RoHS) Directive, the Registration, Evaluation and Authorisation of Chemicals (REACH) legislation in the EU, and various other chemical content, material use and packaging laws and regulations around the globe.

### **Solutions for our Customers**

3M offers our customers a portfolio of products to help them reduce their impact on the environment. In 2007, 3M launched a new catalog showcasing 3M products designed to address environmental challenges in the following markets: cleaning and maintenance, construction and industrial production, communications, office supplies, transportation, and health care. The items in the catalog all



demonstrate some type of positive environmental attribute beyond the industry norm, such as recyclable, biodegradable, containing no heavy metals, and/or do not bio-accumulate. The Environmental Solutions Catalog can be downloaded at [www.3M.com/EnvSolutions](http://www.3M.com/EnvSolutions).

In addition 3M has worked to e-enable many business e-commerce processes. In the US, 92 percent of purchase order invoices are received electronically and 70 percent of payments are paperless. This has eliminated tens of thousands of paper documents per year. In 2009, a third party benchmark identified 3M's e-commerce results well above other US best in class companies.

### **Continuing our Progress**

3M is an innovative company and will continue to identify, to improve, and to work with its' supply chain partners to advance sustainability efforts.

3M's Standards for Suppliers: Environmental, Health and Safety, Transportation, and Labor/Human Resources (PDF, 28KB): See Downloads ([http://solutions.3m.com/wps/portal/3M/en\\_US/3M-Sustainability/Global/Resources/Downloads/](http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/))

## **Stakeholders and Partnerships**

### **Stakeholder Interaction**

#### **Meeting Needs and Keeping in Touch**

In our drive to sustainability, we also strive to maintain a continuous and open dialogue with the community, shareholders, employees, retirees and other interested parties about past achievements and future sustainability goals. The interplay of the environmental outlook, societal needs and market opportunities brings about continuous reassessment and sustainable development progress. And we remain committed to providing investors with an attractive return through sustained, high-quality growth.

We share information on our efforts and growth through a number of online and printed materials, in open houses and plant tours. Community newsletters and the sharing of information with local news media that pass it on to the public as news stories also are used.

#### **Engaging Stakeholders**

3M is a diverse company, producing thousands of products and operating in over 65 countries. These products are made in large and small communities all over the globe. 3M recognizes the link community stakeholders have to its business. 3M strives to maintain a continuous and open dialogue with the community, shareholders, employees, customers, community members, retirees and other interested parties about the company's past activities and future sustainability goals. These discussions help the company keep abreast of emerging issues and shape its response. 3M develops engagement plans and communicates with its wide variety of stakeholders at the corporate and local or regional level. 3M endeavors to meet stakeholder expectations at a global level on global issues, but the majority of stakeholder interaction occurs at the place where 3M's activities touch our stakeholders.

#### **Local and Regional Stakeholder Engagement**

In 2005, 3M developed a new, more systematic, local and regional stakeholder engagement process. This new method was developed using Six Sigma tools and is a formalized process to help facilities establish a consistent, documented and proactive system to drive engagement. The new system is a component of 3M's Environmental, Health and Safety (EHS) Management System and requires 3M manufacturing facilities to complete and document the following activities:

- Identify critical stakeholders,
- Analyze and evaluate their current stakeholder engagement activities,
- Identify communications opportunities,
- Develop and implement a stakeholder engagement plan, and
- Measure the plan's effectiveness.

While each facility will develop a stakeholder engagement process using the same 3M developed system, the engagement tactics employed by each location are developed to meet the needs of local stakeholders. 3M locations employ a wide range of methods to consult with our stakeholders, such as:

- Neighbor meetings.
- Employee meetings.
- Employee surveys.
- Community newsletters.
- Facility open houses and tours.
- Active participation in local civic groups.
- Participation in community organizations like chambers of commerce or task forces around issues such as economic development and job creation.
- Facility Web sites.

These consultations yield insight for 3M's locations and the corporation as a whole concerning issues such as our environmental performance, management systems, and community interaction. The frequency of these consultations varies according to the stakeholder and the issues at hand. For instance, a 3M location may meet with employee groups monthly and with community leaders and regulators quarterly. The feedback we receive from our stakeholders is invaluable in shaping our sustainability strategies and helps to ensure that we continue to operate in a way that is sensitive to their needs.

In 2010, 3M established a goal as part of our 2015 sustainability goals to challenge our locations to expand their current plans to also include community volunteerism, tracking of local community giving and its impact on key priorities, and formal stakeholder surveys.

### **Corporate Stakeholder Engagement**

As a complement to its local and regional engagement process, 3M also analyzes and creates plans concerning its corporate stakeholder engagement around sustainability programs and issues. This corporate process follows AccountAbility's AA1000 Stakeholder Engagement Standard and was developed using tools from "From Words to Action; The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement" created by AccountAbility, the United Nations Environment Programme, and Stakeholder Research Associates.

### **Stakeholder Categories Engaged by 3M:**

Employees, Retirees, Customers, Peer Companies, Academics / Universities, Students, Competitors, Communities, Governments, Investors, Suppliers, & Nongovernmental Organizations

3M's corporate sustainability stakeholder engagement process involves the following steps taken from The Stakeholder Engagement Manual:

1. Mapping 3M's Stakeholders. This step includes identifying 3M's key global stakeholder categories and subgroups for each category. As an example, "3M Employees" are a key stakeholder category and "exempt employees," "non-exempt employees," "production employees," and "senior management" are examples of some of the 3M Employees' sub groups.
2. Identifying Engagement Issues. Key sustainability issues for 3M and our stakeholders are documented.
3. Documentation of Engagement Objectives and Issues
4. Assessing Engagement Issue Materiality. Issues are ranked as being of high, medium, or low materiality using AccountAbility's five-part materiality test. This test examines issues in the following five areas: "Issues that have direct short-term financial impacts," "Issues where the company has agreed policy statements of a strategic nature," "Issues that comparable organizations consider within their sphere of materiality," "Issues that your stakeholders consider important enough to act on (now or in the future)," and "Issues which are considered social norms."<sup>1</sup>
5. Assessing 3M's Stakeholders' Perceptions of the Issues Identified. Each issue was ranked as a high (9), medium (3), low (1), or no (0) interest level for each of the identified stakeholder categories.
6. Engagement planning around material sustainability issues with high stakeholder interest. The combined interest of our stakeholders and issue materiality to 3M was used to identify a sub-set of key engagement issues. Again, using the tools

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<sup>1</sup>From Words to Action; The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement, First Edition October 2005, AccountAbility, the United Nations Environment Programme, and Stakeholder Research Associates



outlined in *The Stakeholder Engagement Manual*, 3M created a plan which outlines the engagement strategy and includes items, such as the following, for each key issue:

- Stakeholder expectation
- 3M goals / objectives
- Recommended engagement method & channel
- Actions, abilities, resources needed for engagement

3M developed its current stakeholder engagement plan in 2010/11. A revised plan will be developed in 2013/14.

## **Partnerships**

Partnerships are an important part of 3M's sustainability strategy. 3M partners with a variety of organizations to help provide us with a diverse set of viewpoints on sustainability, a better understanding of the positions of our stakeholders, and a mechanism to learn from the successes and failures of our peers.

While 3M partners with thousands of organizations, some examples are listed below:

### **National, International and Local Governments**

- Federal Office of Health (Switzerland)
- Federal Office of Social Insurance (Switzerland)
- United States Environmental Protection Agency's (US EPA) Clean Air Act Advisory Committee (charter member)
- U.S. EPA's Green Power Partnership
- U.S. EPA & United States Department of Energy (DOE)'s Energy Star Program

### **Community, Academic, and Nongovernmental Organizations**

- Air & Waste Management Association
- Alliance to Save Energy
- Clinton Climate Initiative
- Friends of the Mississippi River
- Harvard Medical School, Center for Health and the Global Environment
- Junior Achievement - US and Junior Achievement - Switzerland
- Minneapolis Institute of Arts
- Minnesota Environmental Initiative
- National League Against the Cancer
- The Nature Conservancy
- The Science Museum of Minnesota
- Hands on Twin Cities
- St. Paul Public Schools
- The United Way
- WWF Italia

### **Business Associations**

- CSR Netherlands (MVO Nederland)
- Orée
- The Global Environmental Management Initiative
- The World Business Council for Sustainable Development
- National Stone, Sand and Gravel Association
- U.S. Chamber of Commerce
- Zürich Chamber of Commerce
- Fuel Cell Council
- Federchimica

## Partnership Examples

### Restoring Threatened Forests in China

The mountains of southwest China are home to rare giant pandas, red pandas, golden monkeys, elusive snow leopards, more than 685 bird species, as well as 12,000 species of trees and plants. Many of these species are unique to this area, which has become one of the world's most critically threatened biodiversity hotspots. The 3M Foundation gave \$3 million to Conservation International to protect endangered wildlife and restore the threatened forests. Reforestation also will help address climate change.

### Post-it® Greener Notes Partners with American Forests Through the Plant a Tree Program

Through a partnership with American Forests, Office Supply Division customers who purchase eligible Post-it® or 3M™ Recycled Products, such as Post-it® Greener Notes cabinet packs, can register their purchase on-line at [www.post-it.com/onetree](http://www.post-it.com/onetree) and have a tree planted in their name in one of the selected Global ReLeaf project sites. While on the website, consumers will also find news and information about the program, read about sustainability and the benefits of trees, and learn more about American Forests' mission.

### 3M Europe Certified Official Partner of the Sustainable Energy Europe Campaign

3M Europe has been recognized as an Official Partner of the Sustainable Energy Europe Campaign with the project 3M's approach to continuous and sustainable energy reduction. The project emphasizes 3M's worldwide long-standing commitment to reducing the company's environmental footprint. The Sustainable Energy Europe Campaign was launched in 2005 by the European Union to promote sustainable energy policy. It seeks to boost visibility of sustainable energy technologies at the European level and facilitate a more efficient spread of best practices and know-how. Since 2005, 904 projects representing public and private stakeholders, local, regional and national authorities, industry, energy agencies, associations and civil society have been endorsed as Official Partners.

### Putting Emission Reduction Credits to Good Use

Under U.S. environmental laws, 3M has been able to earn emission reduction credits for reducing its air emissions beyond environmental regulatory requirements. In most cases where 3M has done this, we either sold these credits and contributed the profits to environmentally beneficial projects, or contributed the emission-reduction credits themselves to state and local governments for air-quality improvements.

Over the past five years, proceeds from the sale of emission reduction credits were donated to several nonprofits, primarily in the state of Minnesota, for environmental programming. Grants were made to:

- Belwin Nature Center -- Environmental Education Dock Replacement Project
- Deep Portage Learning Center -- Birds, climate and teacher education program.
- Dodge Nature Center -- Sustainable energy education project.
- Eagle Bluff Environmental Learning Center -- Climate of change education program.
- EcoEducation -- Urban Environmental Education Initiative
- Harvard University -- Center for Health and the Global Environment at the Harvard Medical School.
- Long Lake Conservation Foundation -- Biodiversity curriculum project.
- University of Minnesota Raptor Center -- Raptor learning adventures exhibit development.
- Wolf Ridge Environmental Learning Center -- Human connection to nature's timing curriculum development.

## Community Involvement

### **Investing in Community Innovation**

Because of 3M's business success, we are able to invest in innovative community programs that help make the future brighter for everyone. 3M employees and retirees also give generously of their time and professional talents to local organizations and agencies.

### **3M Foundation Board and Corporate Contributions Committee**

Our global Community Giving Program is decentralized with 3M subsidiaries in each country developing and administering a program that is consistent with the local culture, community needs and environment in which we operate.

### Example: Community Giving in the United States

In the United States, the 3M Foundation Board of Directors and Corporate Contributions Committee, comprised of 3M employees, defines the vision for our program that brings corporate financial and volunteer resources together to reflect who we are as a company and our philanthropic relationship with communities in which 3M operates. To help establish our giving focus and evaluate funding requests, 3M depends on the insight of employee advisory committees. National Advisory Committees provide insight into education, health and human service, environmental, and arts giving. Sixteen Community Relations Councils develop regional strategies and 70 3M sites across the country direct local charitable giving.

