

2013 Sustainability Report



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REPORT PROFILE

Organizations Covered in this Report

This report covers 3M owned manufacturing facilities and leased facilities worldwide, including joint ventures (if greater than 50% 3M ownership) and partially owned subsidiaries (if greater than 50% 3M ownership) where 3M has full operation control. Acquisitions are included in data sets once legally owned and fully integrated onto 3M systems. All data included in the report is global data, unless otherwise specified.

Reporting Period

This report provides a summary of the activities in fiscal year 2012 (January 1, 2012 to December 31, 2012).

Significant Change during Reporting Period

See 2013 Proxy Statement

www.3M.com/InvestorRelations

Data Collection and Adjustments

(Refer to Report Collection and Adjustments at the end of this report)

Publication

Current Issue: May 31, 2013

Next Issue: Scheduled for May 2014

Previous Issue: May 31, 2012

*Prior to 2010, 3M's Sustainability Report was a fully integrated website. Therefore, copies prior

to 2009 are not available.

Reference Guidelines

3M applies the Global Reporting Initiative (GRI)-G.3.1 reporting framework. Disclosure levels are noted in the GRI Index at the end of this report.

Contact

Further information regarding this report can be obtained by contacting 3M Corporate Public Relations:

Phone: 1-888-364-3577

E-Mail: Through "Contact Us" at www.3M.com

3M Sustainability Definition

3M defines sustainability using the United Nation's Brundtland Commission's definition, "meeting the needs of society today while respecting the ability of future generations to meet their needs." Our definition is further informed by the work for the World Business Council for Sustainable Development, Global Reporting Initiative, Dow Jones Sustainability Index, and others who define sustainability as encompassing environmental stewardship, economic success, and social responsibility. These three pillars are further defined by the topics covered in this report.

INTRODUCTION

INVENTING TOMORROW -SUSTAINING OUR FUTURE

3M does not have a separate sustainability initiative.

It is simply part of who we are and what we do.

Initiatives speak of focus groups... of start-up dates... end dates... buzzwords. They tend to spring from what other companies do. They are a reaction.

For more than 40 years, 3M has been a leader among global corporations in sustainability actions and measures, beginning with the creation of its ground-



breaking Pollution Prevention Pays (3P) Program in 1975 to a broad portfolio of sustainable product today.

As a global corporation, we believe that we have a very real and sincere responsibility to society, in general, and especially to the communities in which we live and work. That is important from an environmental stewardship perspective, as well as a key competitive strategy.

Our corporate vision states that 3M technology advances every company... 3M products enhance every home... and 3M innovation improves every life.

It is that vision – that focuses on our customers' needs and well-being – that guides our sustainability strategies and goals, the respect we demonstrate for our social and physical environments.

Our sustainability strategies are built upon three key principles: environmental stewardship, social responsibility, and economic success. By demonstrating global leadership within each of these powerful principles, 3M will continue to successfully deliver on its corporate vision.

Our focus on environmental stewardship dictates how we do what we do. It guides our design ethic, our manufacturing processes, and our means of distribution.

Our focus on social responsibility means engaging in deep, meaningful conversations with our key stakeholders – our customers, our shareholders, our employees, and our communities – to ensure that we are acting as responsibly and as ethically as possible and that we are furthering our leadership position within our sustainability operations.

Our focus on economic success enables us to create impactful, innovative sustainable solutions today... and far into the future.

Our corporate vision, crafted with our customers and end users firmly in mind, is inextricably linked with our sustainability strategies. Our culture of innovation, collaboration, the sharing of technologies across platforms and business units, ultimately supports these guiding questions: How can we best meet the articulated and unarticulated needs of our global customers and partners? How can we harness the chain reaction of new ideas to not only invent the products of the future, but also do so in a way that creates the smallest footprint upon our precious planet?

Our sustainability measures begin with the germ of an idea and are carried through every step of processes that deliver innovative products into the hands of our customers throughout the world. Our partners and customers consistently turn to us for sustainability solutions within their own manufacturing processes. We share our knowledge regularly and to the greater benefit of the worldwide community.

We know that what we and our partners do today will have an impact far into the future. We act to meet the needs of society today, while respecting the needs of future generations.

At 3M, we don't have a sustainability initiative. We have a sustainability culture.



EXECUTIVE MESSAGE

At 3M, we are working hard to help create a better world for people everywhere. We apply our ingenuity, our expertise and our technology to solve problems innovatively, and with a focus on solutions for the longer term. Sustainability is fundamental to our business philosophy – from product development and manufacturing to how customers use our products.

Our Enduring Commitment

For decades, 3M has pioneered sustainable business practices with outstanding results. Our 3P Program – Pollution Prevention Pays—is now in its thirty-eighth year. Over the years, this innovative, world-leading program has prevented 3.8 billion pounds of pollution. And that's not all - our efforts have reduced greenhouse gas emissions by nearly 70 percent.

We have created hundreds of sustainable solutions and product platforms to help our customers manage their environmental footprint – from paint systems that reduce the need for cleaning solvents and window films that ease energy consumption to a greener tape that is made with plant-based adhesive and film.

But we know there is much more to do. 3M and its customers face ongoing challenges such as energy reduction and efficient use of raw materials. When we look upon these challenges, we apply 3M innovation to overcome them, for our company, for our customers and for our communities.

Our 2015 Sustainability Goals

Sustainability is a real-world business initiative that is woven into the culture of 3M. We are building on our years of success to further reduce our environmental footprint. Our goal is to reduce volatile air emissions 15 percent by 2015, reduce solid waste 10 percent and improve energy efficiency by 25 percent, all from a 2010 base.

Our sustainability goals also measure progress on social responsibility and economic issues. For example, we aim to increase sales of 3M products that offer environmental advantages and we are developing and implementing water conservation plans in areas with scarce or stressed water resources.

Sustainability will continue to be a vital focus as we work to truly advance every company, enhance every home and improve every life.

Inge Thulin

Chairman, President and CEO

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Our Vision

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

3M

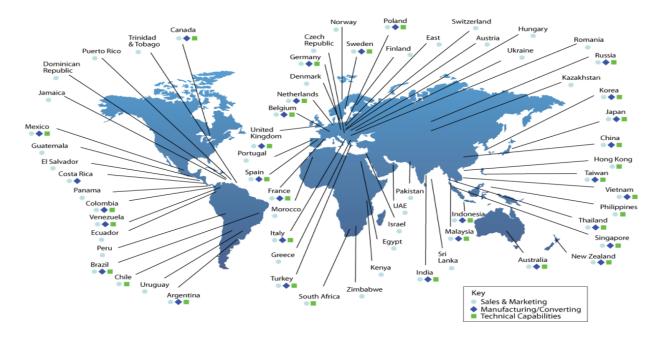
CORPORATE OVERVIEW

3M is a \$30 billion diversified science-based technology company with a global presence in the following business groups: Consumer, Electronics and Energy, Health Care, Industrial, and Safety and Graphics. These five business segments produce over 55,000 products and bring together common or related 3M technologies, driving innovation and providing for efficient sharing of business resources.

GLOBAL OPERATIONS

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

At December 31, 2012, the Company employed 87,677 people (full-time equivalents), per 3M's 2012 Annual Report (10K).



OUR PRODUCTS

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



Consumer

Supplying an array of innovative products that keep homes cleaner, offices organized and buildings well-maintained, our consumer and office business is home to some of the world's best-known brands, including Post-it®, Scotch®, Scotch-Brite®, FiltreteTM, O-Cel-OTM, NexcareTM, and CommandTM.



Electronics and Energy

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



Health Care

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



Industrial

We provide thousands of innovative products including tapes, abrasives, adhesives, specialty materials and filtration systems to dozens of diverse markets – from purification to aerospace.



Safety and Graphics

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

CORPORATE GOVERNANCE AND BUSINESS CONDUCT

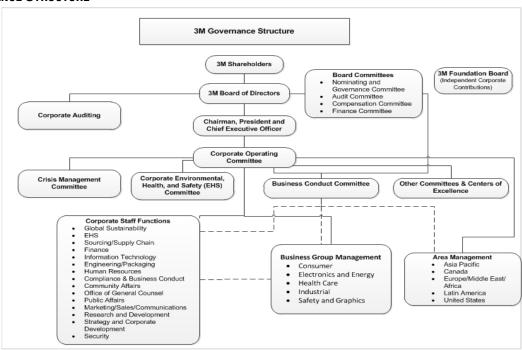
CORPORATE VALUES

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

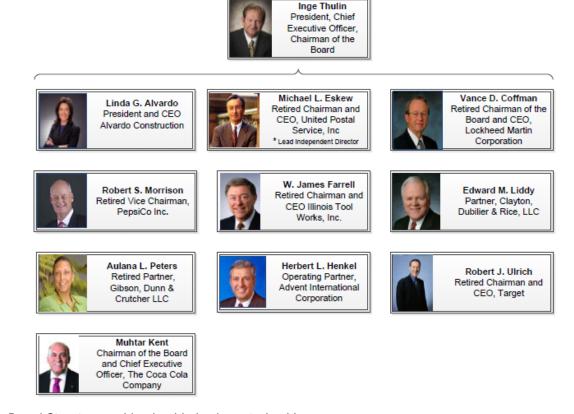
3M VALUES

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

GOVERNANCE STRUCTURE



3M BOARD OF DIRECTORS



3M's Board Structure and leadership is characterized by:

- A combined Chairman of the Board and CEO .
- A strong, independent and highly experienced lead director with well defined responsibilities that support the Board's oversight responsibilities
- A robust committee structure comprised entirely of independent directors with oversight of various types of risks
- An engaged and independent Board.

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

The Board believes that adopting a rigid policy on whether to separate or combine the positions of Chairman of the Board and Chief Executive Officer (CEO) would inhibit the Board's ability to provide for a leadership structure that would best serve stockholders. As a result, the Board has rejected adopting a policy permanently separating or combining the positions of Chairman and CEO in its Corporate

Governance Guidelines. The Board believes that combining the roles of CEO and Chairman contributes to an efficient and effective Board to drive change and continuous improvement within the company. Tempered by respect for 3M's traditions and values, the CEO must have maximum authority.