### Giving Guideline

Historically in the United States, 3M's cash contributions budget has been about 1.5 percent of U.S. pretax profits. When 3M product donations are added in, the contributions budget exceeds 2 percent of pretax profits.

### 3M financial support targets:

Education, health and human services, arts and culture, and environmental organizations that:

- Are established, well-managed nonprofit groups that are classified as charitable organizations for tax purposes and located in 3M communities.
- Provide broad-based community support with a reputation for high-quality service delivery and measurable results.
- Develop close relationships with the community to identify changing needs.

<u>2010 Contributions (\$000)</u>			
	Cash	In-Kind	Total
Arts	\$ 4,666	334	5,000
Community	\$ 991	103	1,094
Environment	\$ 1,428	16,746	18,174
Health/Human Services	\$ 7,812	418	8,230
Higher Education	\$ 6,601	13,944	20,545
K-12 Education	\$ 5,664	80	5,744
	<u>\$ 27,162</u>	<u>31,625</u>	<u>58,787</u>

<u>2010 Contributions (\$000)</u>	
Foundation Cash	21,634
Corporate Cash	5,528
In-Kind Donations	31,625
	<u>58,787</u>

### U.S. Employee Participation

Employees participate in about 80% of our giving through:

- 3M Matching Gift Program for colleges and universities throughout the year and special matches for areas like hunger relief and environment.
- 3M Volunteer Match with contributions to nonprofit organizations where employees volunteer 20 hours or more and retirees volunteer 25 hours or more per year.
- Service on 3M advisory committees that shape funding priorities and assist with the review of grants.
- Volunteer service on non-profit boards or community projects

### Volunteerism: Way of Life at 3M

Through 3M's volunteer match program, we compound our employees' and retirees' volunteerism by donating funds to the organizations where they give their time. The 3M Foundation has donated more than \$3.5 million in the names of more than 17,000 volunteers, sending grants to more than 2,500 organizations in 50 states.

### 3M Volunteer Pledge to Employees and Retirees

Community participation is especially encouraged at management levels. In turn, management should support volunteer service by employees.

- To encourage volunteerism to enhance the quality of life in our communities.
- To support their efforts by sharing information about community needs and volunteer opportunities.
- To recognize the sharing of their time and talents to make a difference in our communities.

### Additional Links

- **More Information on Community Giving in the United States:**  
[http://solutions.3m.com/wps/portal/3M/en\\_US/CommunityAffairs/CommunityGiving](http://solutions.3m.com/wps/portal/3M/en_US/CommunityAffairs/CommunityGiving)
  - **3M's 2009 U.S. Community Giving Report:**  
[http://multimedia.3m.com/mws/mediawebserver?mwsId=11111FfKW5rDxIEe&iEI\\_iESqGfBq5fKTGd1qGd1q11111--](http://multimedia.3m.com/mws/mediawebserver?mwsId=11111FfKW5rDxIEe&iEI_iESqGfBq5fKTGd1qGd1q11111--)
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### **Example: 3M Giving in The Netherlands**

In 2008, 3M Netherlands created a new foundation, the 3M Fund (3M Fonds), and launched a new employee volunteer program where 3M employees may volunteer with not-for-profit organizations during working hours. The fund donates €50,000 (approximately US\$77,000) each year to a not-for-profit organization that is contributing to the Dutch community. Prospective applicants can apply for the funding through the following web site: [www.3MFonds.nl](http://www.3MFonds.nl) (Dutch). All the nominations will be published on the 3M Fund website where the Dutch community will be able to vote on which nomination should receive the award. Using the votes collected through the web site, an independent jury will make the final decision.



### **3M Netherlands Helps to Preserve a Local Wetland**

During The Netherlands' national volunteer days, 60 3M Netherlands employees volunteered their time to help restore a local wetland in Nieuwkoop Lakes with the not-for-profit organization "Natuurmonumenten" or Nature Monuments. Natuurmonumenten manages 355 nature reserves with a combined area of over 100,000 hectares. 3M Netherlands has a special relationship with the Nieuwkoop Lakes. Through a special 'viral' Christmas card, 3M sponsored the restoration of a square meter of land for every tenth time the Christmas card was forwarded. The 500 acres preserved by the viral Christmas card initiative provides habitat for the rare purple heron.

For more information on applying for the 3M Fund, please visit [www.3MFonds.nl](http://www.3MFonds.nl) (site in Dutch)

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**3M Giving in the United Kingdom and Ireland:** [http://solutions.3m.co.uk/wps/portal/3M/en\\_GB/about-3M/information/corporate/responsibility/social/](http://solutions.3m.co.uk/wps/portal/3M/en_GB/about-3M/information/corporate/responsibility/social/)

### **3M UK Enhances the 3M Worldlywise Web Site in 2010**

Teachers will have extra resources to educate their pupils about sustainable living and the challenges of climate change, thanks to the latest additions to 3M Worldlywise, a website developed by 3M UK to support the teaching of sustainable living to 11-16 year olds. The site now boasts a new geography section in addition to the existing maths and science areas. The interactive geography section covers a wide range of topics including farming, forestry, power stations, recycling, pollution and renewable energy, whilst the STEM section takes ambassadors straight to a suite of resources that have been designed specifically for classroom activities. More information on the 3M Worldlywise enhancements.

## IX. Our People: A Key Stakeholder

### Ethics & Employment

#### Supporting a Socially Responsible Workplace

Sustaining our future includes acting in a socially responsible way toward potential, current and former employees. As an ethical and law-abiding company, 3M complies with government regulations around the world concerning human rights, employees and employment laws and expects ethical behavior from employees in accordance with our global Business Conduct Policies. Our conduct goes beyond any legal obligation to include policies that help support a challenging, productive and enjoyable work culture.

#### Key Employment Areas of Interest:

##### Equal Opportunity & Diversity

3M's Equal Employment Opportunity policy affirms the right of every person to participate in all aspects of employment without regard to race, color, creed, religion, national origin, sex, disability, age, marital status, citizenship status, veteran status, pregnancy, sexual orientation, gender identity/expression, genetic information or status regarding public assistance. 3M is committed to attracting and retaining a diverse work force. Learn more about Diversity at 3M.

- 3M's Equal Employment Opportunity policy:  
[http://solutions.3m.com/wps/portal/3M/en\\_US/Careers/Home/?WT.mc\\_id=www.3m.com/careers-us](http://solutions.3m.com/wps/portal/3M/en_US/Careers/Home/?WT.mc_id=www.3m.com/careers-us) (see footer)
- Diversity at 3M: [http://solutions.3m.com/wps/portal/3M/en\\_US/us-diversity/diversity/?WT.mc\\_id=www.3m.com/diversity](http://solutions.3m.com/wps/portal/3M/en_US/us-diversity/diversity/?WT.mc_id=www.3m.com/diversity)

##### Employee Security

In our business operations throughout the world, 3M vigilantly implements security measures and practices crisis preparedness:

- Security personnel and/or systems monitor entrances to all of our facilities to contribute to personal safety and security at 3M.
- Procedures are in place to ensure the timely communication of any threats or security concerns to employees and to deal appropriately with issues that may arise.
- 3M strives to develop productive working relationships with business and community agencies to ensure an effective response to any crisis that may affect employees.

##### Forced Labor

3M complies with existing employment regulations and does not engage or participate in forced labor.

##### Minimum Hiring Age/Child Labor

3M employs no one under the age of 18 in the United States. In locations abroad that permit youth to work, 3M does not employ any individual under the age of 16 and does not allow employees under the age of 18 to engage in hazardous work.

##### Harassment

3M's Harassment Policy prohibits workplace harassment. Harassment is defined as unwelcome or hostile verbal, physical or visual conduct toward an individual because of race, religion, national origin, sex, disability, age, marital status, citizenship status, veteran status, sexual orientation, or status regarding public assistance, when the conduct:

- Creates an intimidating, hostile or offensive work environment;
- Causes work performance to suffer; or
- Negatively affects job opportunities.

3M's Harassment Policy also prohibits inappropriate behavior; that is, behavior that does not meet 3M's standards for the workplace, even if it is not illegal harassment and even if no one has complained. The 3M Harassment Policy is designed to promote a workplace where employees are treated with dignity and respect.

- **3M's Harassment Policy:**  
[http://solutions.3m.com/wps/portal/3M/en\\_US/businessconduct/bcmain/policy/policies/respect/harassment/](http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/policy/policies/respect/harassment/)

## **Bribery & Corruption**

3M forbids the use of bribery and corruption. Regardless of local law or custom, 3M's business conduct principles apply worldwide. See GRI Index for more detail.

## **Auditing Against ILO Core Labor Standards**

3M ensures its operations adhere to the ILO Core Labor Standards through self-audit checklists and annual ethics audits. Managing Directors, who lead 3M's subsidiary operations in countries outside of the United States, complete self-audit checklists each year to confirm compliance with the standards. In addition, this year 3M is expanding its ethics audits to include the labor standards.

- **ILO Core Labor Standards:** [http://www.ilo.org/global/What\\_we\\_do/InternationalLabourStandards/lang--en/index.htm](http://www.ilo.org/global/What_we_do/InternationalLabourStandards/lang--en/index.htm)

## **Compensation**

Throughout the world, 3M complies with minimum wage legislation. In most countries in which we do business, our compensation exceeds legal minimum wage requirements. Our competitive compensation reflects our practice of establishing competitive salary ranges based on actual pay data from benchmark companies.

## **Freedom of Association**

3M works diligently to create a work culture that affords our employees the opportunity to work without fear of intimidation, reprisal, or harassment, and to get their questions resolved in a fair and timely manner.

### **▪ 3M and Unions**

Six percent of U.S. 3M employees are represented by unions. Outside of the United States, union membership of 3M employees is more widespread due to local custom and legal standards, although data is not available at this time.

In all 3M locations, the company's relationship with employees, whether union or non-union, is a key responsibility of all leaders, assisted by the local Human Resources representatives, who also work with all employee groups to maintain positive employee relations. In all U.S. 3M operations, the company's actions comply with the National Labor Relations Act and other applicable federal and state laws.

### **▪ Collective Bargaining**

Collective bargaining agreements provide traditional grievance procedures, and recognition of union and management employee rights.

## **Measurement**

As stated in 3M Corporate Policy, we administer a Standard Opinion Survey to all employees at all locations worldwide every two years. We use the information we obtain to address employee concerns and identify opportunities to improve our work environment. For more information see Employee Engagement.

The 3M Human Resources Measurement group conducts a global Leadership survey every two years. The objective of this survey is to help executive management identify our organizational strengths and opportunities for improvement.

## **Investing in People: Sustaining a Culture of Innovation & Excellence**

The success of 3M over the years has been due, in large part, to the dedication, skill and effort of our employees — all over the world. 3M values the contributions of our employees and has adopted a corporate statement of Human Resources Principles which serve as the cornerstone of this commitment.

Our culture has always emphasized integrity and fairness alongside innovation and excellence, and we will continue to place importance on helping employees develop their diverse talents to create the company's success.

## **Human Resources Principles**

The people of 3M are the company's most valuable resource. They are the primary means by which 3M goals and objectives are attained. Our culture always has emphasized integrity and fairness alongside innovation and excellence, and we will continue to help employees develop their diverse talents which:

- Respects the dignity and worth of individuals.
- Encourages the initiative of each employee.
- Challenges individual capabilities.
- Provides equal opportunity.

## **Global Opportunities**

3M is a diversified technology company, providing employment opportunities in more than 65 countries around the globe and generating more than 65 percent of our sales outside of the United States. We believe the best people to represent 3M in any country are people who live in that country. Hiring in the countries in which 3M has a presence also helps strengthen communities and build a better standard of living. For this reason, we assign employees to foreign service sparingly, as business needs require. In 2010, approximately 135 3M employees work outside of their home countries in a foreign service assignment.

At the end of 2010, 3M employed approximately 80,000 employees worldwide, with approximately 53 percent of those employees residing in the United States.