The CEO is primarily responsible for effectively leading significant change, improving operational efficiency, driving growth, managing the Company's day to day business, managing the various risk facing the Company, and reinforcing the expectation for all employees of continuing to build on 3M's century old tradition of uncompromising honesty and integrity.

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

Board Skills and Responsibilities

For more information on the roles and responsibilities of Lead Independent Director and each of the Board committees, refer to 3M's 2013 Proxy Statement and 2012 Annual Report.

SHAREHOLDER AND STAKEHOLDER INPUT

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

SUSTAINABILITY GOVERNANCE STRUCTURE

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

For example, the EHS Committee, appointed by the Corporate Operating Committee is composed of the following functions:

- Senior vice president of corporate supply chain operations
- Executive vice president of research and development and chief technology officer
- Vice president of EHS operations
- Vice president of public affairs
- Vice president of corporate research laboratory and international technical operations
- Vice president and medical director medical department
- Vice president of compliance and business conduct
- Vice president and general manager of Materials Resource Division
- Technical director of the Materials Resource Division
- Assistant general council

3M's Corporate Environmental Initiatives and Sustainability Group within the Environmental, Health, and Safety corporate staff organization collaborates with the various other global staff organizations and business units to develop the corporate sustainability strategy and goals. In addition 3M's-corporate staff groups provide technical expertise to assist business groups and area management in implementing and meeting the corporate sustainability strategy, policies, and goals.

In January 2013, 3M CEO Inge Thulin formed the Sustainability Center of Excellence by appointing two Vice Presidents to the Center. One to focus on developing and commercializing products which help our customers solve their sustainability challenges and the other to ensure sustainability within 3M operations and supply chain. Both VPs report to the Executive Vice President of 3M Supply Chain who reports to the CEO. The formation of the Sustainability Center of Excellence demonstrates the commitment of the corporation to integrate innovation and sustainability for the benefit of our operations and our customers. The primary role of the Center is to develop strategy, set significant goals to track progress and drive sustainable actions throughout 3M.

Identifying Opportunities & Risks Related to Sustainable Development

The Board has delegated to the Audit Committee through its charter the primary responsibility for the oversight of risks facing the Company. The charter provides that the Audit Committee shall "discuss policies and procedures with respect to risk assessment and risk management, the Company's major risk exposures and the steps management has taken to monitor and mitigate such exposures." The Vice President and General Auditor, Corporate Auditing ("Auditor"), whose appointment and performance is reviewed and evaluated by the Audit Committee and who has direct reporting obligations to the Audit Committee, is responsible for leading the formal risk assessment and management process within the Company. The Auditor, through consultation with the Company's senior management, periodically assesses the major risks facing the Company and works with those executives responsible for managing each specific risk. The Auditor periodically reviews with the Audit Committee the major

risks facing the Company and the steps management has taken to monitor and mitigate those risks. The Auditor's risk management report, which is provided in advance of the meeting, is reviewed with the entire Board by either the Chair of the Audit Committee or the Auditor. The executive responsible for managing a particular risk may also report to the full Board on how the risk is being managed and mitigated.

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

The Board believes that its oversight of risks, primarily through delegation to the Audit Committee, but also through delegation to other committees to oversee specific risks within their areas of responsibility and expertise, and the sharing of information with the full Board, is appropriate for a diversified technology and manufacturing company like 3M. The chair of each committee that oversees risk provides a summary of the matters discussed with the committee to the full Board following each committee meeting. The minutes of each committee meeting are also provided to all Board members. The Board also believes its oversight of risk is enhanced by its current leadership structure (discussed above) because the CEO, who is ultimately responsible for the Company's management of risk, also chairs regular Board meetings, and with his in-depth knowledge and understanding of the Company, is best able to bring key business issues and risks to the Board's attention.

3M conducts extensive interviews, group assessments, and reviews by senior management for completion of risk analysis assessments to provide more customized and useful prioritized results. This process assures that the appropriate risks are properly identified as an enterprise risk, to identify key "failure modes" that could lead to a risk incident, and to review and assess the quality of ownership of the risk and related resources available to assure proper avoidance, mitigation, and response capabilities. A gap assessment is completed to provide quantification on a common scale of the level of risk and 3M's corresponding capabilities relative to each enterprise risk identified. The outcomes are used to prioritize action plans for each topic. More detailed quantitative and qualitative sensitivity analyses may be conducted and cover topics such as operational risk (business continuity), raw material sourcing and price fluctuation, compliance, revenue forecasting, climate change legislation, petroleum pricing and strategic planning processes, among many other areas.

The Board of Directors Public Issues Committee review public policy issues and trends affecting the company. The committee reviews and approves the company's response to stockholder proposals relating to public policy issues. The Board of Directors has determined that all Public Issues Committee members are independent under the New York Stock Exchange listing standards.

PUBLIC POLICY

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

Top Public Policy Issues

The Top-10 list of Priority 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 and it 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 March 2013)

- (1) Tax Policy Tax reform is essential to ensuring the long-term competitiveness of American businesses and workers. 3M believes business tax reform should focus on a significant reduction of the corporate income tax rate, transitioning to a territorial system, and creating incentives for U.S.-based IP ownership. In addition, state tax policy should incentivize capital investment and sustainable job creation by rewarding plant expansion and modernization investments, and efforts to increase employment.
- **(2) Regulatory Reform** The U.S. regulatory environment plays a vital role in advancing the nation's economic security interests. So as to promote genuine competition and sustainable job creation, regulatory reforms must include thorough cost-benefit and risk assessments, while preserving the highest standards for safety, quality and efficiency. Efforts by certain federal agencies to extend their regulatory reach without congressional oversight must also be curtailed.
- (3) Sustainability/Environmental Policy 3M's strategies for sustainable development encompass the pursuit of customer satisfaction and commercial success within a framework of environmental, social and economic values. To that end, 3M has made significant investments designed to reduce the environmental footprint of our operations, investments which continue today. And by developing sustainable products, we help our customers reduce their environmental footprint and help to meet their sustainability goals. Finally, 3M believes environmental policy and regulations should be guided by science-based decision making.
- **(4) Health Care Policy** The U.S. health system should remain market-driven and efforts to address the uninsured should not weaken the current employer-based coverage system. Implementation of the

federal health care law should focus on increasing efficiencies within the system as well as improving quality outcomes and patient safety.

- **(5) Energy Policy** National (and state) energy policy should ensure a continuous, reliable and uninterrupted supply of energy at competitive rates. 3M supports policies that address new sources of energy, alternative energy, faster adoption of technology and improved energy efficiency.
- **(6) 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.
- (7) Legal Reform/Patent Policy –The U.S. legal system is the most expensive in the world, driven often by lawsuit abuse. To ensure the legal justice system is fair, efficient and consistent, we support reforms making liability litigation more equitable, subjecting punitive damages to reasonable caps, and ending destructive practices like indiscriminate screening, venue shopping and case bundling. Such reforms can be achieved while ensuring that those injured by faulty products receive fair compensation proportionate to the injury of the claimant and the fault of the defendant. 3M believes in strongly supporting patent rights for innovators and patent holders across this nation and globally. We support the implementation of the recent patent reform law to enhance the resources and capabilities of the United States Patent and Trademark Office, improve the quality and transparency of the patenting process, and bring more balance, objectivity and predictability to patent infringement litigation. We support efforts, both in the U.S. and in patent offices and courts globally, to enhance the enforceability of patent rights against infringing activities and the remedies available against infringement.
- **(8) International Trade Policy** The U.S. economy and American jobs depend on the expansion of free and fair trade through the passage of new trade agreements. 3M supports renewal of the president's Trade Promotion Authority so as to allow additional agreements to be negotiated. International trade policy also requires a level playing field, including recognition, protection, and enforcement of intellectual property rights and trading rules.
- **(9) Labor Policy** 3M supports the full measure of rights provided to employers and employees under the National Labor Relations Act. However, we strongly oppose actions by the National Labor Relations Board that challenge U.S. manufacturing leadership. We also oppose any legislative or regulatory efforts to diminish or eliminate secret ballot elections for employees as relates to either accepting or rejecting union representation. 3M invests in STEM initiatives that encourage and support student interest and achievement. We also support reform of our immigration system to ensure American companies are able to hire those with advanced degrees in STEM fields so we can continue to grow and innovate in the U.S.
- (10) 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.

BUSINESS CONDUCT

At 3M, we believe that what the company stands for is just as important as what we sell. For 110 years, 3M has operated with uncompromising honesty and integrity. 3M's global compliance program is managed and administered by the Compliance and Business Conduct department, led by the vice president, Compliance and Business Conduct, who is also the corporation's Chief Compliance Officer ("CCO"). The department is staffed with compliance professionals stationed at company headquarters and around the world. The CCO reports to the Audit Committee of the 3M Board of Directors, which assists the Board in oversight of 3M's legal and regulatory compliance efforts. The Compliance and Business Conduct department oversees and administers strategic, systematic and operational components of 3M's compliance program design and implementation. The compliance program is based on the U.S. Federal Sentencing Guidelines. Its elements include:

- a core set of business conduct policies;
- education and training materials and a schedule upon which compliance training is conducted;
- periodic evaluations, audits and measurements of the compliance program's effectiveness;
- a 24-hour helpline and website through which employees and others can report concerns and ask questions;
- programs to conduct appropriate due diligence on business partners, potential and new acquisitions, and candidates for hiring and promotion;
- investigative expertise; and,
- incentives and discipline to address compliance successes and failures.

The Compliance and Business Conduct department collaborates with and is assisted by dedicated compliance organizations and subject matter experts in the areas of corporate audit, corporate security, trade compliance, government contracting, health care regulatory, environmental health and safety and other areas. In addition, 3M utilizes a network of Compliance Contacts in every business unit and staff group who assist the Compliance and Business Conduct department in ensuring that their organizations continuously demonstrate legal compliance and ethical business conduct. Compliance Contacts assist in business conduct policy training, communications and completing periodic risk assessments for their organizations.

Business Conduct Policies

3M's Business Conduct Policies are an important component of the company's long tradition of compliance. Our Business Conduct Policies apply to all employees of the parent company and all subsidiaries throughout the world. They also apply to employees of joint ventures and other business affiliates in which 3M has a controlling interest. These global policies apply to all locations and situations where 3M business is conducted and to all company-sponsored events. Although 3M has business operations in more than 65 countries, there is only one set of Business Conduct Policies, available in multiple languages. The Policies help employees and others acting on 3M's behalf take a consistent, global approach to key compliance issues. 3M employees, including supervisors, managers and other leaders are responsible for understanding the legal and policy requirements that apply to their jobs and for reporting any suspected violations of law or these policies.

3M's Anti-Bribery Policy requires compliance with all applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and all applicable local laws where 3M operates. This policy applies to 3M employees and to our business partners who act on 3M's behalf. This policy, and

3M-provided training, are designed to educate our employees and business partners how to recognize the many forms in which bribes can appear and how to avoid them, even at the risk of losing business opportunities.

Business Conduct Committee

The 3M Business Conduct Committee is comprised of several senior executives and is chaired by 3M's vice president for Compliance and Business Conduct. The Committee has oversight for 3M's various compliance efforts. The Business Conduct Committee reports jointly to the Audit Committee of the 3M Board of Directors and to the Corporate Operating Committee.

Compliance Training and Education

3M offers a comprehensive online compliance training program which is available to all 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, business conduct, and other key compliance areas. More than twenty five courses are offered in multiple languages. In addition, the 3M internal Legal Affairs website offers additional anti-bribery training on 3M's global anti-bribery compliance program.

All courses are available for employees to take at any time. However, 3M also requires certain employees to take specific 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. Course completion is tracked electronically when an employee takes the course and passes a quiz. Executives and managers are accountable for creating and promoting, by sound leadership and setting a good example, a workplace environment in which compliance and ethical business conduct are expected and encouraged.

In addition to on-line training, the Compliance and Business Conduct department, in close collaboration with the Office of General Counsel, provides frequent, tailored in-person training to business, subsidiary and staff groups, as requested or deemed appropriate.

Dedicated Reporting System

A 24-hour confidential and anonymous helpline is available internally and externally through Ethics Point (an independent 3rd party firm) to report any business conduct concerns (see 3M Business Conduct weblink below). Reports made through this system are promptly investigated and responded to by the Compliance and Business Conduct department or one of the other staff departments. In addition, 3M's Non-Retaliation Policy prohibits retaliation against anyone who raises a business conduct concern in good faith or cooperates in a company investigation.

Maintaining Business Conduct Compliance

Operating with uncompromising honesty and integrity is one of 3M's core values and includes avoiding bribery or corruption in any form. One hundred percent (100%) of 3M's businesses perform a business conduct self assessment every other year which includes an assessment of risks related to corruption. Calibrated based on transaction, geography and other risk factors, all of our business partners are subjected to reputational due diligence reviews. Depending on the outcome, this process may also include training, inclusion of relevant contractual terms, and other mitigating controls. 3M's businesses and subsidiaries undergo an array of audits on a regular schedule. In addition, the Compliance and

Business Conduct department collaborates with the Legal Affairs department on pre- and post-acquisition due diligence efforts and on extensive compliance reviews of selected businesses, based on a variety of risk factors.

By setting and implementing policies and conducting assessments, 3M ensures that compliance and ethical business conduct compliance are maintained throughout the organization.

Further Information:

3M Business Conduct Website and Policies: www.3M.com/Business Conduct

IDENTIFYING KEY STAKEHOLDERS AND ASSESSING SUSTAINABILITY REPORTING MATERIALITY

This report and 3M's sustainability web site are the company's primary mechanisms to communicate sustainability information (principles, policies, programs, challenges & opportunities, performance) to stakeholders. Therefore, defining the scope and content of the remaining information provided in this report is extremely important. 3M uses the following tools and mechanisms to help define our Sustainability Report's content:

- Identification of 3M stakeholders and 3M key actions and engagement
- Stakeholder relevancy evaluation of information provided
- 3M's sustainability key indicators materiality evaluation
- Feedback from previous sustainability reports
- Investor and customer interests
- The Global Reporting Initiative (GRI) sustainability reporting guidelines

3M STAKEHOLDERS AND KEY ACTIONS AND ENGAGEMENT

3M participates and engages with numerous stakeholders regarding sustainability aspects and programs. The following resources provide guidance to the corporate stakeholder engagement process: AccountAbility's AA1000 Stakeholder Engagement Standard and "From Words to Action" The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement created by AccountAbility, the United Nation's Environment Programme, and Stakeholder Research Associates

The major categories of 3M stakeholders and some of our key actions and engagements are identified in the table below. Subgroups were also identified for the major categories in the identification process, however are not listed. For example, "3M Employees" include the subgroups exempt employees, non-exempt employees, production employees, senior management, etc.

| Major Stakeholders | 3M Key Actions and Engagements |
|--|--|
| Employees | Respecting human rights and diversity Supporting, optimizing, and promoting development and growth Ensuring a safe and healthy work environment Ensuring equal opportunity. Providing competitive compensation and benefits. |
| Customers | Providing diverse innovative product solutions and high valued customer service/support Offering a diversified portfolio of safe, reliable, dependable and sustainable products |
| Investors | Delivering profitable returns on investment Disclosing timely, concise, and relevant information (Economic, Environmental, and Social) Responsive to inquires Upholding corporate values |
| Government/Regulators | Complying with laws, regulations, and policies Supporting and engaging on development/modification of changes |
| Business Partners (Suppliers/Contractors) | Selecting credible suppliers and contractors that meet or exceed expectations. Supporting collective efforts to deliver business results |
| Local Communities | Supporting and engaging in citizenship activities Providing economic and social value to community, while minimizing environmental impact. |
| Academia/Scientific Organizations | Engaging on technical scientific research to develop innovative solutions to society |
| Media | Ensuring 3M is represented accurately with current information |
| Non-Profit Organizations/NGOs | Partnering to understand societal concerns Providing support to advance and solve global issues |

DETERMINING SUSTAINABILITY REPORTING MATERIALITY AND STAKEHOLDER RELEVANCY

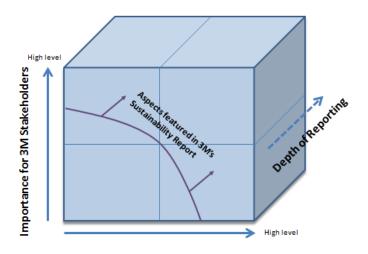
We identify and evaluate sustainability aspects and their associated key performance indicators based on what is materially relevant and important to 3M to achieve long-term sustainable operations [Note: Materiality for the purposes of sustainability reporting is not limited only to those sustainability topics that have significant financial impact on the organization as defined by the Securities and Exchange Commission (SEC) for financial reporting]. In addition, the relevancy of the same aspects and key performance indicators are evaluated for our identified global stakeholders groups. Materiality, as defined by the Global Reporting Initiative (GRI) guidelines, includes topics and indicators that reflect the organization's significant economic, environmental, and social impacts or would substantively influence the assessments and decisions of stakeholders.

Key global societal trends (e.g. resource scarcity, emerging economies, growing/aging populations, poverty, technology shifts, and environmental Impacts) along with 3M strategies, processes, GRI Indicators, and additional industry recognized key performance indicators are factored and integrated into

the analysis. The principles of materiality as defined by the AA1000 Guidance on Materiality and the Global Reporting Initiative (GRI) Materiality principles are applied throughout 3M's evaluation process and assist in prioritizing the level of materiality importance and relevancy to our stakeholders of the recognized sustainability aspects:

- Relevancy and importance to stakeholders (AA1000-Stakeholder Behavior and Concerns)
- Contribution and connection to corporate strategies and core values (GRI-Strategy)
- Level of direct financial impact-long term and short term (AA1000-Direct Financial Impact)
- Relevancy of topic to industry section (AA1000-Organizational Peer Based Norms)
- Level of connection to laws, regulations, international agreements with strategic significance to the organization or stakeholders (AA1000 Societal Norms)
- Level of organization's specialized knowledge to contribute to sustainability in focus area (AA1000-Related Performance)

OUR MATERIALITY MATRIX



Importance for 3M (Sustainability Success)

In 2011, this analysis was completed internally using 3M subject matter experts with a range of perspectives and positions related to each of the identified sustainability aspects and key performance indicators. Their input for stakeholder relevancy was based on subject matter interactions with the appropriate identified stakeholder groups. This evaluation was not done directly with a cross-functional team representing all stakeholder groups. 3M continues to increase engagement with our stakeholders both internally and externally and integrating the outcomes of those interactions into our sustainability strategy and processes. A review and update of 3M's materiality analysis will be completed approximately every 2 years.

An evaluation scheme of (9) High, (3) Medium, (1) Low, (0) Not Applicable for both relevancy and materiality importance with associated factors was utilized. Aspects and related performance indicators that showed high in relevancy/importance to stakeholders and/or highly material/important for 3M (from a sustainability success perspective) using the above criteria were considered as key elements to include in the report.

For example, aspects relating to innovation, sustainable products, diversified workforce, and 3M's environmental footprint along with the respective associated key performance indicators are both highly important and relevant to 3M and our stakeholders, therefore are addressed in this report.

3M also included aspects that are either highly important/material to 3M's sustainability success but may not be as highly relevant to all of our stakeholders (e.g. Occupational Safety and Health, human rights) and also those that are highly relevant to stakeholders but not as material to 3M's sustainability success as other aspects (e.g. Biodiversity).

Focusing and reporting on aspects that are most material to 3M's sustainability success and also most relevant to our stakeholders will enhance and advance 3M's sustainability performance and contribute to a more sustainable future. This sustainability success starts with having a Sustainability Vision and Strategy.

3M's Sustainability Vision and Strategy

OUR SUSTAINABILITY 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.

Strategic Sustainability 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.