## **Global Opportunity Examples**

- **Foreign Service Assignments**  
In the U.S., 3M employees are most likely to be assigned a foreign service assignment in Asia. The most frequently assigned locations are Singapore, China and Hong Kong. For 3M employees whose home country is other than the U.S., 3M headquarters in St. Paul, Minnesota is the primary assigned location.
- **United States**  
The United States employs approximately 33,000 employees across the country.
- **3M Asia/Pacific**  
3M Asia/Pacific employs more than 15,500 people in countries including Australia, New Zealand, Japan, Korea, China, Hong Kong, Taiwan, India, Indonesia, Malaysia, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.
- **3M Latin America**  
3M Latin America employs more than 7,200 people. The area includes three regions: Caribbean Region (Puerto Rico, Jamaica, Trinidad Tobago and Dominican Republic); Central America (Costa Rica, Guatemala, Panama, El Salvador, Honduras and Nicaragua); and Andean Region (Peru, Bolivia, Paraguay and Ecuador) and these six countries: Argentina, Brazil, Chile, Colombia, Venezuela and Mexico.
- **3M Canada**  
3M Canada employs approximately 1,900 employees across the country.
- **3M Europe, Middle East and Africa**  
3M Europe and Middle East employ more than 18,600 people. The area includes three regions: West Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom); Central/East Europe (Czech Republic, East, Estonia, Hungary, Israel, Kazakhstan, Latvia, Lithuania, Poland, Romania, Russia, Turkey, Ukraine); and Middle East/Africa (Algeria, Egypt, Kenya, Kuwait, Lebanon, Morocco, Pakistan, Saudi Arabia, South Africa, Tunisia, and United Arab Emirates).

## **Competitive Compensation**

Around the world, 3M is committed to providing competitive market pay that is aligned with individual performance. Our pay structures adhere to policies and requirements governing compensation in the countries in which we operate.

In addition to competitive pay in the U.S., 3M offers a comprehensive benefits program that includes medical, dental and life insurance and retirement savings and investment programs to help employees build a strong financial future.

## Competitive Compensation Examples

- **Total Compensation**

At 3M, Total Compensation is much more than pay. In addition to providing a professional work environment that promotes innovation and rewards performance, 3M's Total Compensation in the United States includes:

- Pay, including annual salary, short-term annual cash incentives and long-term equity incentives for eligible employees.
- Vacation, holiday and other paid leaves.
- Medical, prescription drug, dental and vision benefits, which are available through pre-tax contributions and include 100 percent coverage for in-network preventive care services.
- An employee-owned Health Savings Account that includes annual 3M Company contributions.
- Flexible Spending Accounts for qualified health care and dependent care expenses.
- The Healthy Living Resources program that provides employees with tools, services and incentives to improve their health and well-being.
- The Total Compensation Program offers life insurance for eligible employees and their dependents at group rates. 3M also provides Short- and Long-term Disability benefits to help employees who cannot work due to illness or injury.
- Retirement benefits that include a 401(k) Plan, Retirement Income Account and Retiree Medical Savings Account.
- The opportunity to purchase 3M stock at 85 percent of its fair market value through the General Employees Stock Purchase Plan.

## A Process for Establishing Competitive Pay

3M offers competitive pay around the world. To do so, the company benchmarks pay elements of comparable companies and compares compensation for similar positions. For example, to offer competitive pay for salaried employees in the U.S., 3M uses third party annual salary surveys of U.S. companies similar to 3M. For U.S. nonproduction nonsalaried positions, 3M uses a third-party consultant with a nationwide database containing regional salary information to determine appropriate salaries for each location.

Having a range of pay for each job grade gives 3M the ability to compete for talent. For 3M employees, it provides opportunities for pay growth in every type of job.

## Rewards and Recognition

Hard work and extra effort are rewarded and recognized at 3M through an array of award programs. 3M sponsors several global and many corporate award programs to honor individuals who make significant contributions to the company. In addition, many divisions and departmental areas of business and staff units also have their own specific ways of recognizing and rewarding people. Across 3M, management can choose from a variety of monetary and non-monetary awards to show appreciation for exceptional contributions.

Examples of corporate awards include:

- **The Carlton Society** (Global) honors employees for outstanding career scientific achievements, their contributions to new technologies or new products and high standards of originality, dedication and integrity.
- **Circle of Technical Excellence & Innovation Awards** (Global) honor and recognize 3M employees who have made exceptional contributions to the innovation, productivity and growth of 3M.
- **Pyramid of Excellence Awards** (U.S.) recognize outstanding individual, administrative-employee performance and contributions that align with 3M corporate and subsidiary goals, leadership attributes and customer service objectives.
- **Quality Achievement Awards** (Global) program consists of the Individual Quality Achievement Award, the Lewis W. Lehr Career Quality Achievement Award and the Team Quality Achievement Award, which identify and recognize the best performers in the 3M Quality and Lean Six Sigma communities. The program is an in-depth search for examples of the best practices and achievements. The objectives are to identify the best practices within the company, honor the teams and individuals involved, and communicate those practices throughout our organization.
- **Marketing Excellence Award** (Global) honors marketing excellence by 3M marketing professionals from around the world. It recognizes individuals who have made exceptional contributions and who have clearly demonstrated marketing leadership. Our aspiration is to be recognized as a leading edge, world-class marketing organization that leverages advantaged insight and collaborative innovation to deliver exceptional growth.
- **Golden Step Award** (Global) honors the innovative work of cross-functional teams from around the world who and profitable sales for 3M by developing significant new products, services, markets or business models that achieve at least \$10M USD in annual (calendar) sales within three full years after launch.



- **Supply Chain Achievement Award (Global)** recognizes 3Mers who have made significant, sustainable contributions to the improvement, execution, efficiency and the results of our supply chains.
- **3M Pollution Prevention Pays (3P) Award** salutes employees and teams that apply innovative thinking to projects that significantly reduce waste, prevent pollution and provide a positive economic benefit.
- **3M's Environment, Health and Safety Achievement Award.** This global award is open to every 3M employee or employee team in all 3M worldwide locations who are environmental, health and safety pioneers at work and in the community.
- **3M CEO Safety and Health Award** recognizes facilities, groups and business units for achieving sustained periods of zero lost time injury and/or illness cases. Calculated on a sliding scale according to exposure hours per month, this award equalizes the opportunity for achieving recognition between large and small units. Special categories take into consideration local reporting differences global.
- **3M Applied Ergonomics Innovation Award** recognizes efforts that improve the ability of employees to work safely and productively. It is not limited to improvements that reduce risk of injury, but also includes quality and efficiency improvements related to ergonomic issues.

## **Equal Opportunity & Diversity**

3M considers a diverse work force to be essential to the overall success of our company as well as an important social commitment. Achieving an inclusive culture at 3M includes:

- Respecting our differences.
- Maximizing our individual potential.
- Valuing our uniqueness.
- Synergizing our collective talents and experiences for the growth and success of 3M.

As a global company, 3M works with diverse customers in diverse markets. The diversity of 3M's global workforce is an indispensable asset and is key to global success.

Advancing the diversity of our U.S. operations to reflect our customers and the communities in which we operate is a key initiative under the direction of our human resources leadership, with the full support of our CEO, George W. Buckley. In addition, 3M is attentive to diversity in countries outside of the U.S.

3M is committed to providing an environment where all employees have the opportunity to thrive. Human Resources policies, employee education and executive leadership support this goal.

3M complies with all local, federal and country laws giving every person the right to fairly participate in all aspects of employment.

## **Equal Opportunity and Diversity Examples**

### **U.S. Diversity Data**

3M tracks information on the following metrics:

- 34 percent of the U.S. workforce is female; 16 percent of the U.S. workforce is minority.
- Of management positions in the U.S. (excluding Directors and above), 29 percent is female and 10 percent is minority.
- Of U.S. executive management positions (Directors and above), 20 percent is female and 10 percent is minority.

Note: 3M does not use this data as an indicator for U.S. labor practice performance.

### **U.S. Diversity Recruiting Activities**

In the U.S., 3M employs a Director of Workforce Diversity to provide direction and support to maintain a diverse and inclusive culture. Diversity recruiting is integrated into our talent acquisition processes. The strategy is to drive diversity and inclusion in all Human Resource and business processes. Workforce Diversity provides counsel to business and HR leaders on improvement opportunities and approaches. In addition, 3M engages members of our Employee Resource Groups to participate in recruiting activities. Diversity recruiting activities include:

- National and regional diversity career conferences.

- Providing leadership to ensure greater minority recruitment awareness throughout the company.
- Developing relationships with officials at targeted colleges and universities to enhance college relations and recruiting exposure.
- Coordinating funding to educational institutions and other organizations that actively support career enrichment opportunities for minorities.
- Developing relationships in order to increase minority hiring opportunities through involvement with diverse professional organizations, diverse graduate chapter fraternities and sororities, diverse colleges and universities, diverse chambers of commerce, diverse media/newspapers/magazines
- 3M participates in the following Diversity Career Conferences: The American Indian Science and Engineering Society (AISES), The Black Engineer of the Year National Achievement Awards Conference (BEYA), The Consortium for Graduate Study in Management, The National Organization for the Professional Advancement of Black Chemists and Chemical Engineers (NOBCChE), The National Sales Network (NSN), The National Society of Black Engineers (NSBE), Society of Women in Engineering (SWE), The Society of Hispanic Professional Engineers (SHPE), Military Officers Association of America (MOAA) Corporate Gray Career Fair, and Michigan State University (MSU) Diversity Career Fair.

### **U.S. Supplier Diversity Initiative**

An important part of the way 3M procures goods and services is by utilizing small, minority-owned and woman-owned businesses. These enterprises make up a growing share of the U.S. economy with great potential for helping us achieve the 3M vision — to be the most innovative enterprise and the preferred supplier.

Our Supplier Diversity Initiative specifically recognizes the valuable contributions that can be made by diverse suppliers. They make up a vital segment of our economy, offering products and services often unavailable from larger companies. 3M remains committed to continued fair and active consideration of these suppliers.

### **Women's Leadership Network**

The Women's Leadership Network is a volunteer organization of women representing all 3M functions and salary groups throughout the United States. The group is committed to providing a voice for women's perspectives on workplace issues and makes recommendations to the Human Resources Advisory Committee on Diversity.

### **Recognition for Female Representation**

3M was among 17 major U.S. companies honored with Global Corporate Leadership Awards from the National Women's Economic Alliance Foundation; the awards recognize companies for their efforts to increase opportunities for women in the workplace.

### **Executive Mentoring Program**

An executive diversity mentoring program supports the professional development of high performing minority and women employees. Since January 2002, more than 730 females and minorities have enrolled in this program.

### **A Healthy & Productive Workforce**

3M has a long-held commitment to our employees' well-being, health and productivity. Since the 1930s when 3M began providing a financial safety net for employees experiencing disabling health problems, 3M has had a tradition of offering premier medical and disability benefits as part of our competitive compensation.

### **Healthy Living Resources**

3M introduced a Healthy Living Resources program for U.S. employees which provides tools and information to help them get more out of life. The program includes information, tools and resources in four key areas:

- **For a Healthier You:** Resources to help you be healthier — physically and emotionally
- **For Your Work Life:** Resources to help you be healthy and productive at work
- **For Your Personal and Family Life:** Resources to help care for you and your family
- **For Your Convenience:** Resources to save you time

Healthy Living Resources is designed to engage employees in the following strategic goals for personal health improvement:

- Maintaining and improving personal health.
- Managing stress and signs of risk to personal health and safety.

- Managing chronic illness and injury.
- Effectively utilizing health care and 3M resources.

### **Health & Productivity Rebate**

3M's health and productivity rebate program helps U.S. 3M plants benefit in reducing preventable health care costs. The program measures key influencers of good health and consumerism. Locations that successfully hit their targets earn a financial incentive.

### **3M's Total Disability Management Process**

3M has a comprehensive disability management process that helps employees and 3M help prevent an injury or illness from becoming a disability. The program was introduced in 1996 within the United States and Puerto Rico. The key to the program is careful case management to minimize the impact of illness or injury to improve employee health and productivity.

### **Employee Assistance Program**

In 1974, 3M began an employee assistance program which today provides over 7,200 hours of consultation per year to U.S. employees and their dependents and leaders across 3M to assist them in navigating challenging situations. In some locations outside of the United States, 3M offers employee assistance resources at the local level. Resources to promote health and productivity and prevent and manage behavioral health conditions are available through printed literature and other media on topics such as:

- Personal, family and organizational resiliency
- Stress management
- Shiftwork
- Depression
- Family chemical health
- Supporting employees or family members through grief or troubling situations.