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

3M's Key Sustainable Development Objectives

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 (e.g. Enterprise Risk Management, EHS Management Systems, Human Resource Management, Life Cycle Management, Supply Chain Management, Manufacturing and Operations Management) and input and feedback from our stakeholders. A few of 3M's key objectives regarding sustainable development include:

- Manage our environmental footprint.
- Develop solutions that address environmental and social challenges for our customers and society.
- Assure our products are safe for their intended use and throughout their entire life cycle.
- Assure the appropriate management of any 3M health and safety issues that may impact customers, neighbors and the public.
- Maintain a safe and healthy workplace.
- Satisfy our customers with superior quality and value.
- Provide a supportive, engaging, and flexible work environment.
- Support 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.

OUR 2015 SUSTAINABILITY GOALS AND TARGETS

Although 3M has been setting environmental goals and targets since the 1990s, our new set of goals established in 2010 reflect all three pillars of Sustainability and include Environmental Stewardship, Social Responsibility, and Economic Success. These goals and targets have been approved by the EHS Committee and the Corporate Operating Committee. A summary of results from previous goal periods are listed under the related sections within MANGEMENT APPROACH and PERFORMANCE. 3M has made great progress in 2012 on each of the 2015 goals and will continue to strive toward a more sustainability future for our company and those we serve.

✓ Completed
• In Progress
○ Not Started Yet

| Goal | Target | | 2012 Status | | | |
|---|---------------|----------|--|--|--|--|
| Environmental Stewardship | | | | | | |
| Reduce Volatile Air Emissions (VOC) 15% indexed to net sales from 2010 base year. | Year-End 2015 | • | 12.0% VOC Reduction Indexed to Net Sales from 2010 Base Year | | | |
| Reduce Waste 10% indexed to net sales from 2010 base year. | Year-End 2015 | • | 9.0% Waste Reduction Indexed to Net Sales from 2010 Base Year | | | |
| Improve Energy Efficiency (energy use) 25% indexed to net sales from 2005 base year. | Year End 2015 | • | 29% Reduction of Energy Use Indexed to Net Sales from 2005 base year. | | | |
| Reduce Greenhouse Gas (GHG) Emissions 5% indexed to net sales from 2006 base year. | Year End 2011 | √ | 55% Reduction of GHG Emissions Indexed to Net Sales from 2006 base year. (See GHG section for further progress). | | | |
| Develop Water Conservation Plans for 3M sites located in water stressed or hyperstressed areas as defined by the Mean Annual Relative Water Stress Index maintained by the World Business Council for Sustainable Development (WBCSD) | Year-End 2015 | • | Water Conservation Plans have been developed for all sites identified as being in water stressed/hyper stressed areas in 2012. Next assessment-2013. | | | |
| Social Responsibility | | | | | | |
| Promote a Road to EHS Excellence at New 3M Sites | Year-End 2015 | • | Formal processes are in place to assess all new 3M facilities to determine their compliance with applicable EHS regulations and alignment with 3M's EHS management systems and related corporate | | | |

| Goal | Target | | 2012 Status | | |
|--|---------------|---|--|--|--|
| | | | expectations. Risk-based prioritized action plans are developed, with timelines to address gaps. Progress is tracked regularly through plan completion to assure sites are in full conformance with all 3M expectations. | | |
| Develop Community Stakeholder Engagement Plans for Select Manufacturing Sites | Year-End 2015 | • | Approximately 113 manufacturing sites have completed plans. | | |
| Economic Success | | | | | |
| 80% of Supplier Spend is reviewed to drive conformance with 3M EHS, Transportation, & Labor/Human Relations Standard in select countries | Year-End 2015 | • | As of 2012, 78% of Supplier Spend has been reviewed. | | |
| Enhance the Environmental Sustainability Attributes of New Products | Year-End 2015 | • | 3M launched several new products. 3M established a system to evaluate and track the sales of new products with an environmental advantage. | | |

^{**}Additional objectives and targets not formally approved by the EHS committee and operating committee are provided in the Safety and Health section.

SUSTAINABLE MANAGEMENT APPROACH AND PERFORMANCE

ECONOMIC SUCCESS

An innovative company cannot be built just on inanimate lab or mathematics alone. It is built on a belief in the power of research and development, belief in our people and their work, and a deep conviction that the collective power of their imagination and creativity will generate future opportunity and financial betterment for the company.

In 2011, the following growth strategies were set for the company and highlight expanding focus on relevancy to our customers, innovation opportunities, regional self sufficiency, diversity and operational excellence. In 2012, great progress was made across the company on the growth strategies all while maintaining a high level of business conduct, integrity, and character. Some indicators of success include the following:

- Alignment of the organization to become more relevant and responsible to our customers
- Commitment to increased funding in innovation
- Driving growth through new capabilities in marketing, sales, and e-platforms
- Strengthening operational excellence through focus on acquisition integration and Lean Six Sigma

Our Strategies

- Expand Relevance to our Customers and our Presence in the Marketplace
- Gain Profitable Market Share and Accelerate Market Penetration Everywhere
- Invest in Innovation: Invigorate Existing Market Opportunities and Focus on Emerging Megatrends
 - Intensify Capabilities to Achieve Regional Self-Sufficiency
 - Build High Performing and Diverse Global Talent
 - Drive Consistent Superior Levels of Operational Excellence



In 2012, 3M also set financial goals for the next five years with targets that are both realistic and aggressive. The five-year goals are as follows:

- Grow earnings per share 9-11 percent per year, on average
- Grow organic sales 4-6 percent per year, on average
- Maintain return on invested capital above 20 percent
- Free cash flow conversion of 100 percent.

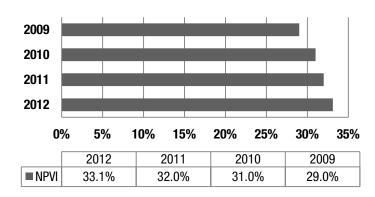
Financial Performance

• For further financial performance results, refer to 3M's 2012 Annual Report

ACCELERATING INNOVATION

3M has a long standing reputation as being a company committed to innovation and dedicating a large percentage of revenue to research and development (R&D) around the world. In addition to having extensive resources at the headquarters in Minnesota, 3M has been rapidly expanding operations around the world and now operates approximately 80 laboratories and technology centers globally. 3M continues to invest in R&D to drive global growth of the company with emphasis being placed on organic growth. The increased R&D spending is reflected in the New Product Vitality Index (NPVI) which is currently at 33.1% and continues to increase. The NPVI is the percentage of net sales of products introduced within the last five years as compared to total net sales.

New Product Vitality Index



Leveraging strategic partnerships with several external entities enables 3M to integrate a rich diversity of thinking and open innovation into superior technologies, business assets, and innovative products. The seven phase New Product Introduction process 3M uses provides a robust framework for developing products from idea to launch. Several other tools and systems are in place to promote, manage, and evaluate the innovation process. These include but are not limited to technical committees, tracking systems, and customer interaction mechanisms.

DRIVING GROWTH THROUGH NEW PRODUCTS WITH ENVIRONMENTAL ADVANTAGES

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

To be counted internally as part of the goal, a new product must meet all of these:

- Not Pose any Significant Environmental Health & Safety Concerns that Outweigh the Benefit
- Attribute Must be Relevant to Product Type & Market Place
 In other words, the attribute must be relevant to the product type, relevant in the market it is primarily sold in the year when it is introduced (e.g. the attribute cannot be integrated to comply with legislation / regulation in the primary market where the product is sold and at least 30% of the existing competitor products must not contain the same attribute)
- Contain One or More of the 3M Defined Product Environmental Sustainability Attributes. Attributed include Products with Sustainable Attributes in Raw Materials, in Manufacturing, in Customer Use and Product Design/Function, and in Disposal.

Further Financial Information:

3M's Annual Report (10K): www.3M.com/InvestorRelations

ACHIEVING CUSTOMER SATISFACTION AND QUALITY PRODUCTS

Getting Closer to our Customers

Serving our customer base locally, while still maintaining a global network is one of our global strategies to drive innovation, strengthen local resources/suppliers, and better serve our customers around the world. We believe by moving the research and development process closer to our global customers we will develop products that more specifically address the needs of the respective global markets. That is why 3M has been working to develop local research and development and technical centers, increase our use of local suppliers and build manufacturing capacity closer to customers.

Responding to Customers

3M has a variety of mechanisms to listen, gather, and importantly act on feedback from customers in the marketplace. 3M's main customer contact center is staffed 24/7 with trained personnel to direct customer inquiries to the correct resources. The director of Corporate Quality and Lean Six Sigma has overall responsibility for customer satisfaction. In addition, independent quality managers, not reporting to the manufacturing organization, staff each division. They review customer feedback with key stakeholders and assure that all questions are addressed in a professional, timely, and effective manner.

Quality Management Systems and Products

Quality today is more than product quality; it is delivering a consistently superior total customer experience, in every transaction to every customer. From the purchase of raw materials through manufacturing, packaging, marketing, wholesale and retail sales, inventory control, distribution, service, and support, invoicing, collection, warranty claims and more, there are many opportunities for 3M to drive customer focused quality improvement along the entire chain of activities.

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

An effective Quality Management System assures that 3M has processes in place to produce products and deliver services that consistently meet customer requirements. As of year-end 2012, In the US, ISO registered Quality Management Systems (ISO 9001, ISO 13485, TS 16949, TL9000, and AS9100) include (80%) manufacturing sites, (70%) distribution centers, (58%) product design centers, and (100%) metrology labs. Internationally, ISO registrations include (85%) manufacturing sites, distribution centers, and labs. Note: Some sites have multiple registrations but are accounted for once; sites with multiple building/businesses were accounted for individually.

ENVIRONMENTAL STEWARDSHIP

Environmental stewardship at 3M is based on the principle of providing practical and effective solutions and products to address environmental challenges for both ourselves and for our customers. Setting and implementing global environmental policies, management systems, and tracking and maintaining key performance metrics enables 3M to continually integrate and drive environmental stewardship throughout the organization.

LONG HISTORY OF COMMITMENT

3M has been making continuous progress toward reducing the environmental impact of our products and associated processes. In 1975, 3M's commitment to environmental stewardship was formalized when the Board of Directors adopted the 3M Environmental Policy. This global policy, still in effect today, is believed to be the first policy providing a framework with measureable results from a major manufacturing company. It is a comprehensive statement of 3M's environmental commitment, emphasizing preventing pollution at the source. The executive Environmental, Health and Safety (EHS) Committee, reporting to the Corporate Operating Committee provides oversight of 3M's environmental programs. Environmental stewardship is integrated into each of the six business units globally ensuring consistency and innovative environmental thinking. As reflected by our environmental performance indicators and 2015 Sustainability Goals environmental stewardship is a core corporate commitment backed by decades of proven performance.

ENVIRONMENTAL MANAGEMENT SYSTEMS

3M has extensive global environmental management systems in place to identify, track, and manage relevant information indicative of corporate-wide environmental performance. These include management systems covering a full range of environmental compliance and performance metrics relevant to 3M operations, including the following critical elements and further described below:

- Environmental compliance management
- Climate change management
- Energy management
- Air quality management
- Waste management
- Water management
- Biodiversity management
- Product life cycle management
- Sustainable Packaging

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

ENVIRONMENTAL COMPLIANCE MANAGEMENT

3M operations are subject to global environmental laws and regulations including those pertaining to air emissions, wastewater discharges, toxic substances, and the handling and disposal of solid and hazardous wastes. These laws and regulations are enforceable by national, state and local authorities around the world. 3M strives to be 100% compliant with all global environmental requirements and regulations.

3M's multi-faceted strategy for implementing environmental management systems and global auditing of environmental compliance for our operations is key to understanding any potential gaps and gain resolution quickly. All manufacturing facilities are required to complete a Global Environmental Management Self-Assessment at least annually, which consists of a detailed evaluation of each facility's systems for ensuring environmental compliance and management system performance. In addition, approximately 66% of 3M's global manufacturing sites (which represents approximately 90% of sales value of production) have ISO 14001 certified (or equivalent) management systems which are reviewed by an independent 3rd party as required by that standard.

Key elements of the environmental auditing program include:

- To measure and assure that procedures, practices and programs comply with environmental regulations
- To identify potential environmental concerns and establish plans to address them
- To apprise management on compliance matters
- To assure 3M environmental policy and standard expectations are met

Following are several key elements of auditing program:

- Manufacturing, distribution and laboratory operations are audited for environmental compliance on a frequency determined based on relative risk
- At least annually, all global operations are assessed against a variety of criteria to establish a
 prioritized list of facilities for compliance auditing
- 3M uses a variety of tools and resources for compliance auditing, including:
 - Internally-developed compliance protocols, created by subject matter experts in regulatory programs and 3M processes
 - 3M's Global Environmental Management Self-Assessment as an evaluation tool reference
 - Externally-purchased compliance protocols, especially for international operations, to ensure local compliance obligations are understood
 - o Internal environmental compliance experts from around the company
 - External environmental consultants as needed to provide additional expertise and 3rd party verification of our auditing protocols
 - Complete and robust documentation of audit findings, assignment of responsibility and due dates for closure of findings, and detailed review of findings closure to assure corrective actions are appropriate and sustainable.

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

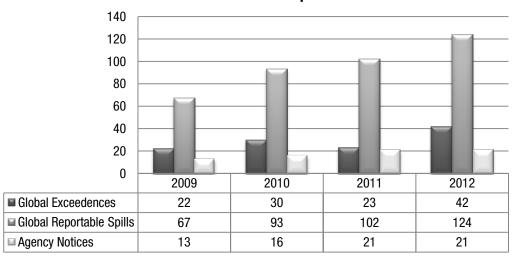
Environmental Compliance Metrics:

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

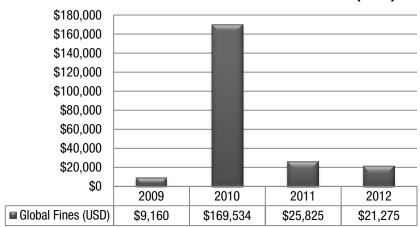
- <u>Exceedences</u>: Emissions or other environmental parameters above permitted or allowable regulatory levels
- Reportable Spills: Spills required to be reported to a regulatory agency or government organization
- Agency Notices: Notices received by 3M for allegations from an environmental regulatory or permitting requirement
- <u>Fines</u>: Compensation paid by 3M to discharge an administrative fine or penalty imposed by an environmental regulatory agency.

The charts below provide environmental compliance metrics for 2009-2012 in each of these four areas.

3M Environmental Compliance Metrics



3M Global Environmental Fines (USD)



The Worldwide Incident Management system (WIMS) was implemented in 2010 as the new corporate-wide database for reporting all EHS incidents. Several different systems were utilized in the past. Continuous improvement related to increased awareness of responsibilities, understanding of the WIMS system, and more consistent reporting requirements has provided an increase in accuracy of reporting by the 200+sites globally in 2011 and 2012.

3M had 124 releases to the environment (spills) that were reported to local government authorities in 2012. Of those releases, one was considered significant as defined by our internal EHS incident severity matrix (e.g. a spill that results in significant off-site impacts and requires extensive and/or long term remediation or monitoring). The situation was stabilized and applicable mitigation and monitoring measures have been implemented.

Global environmental fines reported herein include more than the GRI definition of significant and reportable in 3M's annual financial report (10K), as global fines regardless of significance are tracked and reported through 3M's Worldwide Incident Management System (WIMS). The increase in 2010 was the result of fines incurred at one of our US manufacturing sites.

CLIMATE CHANGE

Greenhouse gas (GHG) emission reductions have been a priority for a long time at 3M. 3M has taken voluntary, responsible action to reduce and control GHG emissions. In addition to managing direct emissions from 3M operations, 3M has a decades-long track record of improving energy efficiency at our facilities and offers a wide range of innovative products to help our customers improve energy efficiency and reduce carbon footprints (see Energy Efficiency section below).

The Corporate Environmental Health and Safety (EHS) Committee is responsible for all final decisions on climate change strategy and GHG emissions. This includes setting Corporate GHG emission reduction goals and policies. For climate change strategy and GHG emission advice the Corporate EHS committee has appointed the corporate Climate Change Steering Team. Complementing the efforts of the Climate Change Steering Team, 3M's business continuity planning process and crisis management program review and manage risks posed to the company's physical operations and supply chains that may be affected, for example, by severe weather events and longer term trends.

Guiding Principles

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

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

Management Commitments

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

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

History of Climate Change Reductions

3M understands the impacts and reduction efforts associated with greenhouse emissions require long term commitment as the affects of both are not realized in one year alone. Therefore, implementing reduction initiatives have been a key 3M corporate priority. 3M's greenhouse gas management strategy includes a rigorous greenhouse gas accounting system to generate an annual inventory of worldwide emissions. The process and associated GHG emissions reported from 1990-2007 were validated by an external 3rd party consultant. Since 2002, the global 3M inventory has been developed, maintained and 3rd party verified by 3M's ISO/IEC 17025 accredited laboratory in accordance to the World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol. The data charts below reflect 2009-2012 results.

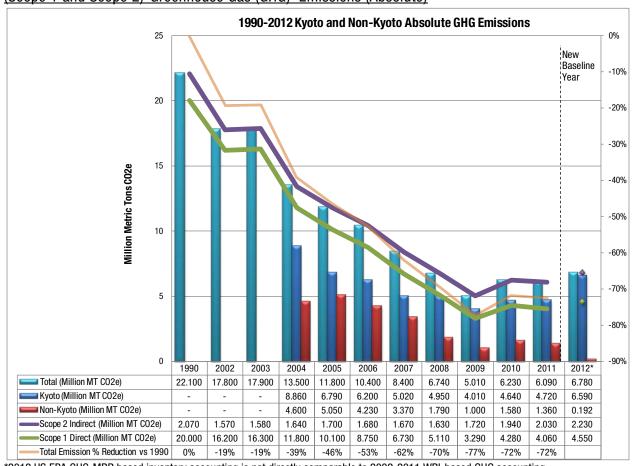
The total GHG Inventory encompasses the company's diversity and complexity. A total of approximately 600 facilities including R&D, manufacturing, distribution centers, and administrative support offices within 3M' operational control are accounted for in the current inventory. Both Scope 1(direct) and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

GHG emission data for 2012 cannot be directly compared to prior years (i.e. 1990-2011) as the WRI-based GHG accounting rules 3M has historically used needed to be modified for 2012 to comply (and be consistent) with the requirements of the US EPA Mandatory Greenhouse Gas Reporting Rule (EPA GHG-MRR). In addition, use of the US EPA GHG-MRR resulted in the re-categorization of some chemical emissions from Non-Kyoto to Kyoto gas and vice versa, which resulted in a significant change to 3M's Kyoto / Non-Kyoto GHG emissions distribution as compared to the time period prior to 2012. Accordingly, the 2012 inventory serves as a new baseline for future GHG reporting by 3M and other companies subject to the EPA GHG-MRR.

With the publishing of the WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard in October, 2011, 3M has been working on developing a Scope 3 emissions inventory. 3M places a high value on sound science and decision-making so that data reported is in accordance to the WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard. All Upstream and Downstream Scope 3 categories were evaluated. When available for a Scope 3 category. primary data was used to calculate the GHG emissions. When primary data was not available or the complexity of the supply chain did not allow for direct calculation, an input/output model calculation method was used. The input/output model calculations were based on the level of sourcing financial spend for each GHG emission category and was conducted in collaboration with Climate Earth, Inc. for categories 1, 2, 5, and 7 (see Scope 3 table below). In 2013, a third party audit of the input/output model data was conducted in accordance to the WRI/WBCSD Corporate Value Chain (Scope 3) standard which determined the quality of the data reported and reliability of the calculation method for 2012 was in accordance to the standard. Regarding category 11, Use of sold products, 3M has only started to estimate these emissions. 3M has a Climate Change Solutions product catalog with many products that reduce GHG emissions for our customers. A preliminary estimate on our three largest Climate Change Solutions products indicates a reduction of approximately 20 million metric tons CO2 eg in 2012 based on sales. Further work is being conducted on other Climate Change Solutions products as well as 3M products that use energy.