In 2010:

- 3M provided over 7,200 hours of consultation services to U.S. employees and their dependents and leaders to assist them in navigating challenging situations.
- 3M provided 1,595 consultation sessions to U.S. leaders to assist them in supporting the health, productivity and well-being of their employees.
- The 3M Employee Assistance Program educational presentations were attended by 18,519 employees and leaders in the U.S.

### **Support for Employee Health**

3M encourages employees to be responsible for their health through a variety of programs and resources.

3M assists employees in effectively managing their health and being good consumers of the medical care provided under their benefits through education and awareness programs.

Physical fitness is an integral part of 3M's model for health and productivity. Many 3M facilities house on-site fitness centers, gyms or workout rooms to encourage employee fitness. 3M also offers a monthly fitness center discount at participating fitness centers to U.S. employees through their 3M medical plan administrator.

To promote individual health and wellness, 3M U.S. employees are regularly offered incentives through the Healthy Living Resources program for engaging in a variety of health and wellness activities such as completing an online health assessment and free wellness screening at their convenience.

3M provides access to an onsite pharmacy for U.S. employees and retirees at 3M Corporate Headquarters, which provides convenience and consultation services.

3M partners with various U.S. community health organizations such as the Buyers Health Care Action Group, and its Bridges to Excellence program, which promotes high quality, cost-effective health care, by offering incentives to high performing providers as evaluated by Minnesota Community Measurement group.

To help reduce employee exposure to secondhand smoke and to support employees who smoke in their efforts to quit, 3M's U.S. facilities (and most facilities outside the U.S.) became smoke-free in 1999. 3M offers free tobacco cessation programs through our HealthPartners and Blue Cross Blue Shield health care plans. 3M will cover 100 percent of the cost of Nicotine Replacement Therapy when employees participate.

## **Learning & Career Growth**

Today's business environment demands that we become faster and more flexible in anticipating and exceeding the needs of our customers, shareholders and employees. Creating a high-performance culture built on continuous learning will help 3M achieve business growth for the company and professional growth for employees.

Each year, every employee creates an individual development plan that includes specific steps to raise the bar on his or her individual performance and skills.

### **Our Learning Environment**

3M is a learning organization committed to continuous improvement in both the company's results and each individual's performance. A learning environment is more than a comprehensive training program. It's a philosophy that says that learning is a part of every employee's job every day. Continuous learning gives all employees greater opportunities to realize their potential. In a learning environment, the role of the employee is to be a continuous learner, the role of the manager is to reinforce learning and model learning behaviors, and the role of the company is to create systems that allow cross-functional knowledge sharing throughout the organization. 3M supports learning through on-the-job training, traditional classroom settings, online learning and functional communities of practice. Each employee is responsible for his or her individual growth plan. The goal of our commitment to learning is engaged employees who understand how their actions contribute to 3M's success and make decisions as if they owned the business. 3M has offered suites of on-line supervisory/manager, business conduct and compliance courses; technical mini-courses in science and technology important to 3M; basic selling skills and product training; and on-line courses in giving and receiving feedback and coaching skills for all employees worldwide to develop competencies aligned to business needs.

### **Accelerated Leadership Development**

3M views leadership development as a competitive advantage and is accelerating leadership development in a variety of ways:

- Our senior management team is strengthening our leadership talent by selectively recruiting proven leaders from outside the company for key functional and business roles to lead our businesses in new directions.
- 3M's senior management team has identified six key leadership attributes. All employees are expected to think from the outside in, drive innovation & growth, develop, teach & engage others, make courageous decisions, lead with energy, passion & urgency and live 3M values. These attributes have been incorporated into our performance assessment and development process for most of 3M's salaried workforce and all of its supervisory, management and executive employees so we can regularly assess the extent to which employees' behavior demonstrates these attributes to help them develop their leadership behaviors.
- 3M is identifying leaders and giving all employees the tools to develop leadership throughout their careers. We are also investing in the development of leaders through the Leadership Development Programs, which includes training programs for all employees, supervisors and managers. We offer several intense accelerated learning development experiences for supervisors, managers and directors. Participants experience real-life learning by working on 3M business issues and presenting recommendations to senior management.
- Employees have access to an intranet site dedicated to their career and personal development. The site provides a strategic career planning process, information to guide employees as they set goals and document contributions, access to on-demand learning modules and suites of courses, mentoring guidelines and tips for aligning career goals to 3M business goals for greater success at 3M.
- While 3M leaders have always been known for sharing best practices, especially technological breakthroughs, today's leaders at 3M have a passion for learning and sharing ideas. There's an increased emphasis on action learning and "leaders teaching leaders" including teaching, coaching and mentoring by leaders at the highest levels of the organization.
- Learning has also taken a new place within the value chain for 3M businesses. Leaders are leveraging new learning technologies and blended learning solutions to improve employee access to learning content and performance support tools. They are also focused on decreasing the cost of traditional learning events and increasing customer and channel partner loyalty. Learning has become a more valuable and measurable business strategy.

## **Career Opportunities**

3M supports and encourages employees in the development and advancement of their careers, and provides tools to support those activities.

Listings of open job opportunities are made available at all 3M locations and employees may nominate themselves for consideration.

## **Tuition Refund**

In 3M locations around the world, employees are encouraged to continuously learn and improve their skills. In most countries where we do business, 3M offers, with management support, tuition reimbursement to encourage employees to upgrade their education to better meet current job responsibilities, prepare for future responsibilities and help qualify for changes in career paths within 3M. In 2010, 3M spent more than \$3 million to support U.S. employees pursuing higher education through 3M's Tuition Reimbursement Refund Program.

## **Mentoring**

3M encourages mentoring partnerships and provides training, tools, networks and consulting to support strategy and program development across the company.

Some organizations have assisted mentoring programs to help identify and recruit mentors to meet the needs of specific individuals. An on-line Mentoring Program Design Kit with guidelines for developing and implementing a mentoring program in alignment with strategic business objectives is available to support organizations wanting to offer mentoring programs.

The Mentoring Special Interest Group (SIG), a volunteer organization sponsored by the Vice President of Community Affairs, matches individuals interested in being matched with a mentoring partner. The SIG provides a quarterly luncheon/kick-off session to launch new mentoring partners. Since 2001, the SIG has matched more than 750 mentoring partnerships.

Self-directed mentoring guidelines provide a step-by-step process that individuals can use to identify and recruit a mentor and then to effectively manage a mentoring partnership.

Since 2003, over 1,500 of our newly hired St. Paul based employees have participated as mentees in the new hire group mentoring program. More than 270 directors have participated as mentors.

## **Outplacement Assistance**

3M offers a range of outplacement services and resources for employees whose positions are eliminated due to business needs. These resources are offered on a worldwide basis to help employees transition to employment in other areas of 3M or outside of the company and include services such as development of career transition skills and identification of job placement opportunities. In addition, 3M has an internal recruiting web site that lists current 3M position openings for employees to self-nominate, as well as career development information and tools.

## **Work and Life Balance**

3M is a place where people can do their best work and achieve their potential. Yet that effort should not take away from our employees' lives outside of the office or plant. At 3M, a sustainable work environment is one where the needs and concerns of the people who work there are respected and supported, and we strive to create this environment through our beliefs and actions, as well as through our global employment policies and programs.

## **Work & Personal Life**

3M's success depends on healthy and productive employees. 3M Healthy Living Resources is supported by four groups of resources to assist you in your personal and/or professional life. They can take advantage of our full range of opportunities — there's something for everyone. Here's a sampling:

- For a Healthier You – opportunities to help you maintain a healthy lifestyle, including: on-site fitness centers in many 3M locations, fitness center discounts, weight management program reimbursement, online health classes, a confidential Employee Assistance Program (EAP), tobacco cessation offerings and resources to manage a medical condition and make smarter health care choices

- For Your Work Life – opportunities to help you be productive, including: stress management coaching, shift work resources, travel medicine opportunities, and other professional growth resources
- For Your Personal and Family Life – opportunities to help you balance your personal life, including: child and adult (elder) care consultation and referral, financial and legal consultation and referral services, parenting resources, scholarship programs and personal growth resources
- For Your Convenience – resources designed to save you time, including: access to on-site health and personal services in our 3M Maplewood location, including an on-site pharmacy and medical center; and 3M Club that provides discounted tickets and a venue to share hobbies and interests with other employees

In addition, 3M offers the following resources and opportunities:

- Tuition reimbursement
- Adoption assistance
- Scholarships for eligible dependents of employees
- Voluntary long-term care coverage, group auto and home insurance
- Employee store to purchase 3M products online or at many 3M locations
- Support for community involvement: Matching Gifts, Volunteer Match, 3M Community Giving

### **Flexible Work Arrangements**

3M recognizes the importance of helping employees balance their life concerns with their work responsibilities. 3M employees are able to explore with their management a variety of flexible work arrangements, including part-time, job share, compressed work week and telecommuting. These opportunities are communicated to employees through management, 3M Policy Center and the 3M intranet.

### **Dependent Care Resources**

3M provides a range of resources to assist employees with dependent care, including child care and elder care. In 2007, 3M began to offer Child Care and Adult Care Consultation and Referral services through the 3M Employee Assistance Program in order to help employees locate appropriate services for their loved ones.

### **Employee Engagement**

3M expects leaders to foster a work environment that builds trust with employees through open communication. This work environment promotes both employee engagement and innovation that makes 3M a great place to work, a claim consistently supported by the Standard Opinion Survey process. Emphasis on innovation, reputation, competitive compensation and a friendly culture are some of the reasons employees are proud to work for 3M.

### **Employee Opinion**

Since 1951, 3M has been soliciting employee insights on a range of topics through the use of organizational surveys. Currently, 3M measures and analyzes employee input using the following tools:

- **Standard Opinion Survey** (Global Business Unit Survey)  
It is corporate policy that every business unit worldwide surveys their entire organization once every two years using the Standard Opinion Survey. The survey allows employees to candidly express their views about 3M, their business unit and their jobs in complete confidentiality. This survey shows that 85% of employees agree that 3M makes business choices that support the environment.
- **Leadership Survey** (Global Corporate Survey)  
The Leadership Survey is administered to leaders worldwide. The purpose of the survey is to establish benchmarks for the future, evaluate current key corporate initiatives and to help target areas for action.

### **An Emphasis on Innovation**

The key to innovation is coupling 3M's highly diversified and differentiated technology to high growth market space opportunities to create new-to-the-world product platforms.

"Giving people room" to innovate is a 3M tradition, exemplified by the "15% culture" which encourages technical employees to spend 15 percent of their time on projects of their own choosing and initiative.

New Product Forums are regularly held, where divisions can share their latest products and developers can solicit support for a new product, idea or technology.

Researchers can apply for Genesis Grants. The grants provide significant funding to individuals or teams to pursue embryonic new product ideas or concepts.

### **Why Employees Stay**

In the industry, 3M has an enviable track record of employee retention. Why do employees stay? In addition to competitive compensation, employees enjoy the culture and opportunity at 3M. Here are a few of 3M's attributes that contribute to employee pride:

- **Reputation**  
3M has a worldwide reputation for innovative, high quality products. We are a company that values science and innovation, a combination that attracts the best and the brightest in the fields of technology and science. We are a responsible, ethical company, underscored in our core corporate value of "respecting our social and physical environment."
- **Nature of Work**  
3M employees like working for a company that produces useful, innovative products. Autonomy is an important part of the culture and is reflected in a wide variety of mechanisms including the dual ladder structure that allows technical and professional people to choose to develop their careers either by maintaining their focus on research and other professional interests, or by developing their management skills by supervising employees.
- **Great People**  
Our focus on innovation attracts highly talented, motivated people who are focused on working together to create great results for the company.
- **Opportunity**  
3M fosters a "promote from within" culture, where individuals can achieve career development and advancement consistent with their initiative and work contributions. Movement within the company is encouraged and expected.