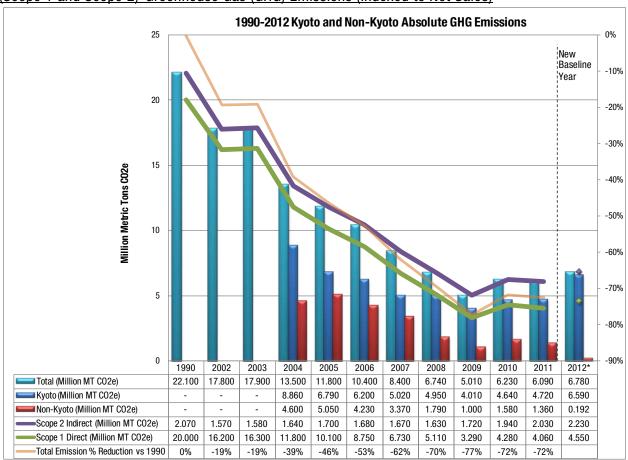
Total Greenhouse Gas Emissions (1990-2012)

(Scope 1 and Scope 2)-Greenhouse Gas (GHG) Emissions (Absolute)



*2012 US EPA GHG-MRR based inventory accounting is not directly comparable to 2002-2011 WRI-based GHG accounting

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



^{*2012} US EPA GHG-MRR based inventory accounting is not directly comparable to 2002-2011 WRI-based GHG accounting

3M Scope 3 - Greenhouse Gas Emissions

| 3M S | cope 3 - Greenhouse (| Gas Emissions | | | |
|------------------|---|-----------------------------|---|---|---|
| | | 2011 | 2012 | | |
| | Scope 3 Category | (Metric Tons of CO2e) | (Metric Tons of CO2e) | Boundary | Comments |
| Upstro | eam Emissions | | | | |
| | Purchased Goods and | | | | From Climate Earth using Input/Output Model |
| 1 | Services | 7,620,000 | 8,155,000 | | based on 3M spend |
| | | | | | From Climate Earth using Input/Output Model |
| 2 | Capital Goods | 498,000 | 584,000 | | based on 3M spend |
| | Fuel and Energy | Included in Scope 1 or | Included in Scope 1 or | | |
| | Related Activities (not | Scope 2 emissions | Scope 2 emissions | | |
| 3 | including scope 1 or scope 2 emissions) | reporting | reporting | 3M Operational Control | |
| | Upstream | | | | A complete data set was not available for |
| | transportation and | | | | Climate Earth to use Input/Output Model based |
| 4 | distribution | Not evaluated | Not evaluated | 3M Operational Control | on 3M spend |
| | Waste generated in | | Less than 1% of Total | | From Climate Earth using Input/Output Model |
| 5 | operations | 29,000 | Upstream Emissions | 3M Operational Control | based on 3M spend |
| | | | | | Environmental Lab calculated from 3M primary |
| 6 | Business Travel | Not Evaluated | 58,600 | 3M Operational Control | data on business travel |
| | | | | | From Climate Earth using Input/Output Model |
| 7 | Employee commuting | Not Evaluated | 352,400 | 3M Operational Control | based on 3M employee population |
| | | Included in Scope 1 or | Included in Scope 1 or | | |
| | Upstream, leased | Scope 2 emissions | Scope 2 emissions | | |
| 8 | Assets | reporting | reporting | 3M Operational Control | |
| | | | | | Net GHG emissions based on the categories |
| | TOTAL Upstream | 8,147,000 | 9,150,000 | | evaluated |
| Down | stream Emissions | | | | |
| | Downstream | | | | |
| | transportation and | | | | Environmental Lab calculated from 3M primary |
| 9 | distribution | Not Evaluated | 1,510,000 | 3M Operational Control | data on downstream transportation |
| | | | | | With over 55,000 products and the diversity of |
| | | | | | products across many market sectors, this |
| | | | | | complexity and the unknown application |
| | | | | | (downstream processing) of many products |
| | Processing of sold | | | | does not allow for calculation, or even a |
| 10 | products | Not Evaluated | Not Evaluated | | reasonable estimate, for this category. |
| | | | | | An evaluation of customer GHG reductions from |
| | | | | | use of sold products is being conducted. The |
| | | | | | primary products with GHG emission reductions |
| | | | | | are being evaluated. Continuing work will be |
| | | | | | conducted on other products with both GHG |
| | | | | | reductions and GHG emissions during use. The |
| | | | | | GHG reductions and emissions from these other |
| | | | | | products are expected to be de minimus |
| | | | | | compared to the magnitude of primary product |
| 11 | Use of sold products | Not Evaluated | Under evaluation | | use reductions. |
| | | | | | With over 55,000 products and the diversity of |
| | | | | | products across many market sectors, this |
| | | | | | complexity and the unknown disposal (end of |
| | | | | | life treatment) of many products does not allow |
| | | | | | for calculation, or even a reasonable estimate, |
| | End of life treatment of | | | | for this category. This unknown as many |
| 40 | End of life treatment of | | Not Evolucted | | products are part of our customers' products. |
| - ' 2 | sold products | Not Evaluated | Not Evaluated Included in Scope 1 or | | producto. |
| | Downstream leased | | Scope 2 emissions | | |
| 40 | | Not Evolucted | | 2M Operational Control | |
| | assets Franchises | Not Evaluated | | 3M Operational Control 3M Financial Control | No franchicos undar 2M financial control |
| | Investments | Not Evaluated Not Evaluated | | 3M Financial Control | No franchises under 3M financial control No investments under 3M financial control |
| 10 | IIIVESUIIEIIIS | NOT Evaluated | None | JIVI FIIIAHUAI UUHUU | Net GHG emissions based on the categories |
| | TOTAL Downstream | | 1,510,000 | | evaluated |
| | IOIAL DOMIISUCAIII | | 1,310,000 | | ovuluatou |

Scope 3 NOTES

- 1 The data reported is in accordance to the World Resources Institute (WRI)/ World Business Council for Sustainable Development (WBCSD) Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- 2 An input/output model calculation methodology method based on level of financial spend was used in collaboration with Climate Earth for categories 1, 2, 4, 5, and 7.
- 3 A third party audit of the input/output model data in accordance to the WRI/WBCSD Corporate Value Chain (Scope 3) standard was conducted in 2013 to determine the quality of the data reported and the reliability of the calculation method for 2012.
- **4** Estimated Scope 3 data uncertainty is 100±50% (WRI/WBCSD, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011)

Greenhouse Gas Reduction Goals

3M has demonstrated leadership in greenhouse gas (GHG) emission reductions through setting and achieving GHG reduction goals. 3M has established and met two rounds of reduction goals. The first set of goals was established in 2002, a U.S. goal, that was set as part of our participation in the U.S. EPA's Climate Leaders program, to reduce absolute U.S. GHG emissions by 30% reduction from 2002 - 2007, and a stretch goal to reduce our absolute 1990 global GHG emissions 50% by 2005. We achieved our U.S. goal by reducing GHGs by 53% from 2002-2007. We achieved our stretch 50% reduction goal in 2006 when we reduced our global GHGs by 53% from a 1990 baseline (we just missed the global 50% reduction in 2005 by a few percentage points).

Our next GHG goal was established in 2007. It called for a 5% reduction in GHGs, indexed to sales, by 2011 from a 2006 base. Final results for this goal were determined in May 2012. We achieved a 55% in GHG reductions, indexed to sales, from 2006 through 2011. Our reduction far exceeded our goal due to innovative new products and processes, strong growth in global sales, effective emissions control technology, and strong employee energy efficiency efforts. Through 2011, we have reduced our absolute global GHGs by 72% from a 1990 baseline.

3M is currently working to establish its next GHG reduction goal(s). We plan to establish a new goal in 2013. The following considerations are part of our current GHG goal setting effort:

- How to best align our new goal with 3M's sustainability principles and strategy;
- Relative materiality and impact by 3M on global GHG emissions throughout its supply chain:
- Possible new goal structures; and
- 3M system changes that may be required.

Greenhouse Gas Emission Reductions Goal History and Results

| Goal Period | Goal Program | GHG Goal | GHG Goal Period Results | | |
|-------------------------|---|--------------------------------|--------------------------------|--|--|
| 1990-2005 | Global GHG Reduction | *Aspirational Target: Reduce | 53% Reduction | | |
| | Goal | Absolute GHG emissions by | (Absolute)-in 2006 | | |
| | | 50% from 1990 base year | | | |
| 2002-2007 | US EPA Climate Leaders | Reduce Absolute GHG | 53%Reduction (Absolute) | | |
| | Goal Program | emissions in the United States | | | |
| | | by 30% (include Kyoto and | | | |
| | | non-Kyoto GHG emissions) | | | |
| 2006-2011 | Environmental Targets | 5% Reduction GHG emissions | 55% Reduction | | |
| | | (Scope 1 and Scope 2) | (Indexed) | | |
| | | Indexed to Net Sales | | | |
| Total Reductions | Total Reductions (Absolute) 1990-2011 | | | | |
| Total Reductions | 66% | | | | |
| Total Reductions | Total Reductions (Indexed to Net Sales) 1990-2011 | | | | |
| Total Reductions | (Indexed to Net Sales) 200 | 2-2011 | 81% | | |

Product Carbon Footprint Evaluations

3M conducts product carbon footprint evaluations as part of the product Life Cycle Assessment process on select products, and is engaged with key stakeholders to improve and refine common metrics for such analysis. 3M defines a product carbon footprint as greenhouse gas (CO2 equivalent) emissions resulting from a product across its entire life cycle -- including raw material acquisition, manufacturing, transport, storage, use, and disposal of the product. To calculate carbon footprints, 3M applies currently available standards and tools (e.g., WRI/WBCSD GHG Protocol Product Life Cycle Accounting and Reporting Standard). One of the challenges in this area is the wide range of potential approaches and assumptions being utilized for such calculations. To address these issues, 3M supports further development of common metrics and is working with the World Resource Institute and World Business Council for Sustainable Development (WRI/WBCSD), peer companies, governments, and environmental organizations. The goal of these efforts is to enable 3M and others to provide cost-effective, accurate and useful information to customers and other stakeholders.