### **Communication with Employees**

Corporate business goals and objectives are communicated regularly in real-time worldwide to engage employees in our common mission, including:

- **A Dedicated Intranet**  
An extensive company-sponsored intranet provides global access to valuable work-related information, including business policies, a collaboration center and other business tools.
- **Employee Publications**  
Online and print employee publications help to educate, connect and inspire employees at 3M locations around the world.
- **Leadership Communications**  
Leaders communicate regularly with employees in a variety of forums. Management at 3M abides by an open-door policy.
- **Ongoing Measurement of Employee Opinions**  
3M regularly measures employee opinions with a biennial Leadership Survey, business unit organizational survey (administered to all sites worldwide) and other survey mechanisms. Employee input weighs heavily in management actions.

### **Employee Groups**

3M encourages employees with shared interests to pursue those interests in a supportive environment.

Employee resource groups such as PLUS (a Gay, Lesbian, Bisexual and Transgender group), African American Society, China Club, Disability Advisory Committee, Latino Resource Group, Military Support Network, Native American Council, South Asia Society, Team

Austin and the Women's Leadership Network are sponsored by 3M under the direction of the Human Resources Advisory Committee on Diversity.

Support groups have been organized to help 3M employees and their family members to cope with issues that accompany life's challenges.

Across 3M, numerous special interest groups are sponsored by business and functional areas in support of personal and professional development.

Every country in which 3M does business has a 3M employee club that sponsors special events, activity clubs and sports programs and offers special discounts and privileges, in support of exercise, friendships and fun. The largest employee club is in St. Paul, Minnesota and has approximately 8,500 members.

## **X. Recognition for 3M's Sustainability Programs**

**2010 & 2011**

### **Energy Star Sustained Excellence Award 2005 - 2011**

In 2011, 3M was recognized by the U.S. Environmental Protection Agency and U.S. Department of Energy again by winning the Sustained Excellence Award for Energy Management in recognition of continuous improvement in energy management. 3M is the only industrial company to ever receive this honor seven years in a row. This award is given to companies that demonstrate extraordinary and sustained programs to reduce energy use and increase energy efficiency.



### **3M Awarded the Gigaton Award**

3M received one of the first-ever Gigaton Awards recognizing the company's leadership in energy efficiency and sustainability. The award was presented during the World Climate Summit held in Cancun in early December. The Carbon War Room, a nonprofit organization founded by global entrepreneur Richard Branson, developed and sponsored the Gigaton. A total of six companies were recognized for their achievements – each company representing a sector of private industry. 3M received the Best in Class award, which recognizes an overall leader of the awardees.

According to the Gigaton Award website, the pool of competitors for all sectors was taken from the Global 500 companies, as presented in the Carbon Disclosure Project report for 2010. An independent Academy that included experts from business and the public sector selected the winners. As a recipient of the Best in Class award, 3M will pass on its award to next year's leader at the 2011 World Climate Summit.

### **3M Included in 2011 Dow Jones Sustainability Index**

In recognition of 3M's commitment to sustainability, the company has been selected for inclusion in the 2010 Dow Jones Sustainability Index (DJSI) that tracks the performance of the leading sustainability-driven companies worldwide.

### **3M Locations Named Best Company to Work by the Great Places to Work Institute**

The Great Places to Work Institute recognized 3M Chile, 3M Germany, 3M Spain and others as one of the best places to work in their specific countries and regions. Companies are selected as best places to work based on the results of employee surveys. The surveys measure corporate credibility, fairness, pride and camaraderie to determine the balance between work and personal life within participating companies.

- 3M Argentina: 2005 & 2008



- 3M Austria: 2010
- 3M Bolivia: 2010
- 3M Brazil: 2003, 2004, 2005, 2009
- 3M Chile: 2004, 2005, 2006, 2007, 2008, 2009, & 2010
- 3M Deutschland: 2004, 2005, 2007, & 2009
- 3M Ecuador: 2009
- 3M ESPE in Germany: 2009, 2010
- 3M Germany: 2004, 2005, 2006, 2007, 2008, 2009, & 2010
- 3M Ireland Limited: 2010
- 3M Paraguay: 2009
- 3M Peru: 2004, 2005, 2006 & 2007
- 3M Spain: 2008 & 2010
- 3M Subsidiaries in Latin America: 2005, 2006, & 2009
- Best Large Workplaces in Europe: 2009

### **3M's Knoxville and Ames Facilities are Awarded the 2009 Iowa Governor's Environmental Excellence Award**

The facilities were recognized for their work to prevent pollution at the source through the 3P program. Over the life of the 3P program, the Knoxville and Ames plants have completed more than 470 3P projects reducing air, water and solid waste pollutants by 123 million pounds and saving more than \$39 million.



#### **3M Colombia Celebrates its Fifth Year in the Prestigious PREAD Program**

The PREAD program or "Premio de Excelencia Ambiental Distrital" was established by the Bogota government's District Environment Secretariat to recognize companies that demonstrate superior environmental management. Over the last five years, 3M Columbia has been recognized each year for its work to reduce waste and manage water and energy use. In fact, 3M Columbia has shown continuous improvement moving from a PREAD distinction of "On the Way to Environmental Excellence" in 2007 to "Environmental Excellence Generating Sustainable Development" in 2008-2011.

### **MIPIM Recognizes 3M Italy's HQ Building in Malaspina with a Green Building Award**

3M Italy won the MIPIM award in the Green Building Category. Winners of the MIPIM Awards were selected by a vote of the real estate professionals attending MIPIM.



#### **3M Mexico's San Luis Potosi Facility Recognized by Mexico as an Environmental Leader**

In January, 2011 3M Mexico's SLP facility became a member in Mexico's Environmental Leader program. The program was started by the Mexican government to improve the global competitiveness and environmental performance of Mexican

manufacturing. Through the program, 3M Mexico will serve as a mentor to 18 of its suppliers by helping them identify and implement environmental projects that improve efficiency and reduce waste and energy use.

3M Hong Kong received the Merit Green Enterprise Award as part of the first Capital Entrepreneur Green Enterprise Awards 2010.



### **3M Woodlands Plant Awarded BCA Green Mark Gold Award**

The Woodlands Plant is the first existing manufacturing plant to win the award, which assesses a building's environmental impact and performance! Awarded by the Singapore Building & Construction Authority and endorsed by the National Environment Agency, the award provides a comprehensive framework for assessing the overall environmental performance of new and existing buildings to promote sustainable design, construction and operations practices in buildings.

2009

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### **3M Receives BusinessWeek's Greener China Business Award**

3M was one of ten companies to receive the first BusinessWeek's Greener China Business Award. Five Chinese and five multinational companies received this award. 3M was recognized for its strong green focus reflected in the company's innovative products and for its projects specifically carried out in China. All of the winners are leaders in adopting and promoting environmentally responsible processes.

Read The BusinessWeek Article: [http://www.businessweek.com/print/magazine/content/09\\_21/b4132040805185.htm](http://www.businessweek.com/print/magazine/content/09_21/b4132040805185.htm)

### **3M UK & Ireland is Awarded the Carbon Trust Standard**

In 2009, 3M UK & Ireland has been awarded the Carbon Trust Standard after taking action on climate change by reducing the carbon footprint of its operations. The Carbon Trust Standard is the world's first carbon award that requires an organisation to measure, manage and reduce its carbon footprint and actually make real reductions year-on-year.



2008

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### **3M Receives the European Office Products Award for Environmental Responsibility**

In 2008, 3M was presented with European Office Products Award for Environmental Responsibility for the company's development of recycled Post-it® products.

### **3M Receives the Light of Hope Award from Gifts In Kind International**

In 2008, 3M received the Light of Hope Award from Gifts In Kind International. 3M was recognized for its long history of giving products through Gifts In Kind International (GIKI) to nonprofits that serve the ill, the needy, or infants. 3M began working with GIKI in 1983 when it donated new photocopy machines valued at around \$12 million. That donation was integral to the creation of Gifts In Kind, which has distributed more than \$6 billion in products to charitable organizations around the world during its 25-year history.

### **3M Commended by U.S. Environmental Protection Agency (EPA) for Greenhouse Gas (GHG) Success**

In 2002, 3M set a voluntary GHG emissions reduction commitment through the U.S. EPA's Climate Leaders program to reduce U.S. GHGs emissions by 30% from 2002-2007. In 2007, the agency recognized 3M as a leader in addressing climate issues for exceeding its goal and reducing U.S. GHGs by 60% from 2002-2007.

### **3M Germany Receives Multiple Awards**

Multiple awards in 2006-2008 acknowledge 3M Germany as a place where employees thrive in an environment of corporate and social responsibility. In 2008, 3M Germany moved to 4th place in the 50 Best Employers Award, up from 5th place in 2007 and 11th place in 2006. It was named among the 100 Best Workplaces in Europe in 2006, 2007, and 2008 ranking in the top five companies with more

than 1,000 employees. In 2006, it also was recognized as the Best Company for Apprenticeship and Best Company for Social Responsibility.

### **3M Ranks Among America's Favorite, Most Admired, and Most Innovative Companies**

- 3M ranked 4th on the ninth annual Harris Interactive Reputation Quotient Survey. The companies are evaluated on emotional appeal, products and services, social responsibility, vision and leadership, workplace environment and financial performance.
- 3M ranked No. 22 on the 2008 Business Week-Boston Consulting Group's list of the "World's 50 Most Innovative Companies."
- 3M ranked No. 19 on Fortune magazine's list of "America's Most Admired Companies," with a No. 3 ranking in the Medical and Other Precision Equipment category.
- For the third consecutive year, the 3M ESPE Division was named the "Most Innovative Company in the Dental Industry," according to the "2007 Dental Industry Review," a report published by The Anaheim Group.
- 3M received a Corporate Innovation Award from the American Institute of Chemical Engineers. This organization selected 3M as the recipient for having made a "real difference" in the marketplace and global community, and in the practice of chemical engineering.

### **Kudos from 3M Customers**

3M has earned recognition from an array of customers for the excellent working relationship they enjoy with the company, in addition to excellent products, service, marketing support and innovation. Here are some highlights:

- 3M Netherlands was named "Supplier of the Year" by Corporate Express.
- Lyreco and Spicers, two large distributors of office products, recognized 3M Italy. For the second year in a row 3M Italy received the "Lyreco Best Marketing Award." Spicers named 3M Italy its "Best Supplier for Marketing Activities."
- 3M Mexico was named Wal-Mart's "Vendor of the Year."
- 3M Brazil was named "Vendor of the Year" by Sam's Club.
- Target named 3M its "Partner of the Year."
- Staples named the Post-it® team "Best Category Manager."
- The Energy and Advanced Materials Division and the Industrial Adhesives and Tapes Division won Performance Excellence Awards from Boeing, for products used by Boeing in manufacturing aircraft.

### **3M Tops 'Best Companies for Leaders' List**

3M received a "Best Companies for Leaders" award based on results from an annual survey conducted by the Hay Group and Chief Executive magazine. 3M ranks No. 1 on this year's Best Companies for Leaders list. The list was determined by results of the 2008 Best Companies for Leaders Survey, conducted by the Hay Group management consultancy and Chief Executive magazine. Survey results, announced earlier this month, identify the Top 20 best-in-class companies as well as attributes that make these companies known for great leadership.

### **3M's Business Conduct Reporting Website is Rated One of the Top 10 Best Practices by EthicsPoint**

3M launched its business conduct website in 2006 to make it easy for employees to raise questions or report things that do not seem consistent with 3M's business conduct values. In 2008, the website was named one of the top 10 best-practice examples by EthicsPoint, a private company that works with corporations to develop incident reporting sites, and 3M's vendor. 3M was singled out among EthicsPoint's more than 1,700 corporate clients. "3M's commitment to business ethics and compliance is readily apparent as soon as you look at their Web site," said Tom O'Keefe, vice president, Sales and Service, EthicsPoint.

### **3M Korea Labor-Management Practices Honored**

With policies that foster communication and creative thinking among employees, 3M Korea was selected by the Ministry of Labor as one of the top 10 successful labor-management companies in foreign invested firms in 2008. The award recognizes companies that have improved productivity and employee quality of life through win-win labor-management partnerships. 3M Korea also was ranked by Korean university graduates as the second most favored multinational firm as a workplace. 3M was cited as one of the most sought-after places for a job because of its favorable working environment, among other reasons.

### **Awards Go to 3M Singapore and 3M™ Nexcare™ Brand**

Talented young graduates and undergraduates from three Singapore universities ranked 3M Singapore eighth among their top private employers of choice. The 2008 study into career and job preferences was sponsored by the JobsFactory Employers of Choice Survey. The 3M™ Nexcare™ brand of health care products received a 2008 Watsons' Health, Wellness and Beauty Award for Best Selling

Acne Treatment Patch. Watsons is a large beauty and personal care retailer in Singapore. The annual award honors products, brands and valued business partners for their long-term commitment to providing superior products and value for customers.

### **3M Taiwan Receives Golden Merchant Award**

3M Taiwan proudly accepted two awards in 2008. For its strong sales, environmental achievements and community involvement, 3M Taiwan was named one of the five best foreign companies in Taiwan. This honor included the Golden Merchant Award from the General Chamber of Commerce of Republic of China. 3M Taiwan also ranked first as the Most Favorite Foreign Manufacturer in Taiwan in a survey of young adults and workers ages 26 to 30 years old. The survey was conducted by 1111 Human Resources Bank, a well-known manpower service company.

### **3M's Cynthiana, Kentucky Facility Recognized as an Environmental Leader**

In 2008, 3M's Cynthiana, Kentucky facility was recognized by the Kentucky Excellence in Environmental Leadership program (KYEXCEL) for its membership at the highest "Master" level. The voluntary program, established by the Kentucky Department for Environmental Protection, encourages members to complete projects that help improve and protect Kentucky's environment above and beyond the state's environmental requirements.

### **California Waste Reduction Awards**

3M Petaluma and 3M Monrovia were awarded the California WRAP Award for reducing waste in 2008. The 2008 Waste Reduction Awards Program (WRAP) is sponsored by California Integrated Waste Management Board - the state's leading authority on recycling and waste reduction. Previous 3M California WRAP Awardees:

- 3M Optical Systems - Petaluma, CA: 2000, 2004 - 2008
- 3M Unitek Corporation, Monrovia: 2001 - 2008
- 3M ESPE Dental Products: 2004
- 3M Monrovia: 2000

### **Joseph Ling Recognized for His Work to Drive Pollution Prevention Across the Globe**

The late Joseph Ling, staff vice president, Environmental Engineering and Pollution Control (in the 1970s through the early 1980s), was posthumously awarded the "Thomas W. Zosel Outstanding Individual Achievement Award" by the U.S. Environmental Protection Agency (EPA) in May 2008 for his life-long commitment promote pollution prevention worldwide. Ling launched 3M's Pollution Prevention Pays program in 1975. He was one of the first to articulate and embrace a holistic approach to environmental management. This award is especially poignant because Ling and Tom Zosel, the person for whom the award was named, were 3M colleagues. Zosel was well-known for his creative approaches to addressing environmental issues. Like Ling's, his work contributed significantly to 3M's reputation as an environmental leader. Zosel's untimely death in 1999 at age 55 prevented him from seeing one of his final contributions implemented. He had been working with the EPA on the development of the Clean Air Excellence Awards Program. In recognition of his lifetime achievement, the EPA named this award after him.

### **3M's Nevada Missouri Facility Recognized by the U.S. Environmental Protection Agency and National Weather Service**

- 3M Nevada was recognized by the EPA's National Partnership for Environmental Priorities program for reducing the amount of lead chromate used to produce colored films. (These films are used for signage by customers of the 3M Graphics Market Center.) 3M Nevada's goal is to be the first in the graphics industry to become 100 percent lead-free, with products that perform as well as, if not better than, the lead formulations they replace. Through September 2008, the plant's lead use is down by at least 40 percent, and more than 750 colored graphic film products have been reformulated.
- 3M Nevada was also recognized by the National Weather Service and the Missouri State Emergency Management Agency as a StormReady Facility. For this, the facility had to meet a number of criteria, including having a 24-hour warning point and emergency operations center and a formal hazardous weather plan. Eleven facilities and 1,100 communities nationwide have achieved this status.

### **3M's Austin, Texas and Decatur Alabama Facilities Recognized for Their Commitment to Employee Safety**

- 3M Austin received a Star rating from the U.S. Occupational Safety and Health Administration (OSHA). The rating, part of OSHA's Voluntary Protection Programs, is given to work sites that show excellence in occupational safety and health and are committed to exceeding OSHA requirements.

- 3M Decatur received a 2008 Industry Leader Award from the National Safety Council. This award represents the top 5 percent of member companies that have met the criteria and qualified for the National Safety Council's 2008 Occupational Excellence Achievement Award.

### **3M Colombia Distinguished by the Colombian Environmental Ministry**

In 2008, 3M Colombia was recognized for Environmental Excellence by the Colombian Environmental Ministry, the most important environmental institution in that country.

### **3M™ Clean Sanding System Receives a 2008 Tekne Award**

3M™ Clean Sanding System was recognized with a 2008 Tekne Award in the Advanced Manufacturing Award/established company category. Presented by the Minnesota High Tech Association in partnership with Enterprise Minnesota and LifeScience Alley, Tekne Awards recognize the best and brightest in development, education, commercialization and management of technology. The 3M clean sanding system was developed by the Abrasive Systems Division to remove dust and debris during the process of modifying surfaces with abrasives.

## **2007**

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### **Clean Air Excellence, Gregg Cooke Visionary Program Award**

In 2007, 3M was awarded the first annual Clean Air Excellence Award's Gregg Cooke Visionary Program Award by the U.S. Environmental Protection Agency. The award recognized 3M's work to reduce its air emissions worldwide.

### **3M Receives an Award from Harvard Medical School's Center for Health and the Global Environment**

In 2007, 3M was saluted by Harvard Medical School's Center for Health and the Global Environment for effectively carrying out the center's mission to educate the public on the close – and important – relationship between human health and the health of the environment.

### **3M's Legal Department Receives the 2007 Corporate Pro Bono Partner Award**

The award recognizes the unique partnership between 3M and the Children's Law Center of Minnesota to provide much-needed representation for children in the foster care system. About 15 of 3M's attorneys volunteer their time to advise the law center's young clients and represent them in court. In 2007, the efforts of these attorney's were recognized at the national level by winning the 2007 Corporate Pro Bono Partner Award from Washington, D.C.-based Corporate Pro Bono.

### **Singapore 2007 MAXA Operational Excellence Award**

3M Singapore Pte Ltd was awarded the MAXA Operational Excellence Award in 2007 in recognition of its operational excellence. Among the best practices cited were: focus on people, focus on research and innovation, emphasis on quality, and unique and powerful entrepreneurial Six Sigma culture. Also highlighted were its excellent operating system, good supply chain management, commitment to the preservation of the environment and commitment towards employee and product safety.

### **3M Ranked as One of the World's Best R&D Companies**

In 2007, 3M appeared in R&D Magazine's top 10 list of "The World's Best R&D Companies." R&D's readers selected their favorite companies based on R&D performance, reputation, growth, and service of technology leaders to the community.

### **3M Ranked as One of the "Top Companies for Leaders" in 2007**

3M ranked no.18 on Fortune Magazine's list of "Top Companies for Leaders, 2007" for North America.

### **3M Korea Honored on Many Fronts**

Job seekers and university students named 3M Korea as the Most Wanted Foreign Company in 2007 in a survey by Saramin, one of the country's major human resources groups. It also was named Korea's Most Admired Company by the Korea Management Association in 2006. 3M Korea won the gold prize as the 2006 Top Employment Brand in the manufacturing industry sector. This recognition from Incruit Corporation, a leading human resources company, is based on revenue growth, industry investment and

diversity. The Ministry of Commerce, Industry and Energy also honored 3M Korea with the 2006 Bronze Tower of Industrial Merit for its exceptional growth in the industry.

#### **3M's Aycliffe, United Kingdom Facility is Awarded the North East Business Environmental Award**

3M Aycliffe received the Environmental Award from the North East Business Awards in 2007 in recognition of its integrated environmental programs. According to award organizers "the way in which the 3M Aycliffe site has integrated its environmental programs into its business plan is something that all other companies should aspire to."

#### **3M Recognized by U.S. Department of Labor for its Commitment to Employee Health and Safety**

3M earned membership in the U.S. Department of Labor's Occupational Safety and Health Administration's prestigious Voluntary Protection Programs (VPP) at the highest "Star" level. 3M was recognized for its outstanding efforts, which include management commitment to safety and health and employee involvement in safety and health programs.

#### **3M's Brownwood, Texas Facility Wins the Texas Environmental Excellence Award**

In 2007, 3M Brownwood received the Texas Environmental Excellence Award -- the state's highest environmental achievement -- for its long-term focus on reducing pollution and saving energy.

2006

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#### **Asian Corporate Social Responsibility Award for Environmental Excellence**

3M's Asia Pacific facilities were awarded the 2006 Asian Corporate Social Responsibility Award for Environmental Excellence from Asian Institute of Management in recognition of their commitment to preventing pollution through the Pollution Prevention Pays or 3P Program.

#### **Air and Waste Management Association's Waste Management Award**

In 2006, 3M was awarded the Waste Management Award from the Air and Waste Management Association. The award recognizes outstanding achievement in the management, prevention and regulation of wastes and was presented to 3M in recognition of the company's waste prevention efforts over the last 30 years through the Pollution Prevention Pays (3P) Program.

#### **3M Named One of Fortune Magazine's Most Admired Companies**

In 2006, Fortune Magazine named 3M, among 19 other companies, as one of America's most admired companies.

#### **3M's Brookings, South Dakota Facility is Awarded The Environmental Achievement Award**

3M Brookings received the Environmental Achievement Award from the Environmental Protection Agency's Region 8 office. The award recognizes significant achievements in protecting public health or the environment.

#### **Health Award Goes to 3M Singapore**

3M Singapore's workplace health promotion program has received the Platinum Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award. This award is presented by the Health Promotion Board giving national recognition to exemplary organizations that help employees lead healthy and vibrant lives.

## **Report Development**

### **3M's Sustainability Report, Scope & Profile**

#### **Report Scope**

3M develops its Sustainability Report on an annual basis. This report was published in 2011 and contains data collected over 2010 (from January 1, 2010 through December 31, 2010). The most recent previous Sustainability Report was published in 2010 and contained data relating to 3M's operations in 2009. 3M's report is a global report including all 3M-owned manufacturing locations and leased facilities worldwide, including joint ventures and partially owned subsidiaries where we have operational control. 3M reports

information on these sources on an “operational control basis”—reporting the full data on the entities when the 3M possess operational control. 3M does not include outsourced manufacturing locations in its Sustainability Report. The social metrics included in the report relate to all 3M employees. All data discussed in the report is global data. However, in some instances, data is not available on a global basis. When this is the case, the scope of the data is identified within the report content.

Prior to 2010, 3M's sustainability report was a fully integrated web site. Therefore, copies of 3M's sustainability report earlier than 2009 are not available.

### **Base Year & Other Adjustment**

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

3M adjusts base year data when tracking social metrics.

In every case, 3M adjusts base year and other years' data if data-collection methods change or data errors are identified. Any significant changes in the measurement methods and /or data values applied to key environmental and social information from previous years are documented within the report's content. Significant changes are defined by 3M's sustainability report as changes greater than 3% of the original data point. In the case of minor changes (changes less than 3% of the original data point), the data point is modified to reflect the minor changes in measurement method or data.

In addition, in 2005, 3M adopted a new definition of waste to drive the company's waste reduction efforts towards more sustainable solutions, such as pollution prevention. The new definition considered waste that was recycled to be counted as waste as opposed to be considered neutral in waste accounting. In 2011, 3M returned to a more conventional definition of waste which considered recycling as neutral (contributing neither toward total waste or toward good output). Waste data is reported in this report using both definitions. When total waste is discussed in general, a conventional recycling neutral definition is used. When progress towards 3M's waste reduction goal under the Environmental Targets 2010 program is referenced, waste figures include recycling. Please see the Reducing Waste and Corporate Environmental Goals sections of the report for more information on this change.

In 2007, data entry errors were identified at four 3M manufacturing facilities through internal and external auditing. The correction of these errors led to a 5.8% increase in 3M's 2006 reported VOC emissions and a 1.2% increase in the company's reported waste generation. In 2009, there were no significant changes to 3M's sustainability data.