Managing Carbon Offsets

Using product carbon footprint information, 3M has offset greenhouse gas emissions from certain products through the purchase of carbon offsets. To consistently manage carbon offsets, 3M adopted a Product Carbon Footprint Offsets Standard (available at www.3M.com/sustainability). This standard addresses the requirements for the calculation of product carbon footprints and the management of product carbon offsets. This standard also establishes criteria for the carbon footprint methodologies applied and acceptable qualified offsets, such as Voluntary Carbon Standard offsets (VCSs) from Certified Emission Reductions (CERs) and Renewable Energy Credits (RECs) from Verified Emission Reductions (VERs).

Through December 2012, 3M businesses have acquired carbon offsets for product greenhouse gas emissions from seven different product lines across five business market sectors. For these efforts, 3M Japan received the Encouraging Prize of the Carbon Offset Award from CO-Net in Japan in 2012.

Regulatory Impacts

Emission reporting obligations in the United States and emission control requirements under the European Union emission trading scheme apply to 3M operations in these jurisdictions.

Currently, two 3M facilities (France and Belgium) are required to hold emission allowances under the European Union Emission Trading Scheme. At both facilities, for all compliance periods to date, actual greenhouse gas emissions have remained below the emission credit allocations awarded by the applicable regulatory agencies. In 2011, 3M facilities in the United States began reporting greenhouse gas emissions under the U.S. EPA Greenhouse Gas Mandatory Reporting Rule. Our large US facilities continue to calculate and report greenhouse gas emissions annually. There are also a few states that have additional greenhouse gas reporting requirements that have impacted our facilities in those states.

Physical Risks

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

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

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

Further Climate Change Information

www.3M.com/Sustainability (Policies and Reports)

- 3M Climate Change Position Statement
- 3M Greenhouse Gas Management Policy
- 3M Product Carbon Footprint Offsets Standard

ENERGY EFFICIENCY

At 3M, energy management is global, comprehensive, and extends beyond energy efficiency efforts in factories and buildings. It is a team effort guided by the global Corporate Energy Policy. Energy management responsibilities are coordinated by the Corporate Energy Management team, with oversight by 3M's corporate energy manager and senior engineering vice president, with active support from the CEO. The team involves personnel from environmental operations, facility operations, finance, sourcing,

engineering, energy management and corporate marketing and public affairs. Each department provides cross functional contributions; ensuring energy efficient technology is being used, opportunities are being identified in the design process, renewable energy opportunities are identified and financed, and data is tracked routinely and consistently by facilities.

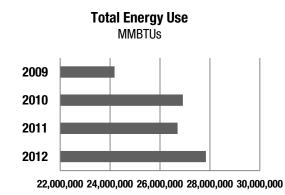
Setting Energy Performance Goals and Evaluating Progress

In 2010, as part of our 2015 Sustainability Goals, 3M set a global goal to increase energy efficiency (resulting in decreased greenhouse gas emissions) by 25% in 2015 from a 2005 base year (as measured by worldwide energy use indexed to net sales).

3M collects and analyzes energy-use data and energy efficiency project metrics to: track progress toward corporate energy and greenhouse gas goals; identify opportunities for improvement, benchmark against past performance, and identify best practices that can be applied across global operations. All manufacturing locations and other locations greater than 30,000 square feet report energy use and energy costs into an electronic reporting system monthly. Data is analyzed at the facility, division, business unit, and corporate levels quarterly for 3M's six major business units (210 locations in 42 countries) as part of 3M's EHS Management System Scorecard previously described.

Total Energy Use (2000-2012):

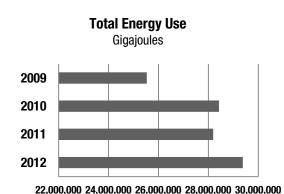
3M's commitment to improving energy efficiency is evident in the figures and goals summary below. From 2000 through 2012, 3M has reduced energy usage by 49% indexed to Net Sales. Having exceeded its energy reduction goal ahead of schedule, 3M set an internal target to improve energy use per unit of product an additional 15% (2010-2015). Achieving these goals would help prevent 1.3 million metric tons of related CO2 emissions.



| | 2012 | 2011 | 2010 | 2009 |
|---------------|------------|------------|------------|------------|
| ■Total Energy | 27,838,414 | 26,703,396 | 26,917,031 | 24,179,087 |

2011

■ Indexed Energy



| | 2012 | 2011 | 2010 | 2009 |
|---------------|------------|------------|------------|------------|
| ■Total Energy | 29,378,687 | 28,192,667 | 28,419,705 | 25,527,717 |

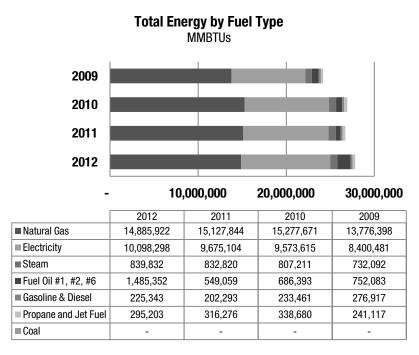
Total Energy Use Indexed: MMBTUs/Net Sales(MM \$USD) 2009 2010

| 2012 | | | | |
|------|------|------|-------|-------|
| 800 | , | 900 | 1,000 | 1,100 |
| | 2012 | 2011 | 2010 | 2009 |

902

1,010

1,046



Energy Goals History and Results

| Goal Period | Goal Program | Energy Goal | Total Energy Results |
|-------------------------|-----------------------|------------------------|---------------------------|
| 2000-2005 | Environmental Targets | 20% Reduction in Total | 27% Total Energy |
| | (ET'05) | Energy (Indexed to Net | Reduction (Indexed to Net |
| | | Sales) | Sales) |
| 2005-2015 | Sustainability Goals | 25% Reduction in Total | 29% Total Energy |
| | (Environmental | Energy (Indexed to Net | Reduction (Indexed to Net |
| | Stewardship) | Sales) | Sales)-Through 2012 |
| TOTAL Reduction 2000-20 | 12 | | 49% |

Investing in Renewable Energy

3M is investing and installing on-site renewable energy within our own operations and continuing to expand and collaborate with external partnerships. Currently 0.82% of 3M energy used is from renewable sources. Some examples include:

• Pioltello, Italy (3M Italy Headquarters-2010): This facility's external building shell was designed for effective control of solar light through a system that allows light to enter and at the same time provides protection from UV rays to help reduce the demand for air-conditioning in hot summer months. Photovoltaic panels on the upper part of the building are expected to supply 100,000 kWh of energy to the building annually and heating and cooling are implemented through a geothermal system. A number of the building's features further support sustainability, including a high-efficiency heat recovery system, high thermal performance glazing and an external shielding system.

- Perth, Canada: In 2006, this Perth manufacturing facility installed a 2000 square foot solar wall on the south side of the warehouse. The solar wall is used to both preheat the air and reduce building transmission loss and provide approximately 500 MMBTU/year.
- <u>Austin, Texas</u>: Austin Energy Green Choice Program. The 3M Austin Research Boulevard Site, part of the Communication Markets Division, is a founding member of the Austin Energy Green Choice Program. From 2001 to 2012 the site purchased 17,022,020 kWh of Green Choice power, which was approximately 15% of the total power. The amount of Green Choice power has increased at the site and currently Green Choice power is approximately 30% of the site's total power.

3M renewable energy partnerships:

- <u>Solar Collection</u>: 3M partnered with Goassamer Space Frames to deploy the world's largest solar collector for Gogentrix Energy. The 3M films enables savings up to 23% for parabolic troughs
- <u>Compressed Natural Gas Tanks</u>: 3M partnered with Chesapeake Energy Corporation to design/manufacture compressed natural gas tanks-an attractive long term bridge to more sustainable fuels.

2012 Energy Highlights

- Received the 2012 ENERGY STAR Sustained Excellence Award (9th consecutive year)
- Invited 100+ European customers, partners, policy stakeholder to 3M's Energy and Sustainability Showcase to discuss how the E. U can meet targets for sustainable/renewable energy.
- Achieved ISO 50001 certification at two plants, 3M Canada at Platinum level
- Organized European Energy Summit gathering 3M energy leaders from 8+ countries to share, learn, and motivate energy management improvements. The event resulted in a three-year plan for each country.
- 2012 US Transportation Summit highlighted 3M solutions such as alternative energy/weight reduction and sustainability for automotive manufacturers
- Hosted regional "Working with Energy Star" workshop for manufacturers.
- Used web, social media to communicate with broader internal/external audiences
- Held energy awareness events/programs at plants and international subsidiaries

Rewarding Energy Management Excellence

An important component of 3M's strategic energy management plan is to recognize and share best energy management practices throughout the company. An energy cost reduction projects database enables a continuous flow of ideas and projects with identified associated cost savings.

Saving Energy and Addressing Climate Change for our Customers

3M provides a vast array of solutions for our customers to improve their own energy efficiency and help reduce their carbon footprint. Some of the solutions include Solar Energy Solutions, Window Film Solutions, Wind Energy Solutions, Utility and Power Solutions, and Fire Suppression Solutions. Further details and examples are provided in the 3M Climate Change Solutions product catalog located on www.3M.com/Sustainability (Our Solutions).

Further Climate Change and Energy information

www.3M.com/Sustainability (Policies and Reports)

- 3M Global Energy Management Policy
- 3M Climate Change Position Statement
- 3M Greenhouse Gas Management Policy
- 3M Product Carbon Offsets Standard

AIR QUALITY MANAGEMENT

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

With the increasing complexity of air quality regulations globally, reductions in actual air emissions and a solid air permit/regulatory approach are increasingly important components to global business growth and long term sustainability. Air emission reductions are achieved through a variety of methods at 3M and include, but are not limited to increasing the use of more sustainable raw materials, water based coatings improving process/equipment efficiency upgrading equipment, and implementing and maintaining pollution control technologies. All reduction efforts are integral to the company's overall success and assist the company with the challenge of improving air quality in the areas in which we operate.