3M's annual report and investor relations web site documents any changes to financial data. Several of 3M's environmental goals are normalized per dollar sales. 3M does not adjust sales data for inflation.

### **Report Profile**

3M applies the Global Reporting Initiative's (GRI) reporting principles whenever possible. Any deviations from these principles are documented in the GRI Content Index.

### **Further Information**

Further information concerning 3M's sustainability reporting can be obtained by contacting 3M Corporate Public Relations at 1-888-3M-HELPS(1-888-364-3577) or through the contact us function on [www.mmm.com](http://www.mmm.com).

### **3M's Sustainability Report Data Collection**

All of the data in this report has been reviewed for accuracy and completeness, including the reliability of the systems used to obtain the data by corporate staff professionals in each area. Corporate staff also have verified the implementation of

policies and management systems through audits and self-reporting systems.

### **Environmental, Health and Safety Data**

The environmental, health and safety data in this report relate to releases to the environment, safety performance, management systems implementation and regulatory compliance. Data collection systems are in place in our facilities to track and collect environmental and safety data.

Our manufacturing facilities have an environmental management system in place. Environmental data measurement, recording and reporting are included in these systems. Third-party audits of the systems are conducted on the environmental management systems at the ISO 14001 certified facilities plus there is an internal EHS auditing function that conducts regular environmental audits. A global environmental incidents database tracks agency notices, exceedances, spills and fines.

There is a global database for tracking the reporting of injuries and illnesses. Reporting and record keeping requirements are part of our Global Safety and Health Plan. There is both a facility self-assessment requirement for the EHS Management System (with reporting on the EHS Scorecard) and a formal, internal Global Safety and Health Plan audit process to help ensure compliance with these requirements.

### **Social Data**

The data related to social and community programs has been derived from various databases in the Human Resources and Community Affairs areas. This data has been reviewed and verified by the department responsible for maintaining the databases.

## **Defining Sustainability Report Content**

3M's Sustainability Report and sustainability web site are the company's primary mechanism to communicate its sustainability policies, programs, and performance to its stakeholders. Therefore, defining their scope and content is extremely important. 3M uses the following key information sources to help define its report's content:

1. 3M's sustainability issue materiality determination
2. 3M's stakeholder interest evaluation
3. Direct feedback from users of previous sustainability reports
4. The Global Reporting Initiative sustainability reporting guidelines

### **3M's Sustainability Issue Materiality and Stakeholder Interest Determination**

As part of 3M's corporate stakeholder engagement process, the company evaluates and documents the materiality of and stakeholder interest in key sustainability issues. 3M uses From Words to Action; The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement's five part materiality test to evaluate the materiality of sustainability issues to 3M. This system ranks issues as being of high, medium, or low materiality for an entity by scoring the issue based on the following five criteria:

- "Issues that have direct short-term financial impacts."
- "Issues where the company has agreed policy statements of a strategic nature,"
- "Issues that comparable organizations consider within their sphere of materiality,"
- "Issues that your stakeholders consider important enough to act on (now or in the future),"
- "Issues which are considered social norms."

Issues that score an average high score across each of the five areas are determined to be highly material for the company. As an example, when 3M last completed its stakeholder engagement planning, greenhouse gas / climate change management and disclosure of business conduct policies and procedures both score as "highly material" to 3M. In the case of greenhouse gas / climate change management, the issue was scored as "highly material" regarding each of the 5 criteria. In the case of disclosure of business conduct policies and procedures, the issue was scored as being "highly material" overall for the corporation and for each of the sub-criteria except "Issues that have direct short-term financial impacts" where it was scored as having "medium materiality."

Stakeholder interest is determined by aggregating each of 3M's stakeholder groups relative interest around a particular sustainability issue. If a stakeholder group has a high interest in an issue it is scored as a "9", if that group has a fair level of interest the issue is scored as a "3", if the group has low, but some, interest in the issue the issue receives a score of "1", and if the group has no defined interest in the area it is scored as "0." Each stakeholder groups' scores on a particular issue are aggregated to yield the issue's overall



score which is used to rank relative interest by 3M's stakeholders in various sustainability issues. Both the materiality determination and relative stakeholder interest evaluation are important factors in determining what issues are included and their depth of coverage in 3M's Sustainability Report.

3M developed its current stakeholder engagement plan in 2010/11. 3M revisits its plan every 3-4 years. A revised plan will be developed in 2013/14.

### **Feedback from Users of 3M's Sustainability Reports**

3M also draws on direct feedback from users of its Sustainability Report / website to determine future content.

3M's website includes a pop-up survey that is distributed to a random selection of site visitors. The survey data helps 3M understand how the site is meeting visitors' expectations in terms of usability and content.

In addition, in 2007, 3M performed a targeted survey of sustainability site users. Over 125 individuals representing 3M employees, customers, peer companies, non-governmental organizations, citizens from the communities where 3M operates, students, academics, and governmental organizations were asked to complete an on-line survey to evaluate 3M's report and offer suggestions for improvement. In addition, 3M performed in-depth phone interviews of an additional 12 individuals from the same stakeholder groups. The feedback from the surveys and interviews was used to redesign the sustainability web site to make it more user friendly and to better align the site's content with site user's interests. Some of the key suggestions included:

- Include more information greenhouse gas management and strategy
- Include more information about 3M products
- Include more information on 3M's stakeholder engagement
- Include more information on 3M's sustainability strategies
- Performance indicators should be aggregated and easier to use

### **The Global Reporting Initiative Sustainability Reporting Guidelines**

3M uses the Global Reporting Initiative (GRI) Guidelines to develop its Sustainability Report.

In 2011, 3M developed its report to encompass "C+ level" G3 reporting. The GRI guidelines are developed using a multi-stakeholder process. By following the requirements outlined in the guidelines, 3M hopes to ensure it is addressing the core sustainability issues facing industry in general.

### **Reporting Milestones**

**1993:** 3M publishes its first corporate environmental report

**1998:** 3M publishes its first environmental, health, & safety report

**2002:** 3M publishes its first Sustainability Report based on 2001 accomplishments, 3M develops its first report based on the Global Reporting Initiative's G2 guidelines, & 3M publishes its first fully integrated, electronic only report.

**2003:** 3M publishes its first externally verified Sustainability Report

**2007:** 3M redesigns its Sustainability Report adopts the Global Reporting Initiative's G3 guidelines and publishes a "C+" level report.

**2010:** 3M develops a separate sustainability website and GRI Sustainability Report.

### **Report Verification**

3M's 2010 Sustainability Report was prepared using the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines. The GRI is a voluntary reporting protocol used supported by 3M and other global companies to promote international harmonization in the reporting of relevant and credible corporate environmental, social and economic performance information. Note: The GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein. For further information about GRI, please visit [www.globalreporting.org](http://www.globalreporting.org).

In following the GRI guidelines, 3M has incorporated the reporting principles of the GRI G3 Sustainability Reporting Guidelines. In addition, we have followed AccountAbility's Assurance Standard (AA1000) including providing adequate evidence to support the information contained in this report. For further information about AccountAbility, please visit [www.accountability.org.uk](http://www.accountability.org.uk).

### Internal Verification

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

- Accuracy and completeness of data.
- Reliability of systems used to measure and record data.
- Reliability of ratios compiled from underlying data (i.e., eco-efficiency metrics).
- Adherence to the GRI G3 Sustainability Reporting Guidelines.
- Implementation of internal policies and related management systems as reported.
- Presentation of a complete and fair picture in the report as a whole.

### Third Party Verification

TruCost provided an independent, third party assurance of 3M's 2010 sustainability report. See page 78 of this report for a copy of TruCost's certificate of assurance.

Environmental Resources Management (ERM) provided an independent, third party assurance of 3M's 2006 and 2008 sustainability reports. The assurance of 3M's 2006 and 2008 sustainability reports was informed by the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines (2006) and AA1000 Assurance Standard (2003). ERM assessed information in the report regarding the following:

- Completeness: does the sustainability report cover all the operations and impacts that an external reader would need to know about?
- Relevance: are the indicators and programs reported the appropriate ones, given the sector, type of operations, and locations involved?
- Accuracy: does the report accurately reflect 3M's sustainability performance and challenges?
- Responsiveness: does 3M respond to a wide range of external expectations and pressures related to sustainability issues?

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## Global Reporting Initiative (GRI) Content Index



### About the Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that includes representatives from business, government, labor, third-party advocacy groups and academia. The GRI organization has developed a framework for sustainability reporting. Following the GRI sustainability framework advances two important objectives: transparency and the ability to compare results from one organization to another. 3M has developed its sustainability report using the Global Reporting Initiative's G3 guidelines (established in 2006). The table below outlines where specific GRI reporting elements and indicators are addressed in the report. For more information on the Global Reporting Initiative please visit GRI's website (<http://www.globalreporting.org/Home>).

## GRI Application Levels

The image below illustrates the GRI's possible application levels under G3. 3M declares its 2010 report as a "C+" level report. 3M declared its 2008 report as a "C+" level report. Environmental Resources Management (ERM) reviewed 3M's 2008 Sustainability Report and procedures and provided an independent, third party assurance of the report.

3M's 2006 Sustainability report was also 3<sup>rd</sup> party verified. For more information on 3M's verification efforts please see Report Verification.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

\*Sector supplement in final version

## GRI Content Index

GRI Element	Description	Report Location(s)	Detail & Comments
Profile			
Strategy & Analysis			
1.1	Statement from the most senior decision-maker of the organization.	<a href="http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/VisionHistory/CEO/">http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/VisionHistory/CEO/</a>	
Organization Profile			
2.1	Name of the organization.	Page 1	
2.2	Primary brands, products, and/or services.	Page 4 & <a href="http://solutions.3m.com/wps/portal/3M/en_US/Prods/3M-Brands/">http://solutions.3m.com/wps/portal/3M/en_US/Prods/3M-Brands/</a>	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Page 4, 6-7, & 2010 Annual Report (Pgs:3-8):  <a href="http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/">http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/</a> OR  <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2010 Annual Report)	
2.4	Location of organization's headquarters	Page 1	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Page 4 & 2010 Annual Report (Pgs: 10, 20-32):  <a href="http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/">http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/</a> OR  <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2010 Annual Report)	
2.6	Nature of ownership and legal form.	2010 Annual Report (Pg 1):  <a href="http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/">http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/</a> OR  <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2010 Annual Report)	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2010 Annual Report (Pgs: 20-32)  <a href="http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/">http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/</a> OR	

		<a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2010 Annual Report)	
2.8	Scale of the reporting organization.	2011 Proxy Materials (Pg: 8)  <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2011 Proxy Materials)	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	2011 Proxy Materials (Pg: 21-27)  <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2011 Proxy Materials)	
2.10	Awards received in the reporting period.	Pages 56-58	
Report Parameters			
3.1	Reporting period	Page 62-63	
3.2	Date of most recent previous report	Page 62-62	
3.3	Reporting cycle	Page 62-63	
3.4	Contact point for questions regarding the report or its contents.	Page 63	
3.5	Process for defining report content, including: Determining materiality; Prioritizing topics within the report; and Identifying stakeholders the organization expects to use the report.	Page 62-65	
3.6	Boundary of the report.	Pages 62-63	
3.7	State any specific limitations on the scope or boundary of the report.	Pages 62-63	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Pages 62-63	
3.9	Data measurement techniques and the bases of calculations, including assumptions and	Pages 62-63	

	techniques underlying estimations applied to the compilation of the Indicators and other information in the report.		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Pages 62-64	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Pages 62-64	
3.12	Table identifying the location of the standard disclosures in the report.	Pages 67-74	
<b>Governance, Commitments, and Engagement</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Pages 6-8 & <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-govmanage">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-govmanage</a>	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Pages 6-8 & <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-govmanage">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-govmanage</a>	<p>Yes, the Chair of the highest governance body is also an executive officer. 3M's Board of Directors believes it is fundamentally wrong to permanently and inflexibly separate or combine the positions of Chairman of the Board and Chief Executive Officer. To do so deprives the Board of the ability to act in the stockholders' best interests in selecting future Board leadership.</p> <p>For More Information on this Position:  <a href="http://www.corporate-ir.net/media_files/nys/mmm/reports/2004proxy.pdf">http://www.corporate-ir.net/media_files/nys/mmm/reports/2004proxy.pdf</a> (PDF, 428KB)</p>
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Pages 6-8 & <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-govmanage">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-govmanage</a>	9 of 10

4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Pages 6-8 & 62-66		
4.14	List of stakeholder groups engaged by the organization.	Pages 32-56 & 41		
4.15	Basis for identification and selection of stakeholders with whom to engage.	Pages 39-41 & 62-66		
Indicators				
EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	2010 Annual Report		
		<a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2010 Annual Report)		
		EC1 Summary Components		
			In millions of U.S. dollars	Page in Annual Report for More Detail
		Revenue	Net Sales: \$26,662  Interest Income: \$38	Pg. 16
Operating Costs	Operating expenses: \$20,744 <ul style="list-style-type: none"><li>• Cost of sales: \$13,831</li><li>• Selling, general &amp; admin expenses: \$5,47</li><li>• R&amp;D: \$1,43</li><li>• Loss from sales of businesses: \$0</li></ul>	Pg. 44		
Employee Wages & Benefits	Retirees  In 2010, 3M recognized total consolidated pre-tax pension and postretirement expense (after settlements, curtailments and special termination benefits) of \$322 million, up from \$223 million in 2009. (see Page 30- 31 of 3M's 2010 annual report) <ul style="list-style-type: none"><li>• Pension and Postretirement Benefit Plans Page 76-91 of 3M's 2010 annual report</li></ul> Employees <ul style="list-style-type: none"><li>• Accrued payroll: \$778 (see Page 45 for detail)</li><li>• Employee Savings &amp; Stock Ownership Plans: Page 110 of 3M's 2010 annual report</li><li>• Stock Based compensation: Page 111 of 3M's 2010 annual report</li></ul>			

			Employee Benefits: \$524	
		Payments to Providers of Capital	<p>Cash dividends paid: \$1500</p> <p>Debt Total debt: \$5,452</p> <p>Less cash, cash equivalents, &amp; marketable securities: \$ 5,018</p> <p>Net debt: \$434</p>	More information on debt: 33-34 & 73-75
		Payments to Governments	3M's effective tax rate for 2010 was 27.7 percent.	Pages 68-70 for detail by geography
		Community Investments	<p>In 2010, 3M and the 3M Foundation donated \$58.8 million in cash and products to education and nonprofit organizations to strengthen communities in the United States where the company has facilities.</p> <p>2010 3M Foundation Cash Grants Over \$2,500:  <a href="http://solutions.3m.com/3MContentRetrievalAPI/BlobServlet?locale=en_US&amp;Imd=1302199762000&amp;assetId=1273661077486&amp;assetType=MMM_Image&amp;blobAttribute=ImageFile">http://solutions.3m.com/3MContentRetrievalAPI/BlobServlet?locale=en_US&amp;Imd=1302199762000&amp;assetId=1273661077486&amp;assetType=MMM_Image&amp;blobAttribute=ImageFile</a> </p>	
EC3	Coverage of the organization's defined benefit plan obligations	<p>2010 Annual Report (Pgs: 76-90)</p> <p><a href="http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/">http://solutions.3m.com/wps/portal/3M/en_US/3M-Sustainability/Global/Resources/Downloads/</a> OR</p> <p><a href="http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome">http://phx.corporate-ir.net/phoenix.zhtml?c=80574&amp;p=irol-IRHome</a> (Download Pdf-2010 Annual Report)</p>		



EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Pages 47	Indicator is only partially addressed.
EN3	Direct energy consumption by primary energy source.	Page 24	
EN5	Energy saved due to conservation and efficiency improvements.	Page 22-24	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Page 22-24	Indicator is only partially addressed.
EN10	Percentage and total volume of water recycled and reused.	Page 26-28	
EN13	Habitats protected or restored.	Pages 32-37	Indicator is only partially addressed.
EN16	Total direct and indirect greenhouse gas emissions by weight.	Page 20	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Pages 19-24	
EN22	Total weight of waste by type and disposal method.	Page 28-29	Indicator is only partially addressed.
EN23	Total number and volume of significant spills.	<p>3M did not have any spills in 2010 that met the GRI's definition of "Significant Spills." GRI Significant Spill Definition: All spills that are included in the reporting organization's financial statement (e.g., due to resulting liabilities) or recorded as a spill by the reporting organization.</p> <p>Pages 29-30</p>	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Pages 29-30	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<p>Pages 30-32</p> <p>3M manufactures over 60,000 products and introduces approximately 500 new products each year.</p> <p>In 2001, 3M required all new products to undergo a life cycle management (LCM) review and existing products were required to undergo an LCM review on a prioritized basis.</p> <p>As of the end of 2010, it is estimated that approximately 85% of products sold globally (based on revenue) have a completed a LCM review.</p>	

		<table> <tr> <th>Product Stages Addressed by 3M's Lifecycle Management Process</th><th>Yes</th><th>No</th></tr> <tr> <td>Development of product concept</td><td>✓</td><td></td></tr> <tr> <td>R&amp;D</td><td>✓</td><td></td></tr> <tr> <td>Certification</td><td>✓</td><td></td></tr> <tr> <td>Manufacturing and production</td><td>✓</td><td></td></tr> <tr> <td>Marketing and promotion</td><td>✓</td><td></td></tr> <tr> <td>Storage distribution and supply</td><td>✓</td><td></td></tr> <tr> <td>Use and service</td><td>✓</td><td></td></tr> <tr> <td>Disposal, reuse, or recycling</td><td>✓</td><td></td></tr> </table>	Product Stages Addressed by 3M's Lifecycle Management Process	Yes	No	Development of product concept	✓		R&D	✓		Certification	✓		Manufacturing and production	✓		Marketing and promotion	✓		Storage distribution and supply	✓		Use and service	✓		Disposal, reuse, or recycling	✓	
Product Stages Addressed by 3M's Lifecycle Management Process	Yes	No																											
Development of product concept	✓																												
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Marketing and promotion	✓																												
Storage distribution and supply	✓																												
Use and service	✓																												
Disposal, reuse, or recycling	✓																												
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	<a href="http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/policy/policies/">http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/policy/policies/</a> & <a href="http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/policy/policies/respect/advertising/">http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/policy/policies/respect/advertising/</a>																											
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Approximately, 75% of 3M employees are represented in formal joint management-worker health and safety committees. This figure includes all 3M employees working in manufacturing plants, laboratories, and distribution centers. Some, but not all, administrative employees are also covered by health and safety committees.																											
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<p>Skills Management and Learning Opportunities 3M provides learning opportunities for employees to increase their knowledge, skills and performance. Some of these opportunities include Leadership Development, knowledge sharing forums, such as Leaders Teaching Leaders, 3M Tech Forum and other employee special-interest groups; and function-based formal education and training activities.</p> <p>Our Career Pathways Web site helps guide employees on career development and planning. A variety of eLearning opportunities also are available, including a site with many tools for pre-retirement planning.</p> <p>Tuition Reimbursement At most 3M global locations, 3M offers tuition reimbursement to encourage employees to upgrade their education to better meet current job responsibilities, prepare for future responsibilities and help qualify for changes in career paths within 3M. In countries providing state-sponsored education, 3M gives employees time off to complete training. See page 53 for more detail.</p> <p>Job Transition Assistance  For employees whose positions are eliminated due to business needs, 3M offers a range of resources, based on location and availability, to help transition to employment in other areas of 3M or outside the company. These services include the development of career transition skills and job placement opportunities. In addition, 3M has an internal e-recruit Web site that advertises current 3M position openings for employees to self-nominate.</p>																											

LA12	Percentage of employees receiving regular performance and career development reviews.	<p>Performance and Career Development Process</p> <p>Highly respected and skilled employees contribute to the success of the company. 3M supports and encourages employees in the development and advancement of their careers with the aid of many tools.</p> <p>Through 3M's Employee Contribution and Development Process (EC&amp;DP), all salaried U.S. employees, about 20,000 employees, create an annual contribution and development summary plan for the year. This plan helps employees identify their strengths and build on their skills, including achievement of 3M Leadership Attributes. During the year, employees and supervisors together review progress and adjust the plan. An annual formal evaluation of performance assesses employees' ability to demonstrate the leadership behaviors 3M needs to succeed.</p> <p>EC&amp;DP also supports performance-based compensation. Employee compensation is aligned with each employee's performance and contribution to business results. Meaningful differences in employee performance produce meaningful differences in compensation. An employee's performance rating is based on actual results the employee produced compared to the expectations or goals established for the year as determined by the employee and supervisor. These expectations vary by job, job level, function and organization.</p> <p>Indicator is only partially addressed.</p>	
SO2	Percentage and total number of business units analyzed for risks related to corruption.	100%. All of 3M's Businesses perform a business conduct self assessment every other year that includes an assessment of risks related to corruption.	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	<p>3M offers a comprehensive online compliance course program available to employees worldwide. In addition to an anti-bribery course, the program offers training in related areas such as business across borders, understanding the Foreign Corrupt Practices Act, financial reporting, government relationships, conflict of interest, business conduct, and other key compliance areas. A total of 20 courses are offered to 3M's employee population.</p> <p>In addition, 3M's internal Legal Affairs website offers additional anti-bribery training on 3M's global anti-bribery compliance program.</p> <p>All courses are offered to employees to take at any time. However, 3M also requires certain employees to take certain courses on a periodic basis. To accomplish this, each course has a predetermined mandatory population based on employee job grade, job function and country location. All employees located in the United States and Canada are required to take 3M's Business Conduct course, which is an overview of 3M's Business Conduct Policies. Course completion is tracked electronically when an employee takes the course and passes a quiz.</p> <p>All of 3M's standard courses are available in nine languages: Chinese (Simplified), English, French, German, Italian, Japanese, Korean, Portuguese (Brazilian), and Spanish (Latin American). This covers approximately 90% of 3M's employee population.</p> <p>Indicator is only partially addressed.</p>	
SO5	Public policy positions and participation in public policy development and	Pages 8-9	

	lobbying.		
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# TRUCOST ASSURANCE STATEMENT

Trucost has been commissioned to assess selected environmental data provided by 3M Co. for the year ended 31 December 2010. Trucost assurance was carried out by a multi-disciplinary team of requisite skills and experience. The review engagement was led by Saad Rashid of Trucost Plc and executed by Trucost Plc's Research team.

<b>Scope</b>	Waste, Water Consumption, VOCs emissions
<b>Reporting Period</b>	Financial Year Ending 31 December 2010
<b>Boundary</b>	All facilities globally (with an exemption of new acquisitions)
<b>Type of Assurance</b>	3M's GRI report was verified to the C+ standard  Trucost has verified environmental part of the report and Ashley Hamilton Consulting has verified the social and governance information

## Responsibilities during Review

- The Management of 3M Co. is responsible for the collection and presentation of environmental data reviewed by Trucost. Trucost liaised with Keith Miller and Kathy Bryan to obtain the necessary data and support documents for validation.
- Trucost's responsibility, as agreed with the Management, is to use its specialist environmental knowledge to validate the data provided and assure it fairly reflects company activities.

## Scope of Review

Trucost Plc has assessed the data covered by the scope of this statement as listed above using the following procedures:

- Making enquiries of relevant management of the company responsible for issues related to environment
- Reviewing and assessing the processes for environmental data collection, analysis, consolidation and reporting
- Sample testing of the collated environmental data prepared by 3M Co.
- Reviewing relevant sections of the company's GRI Report 2011

## Conclusion

On the basis of the work undertaken, Trucost believes that:

- The information for the analysed environmental indicators has been fairly stated.
- The reported data presents a fair and balanced account of 3M's material sustainability performance.



## **TRUCOST ENVIRONMENTAL ASSURANCE**

**Carried out for**

**3M Co.**

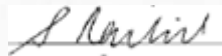
**VOCs Emissions**

**Water Consumption**

**Waste Generation**

The information for the environmental KPIs stated above has been fairly stated.

The data presents a fair and balanced account of 3M Co. material sustainability performance.



**Saad Rashid**  
**Director of Research**