Implementing and Maintaining Pollution Control

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

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

Integrating Green Chemistry Initiatives

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

The principles can generally be grouped into four main categories: Hazard Reduction, Lower Impact Products & Processes, Resource Reduction & Conservation, and Use of Renewable Raw Materials.

In 2010, 3M's Material Resource Division (MRD), a major internal supplier for many materials within 3M created a new product design tool which mandates the evaluation of new chemistries/products against the 12 principles in their division. These principles are as follows:

- 1. Prevent Waste Generation
- 2. Atom Economy
- 3. Less Hazardous Chemical Syntheses
- 4. Designing Safer Chemicals
- 5. Safer Solvents and Auxiliaries
- 6. Design for Energy Efficiency
- 7. Use of Renewable Feed stocks

- 8. Use of most direct synthetic route
- 9. Catalysis
- 10. Design for Degradation
- 11. Real-time analysis for Pollution Prevention
- 12. Inherently safer chemistry for Accident Prevention

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

Broadening Focus in 2012-13

In 2011, 3M established a green chemistry network to expand these activities outside of the MRD. This network became a formal 3M Tech Forum (Collaboration Network of 40+ technology focused chapters and approximately 11,000 employees) chapter in 2012 and is now called the Green Chemistry and Sustainable Products Tech Forum chapter. The network provides a forum for 3M employees to communicate green chemistry ideas and practices across all 3M businesses and functional groups to help drive business growth. Through internal events and collaboration mechanisms, objectives of the network are to promote less hazardous materials, design products and processes with lower impacts, consider renewable raw material selections, and conserve and reduce resources for 3M and our customers. The chapter's members come from 3M's research and development, product responsibility, sustainability, and marketing communities.

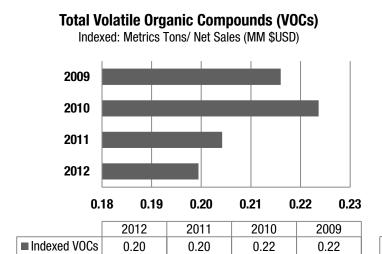
For more information regarding green chemistry, please refer to the U.S. Environmental Protection Agency's website: www.epa.gov/greenchemistry

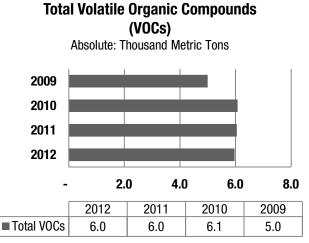
Setting VOC Goals and Evaluating Progress

Air emissions from 3M operations (e.g. volatile organics, particulates, and substances listed on the US EPA Toxic Release Inventory or global equivalent) are tracked, reported, and aggregated through corporate environmental data management systems. Reductions in corporate-wide air emissions have been accomplished through the development of solvent-less and lower particulate technologies, green chemistry initiatives, pollution prevention programs, and pollution control equipment all mentioned above.

Due to the nature and extent of 3M operations, volatile organic contaminant (VOC) emissions are used as an indicator air pollutant to track progress toward air emission reductions. 3M has had VOC reduction goals since 1990 as shown in the table below. Using 1990 as a base year, 3M has reduced VOC emissions 98% by year-end 2012 indexed to net sales. Specific goal period achievements are highlighted below. Manufacturing sites account for a majority of 3M's Environmental Footprint (96% of Sales Value of Production (SVOP). Manufacturing facilities under 10,000 lbs, Research and Development sites, Distribution Centers, Sales Offices, and other locations are considered de minimus due to the limited use of solvents at these sites/locations. 3M's VOC data below includes 3M manufacturing operations with total output greater than 4536 metric tons per year (10,000 pounds).

| VOC Goal Reduction Period | Goal Program | VOC Goal | VOC Results (Indexed Reductions Metric Tonnes/Net Sales) |
|------------------------------|--|--|--|
| 1990-2000 | Year 2000 Goals | 90% Reduction in VOC Emissions (Absolute) | 88% (Absolute) |
| 2000-2005 | Environmental Targets (ET'05) | 25% Reduction VOC Emissions (Indexed to Net Sales) | 57% |
| 2005-2010 | Environmental Targets (ET'10) | 25% Reduction VOC Emissions (Indexed to Net Sales) | 31% |
| 2010-2015 | Sustainability Goals (Environmental Stewardship) | 15% Reduction VOC Emissions (Indexed to Net Sales) | 12% (Through 2012) |
| TOTAL Reductions: 1990-2 | 98% | | |





Improving Air Quality for our Customers

3M provides several solutions to assist our customers in improving air quality. A couple examples include air filtration solutions and fire suppression technology solutions. Additional solutions across a variety of markets may be found through the Environmental Solutions Catalogs on www.3M.com/Sustainability (Our Solutions).

WASTE MANAGEMENT

Waste management and minimization is an important component of 3M's environmental stewardship. The 3M Corporate Reverse Supply Chain Services organization provides corporate oversight for global waste management activities. 3M's Waste Management standard applies to all locations and provides the framework and corporate expectations that are required to manage all waste types from the time of generation until reused, recycled, treated or disposed. The standard sets a baseline for several core waste program elements and encourages waste minimization and recycling whenever possible.

Recycling, Reuse, Treatment and Disposal

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

3M Corporate Reverse Supply Chain Services has a team of subject matter experts (Resource Recovery) dedicated to initiating and supporting internal projects to identify materials for recycling. This team works with many levels within the organization (e.g. facilities, divisions, businesses and corporate wide) on a variety of different waste recycling and reuse initiatives. The variation of projects and programs range from basic office recycling to more complex such as developing and capturing intrinsic waste materials generated off a manufacturing line. Through an evaluation process all aspects of diversion benefits or risk are reviewed. Some programs have initiated and implemented excellent reuse programs, which are then shared as a best practice throughout the organization for replication. 3M continues to work with our customers and manufacturing partners to manage or develop recycling programs to continue to support our community commitment to sustainability.

Ensuring Waste Compliance

The 3M Waste Management Standard requires each location to assign a Waste Management Coordinator who is responsible for ensuring personnel receive applicable waste training. Corporate Reverse Supply Chain services administers the waste training for the coordinators in the US and is currently enhancing and expanding waste training internationally. Compliance with all 3M and other regulated waste requirements is evaluated through the environmental auditing program.

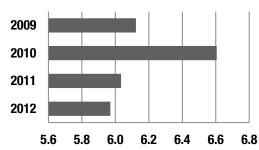
Setting Waste Goals and Evaluating Progress

3M has been setting total waste reduction goals since 1990. Using 1990 as a base year, 3M has reduced our total waste by 68% through 2012. Specific goal period achievements are highlighted below. Manufacturing sites account for a majority of 3M's Environmental Footprint (96% of Sales Value of Production (SVOP). 3M estimates an additional 7% of waste generated from non-manufacturing sites, including laboratories, distribution centers, and office facilities. 3M's waste data below includes 3M manufacturing operations with total output greater than 4536 metric tons per year (10,000 pounds).

| Goal Period | Goal Program | Waste Goal | Total Waste Reduction |
|--------------------------|-----------------------|------------------------|--------------------------|
| | | | Results |
| 1990-1995 | Challenge '95 Program | 35% Reduction in Waste | 30% Reduction indexed to |
| | | | total product produced |
| 1995-2000 | Year 2000 Goals | 50% Reduction in Waste | 36% Reduction indexed to |
| | | (indexed to net sales) | net sales |
| 2000-2005 | Environmental Targets | 25% Reduction in Waste | 25% Reduction indexed to |
| | (ET'05) | (indexed to net sales) | net sales |
| 2005-2010 | Environmental Targets | 20% Reduction in Waste | 19% Reduction indexed to |
| | (ET'10) | (indexed to net sales) | net sales |
| 2010-2015 | Sustainability Goals | 10% Reduction in Waste | 9% Reduction indexed to |
| | (Environmental | (indexed to net sales) | net sales (through 2012) |
| | Stewardship) | | |
| TOTAL Reductions: 1990-2 | 2012 | | 68% |

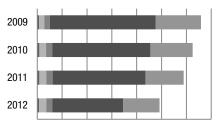
Total Waste

Indexed: Metrics Tons /Net Sales (MM \$USD)



| | 2012 | 2011 | 2010 | 2009 |
|-----------------|------|------|------|------|
| ■ Indexed Waste | 6.0 | 6.0 | 6.6 | 6.1 |

Total Waste by Type Absolute: Thousand Metric Tons



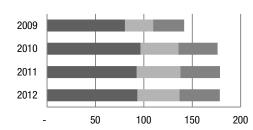
500 1,000 1,500 2,000 2,500 3,000 3,500

| | 2012 | 2011 | 2010 | 2009 |
|------------------------|-------|-------|-------|-------|
| ■ Hazardous Waste | 40 | 41 | 42 | 34 |
| ■ Non-Hazardous Waste | 139 | 138 | 134 | 107 |
| ■ Offsite recycle | 127 | 129 | 128 | 108 |
| ■ Offsite Reuse* | 1,424 | 1,869 | 1,972 | 2,128 |
| Onsite Recycle +Reuse* | 729 | 767 | 850 | 916 |

^{* 98%} of Offsite Reuse and 93% of Onsite Recycle+Reuse results from the production of roofing granules.

Total Waste by Treatment Type

Absolute: Thousand Metric Tons



| | 2012 | 2011 | 2010 | 2009 |
|------------------------------------|------|------|------|------|
| ■Waste to Landfill | 93 | 93 | 96 | 80 |
| Waste to Treatment or Incineration | 43 | 45 | 39 | 29 |
| ■ Waste to Energy | 42 | 41 | 40 | 32 |

2012 Waste Challenges and Highlights

- As 3M continues to grow internationally, integrating consistent waste management practices in accordance to 3M standards and expectations remains a key objective.
- Accurate waste identification and separation to reuse, recycle, treat, or dispose of various waste types is a continuous education process and provides an opportunity to further advance waste minimization and recycling at all locations.

Reducing Waste for our Customers

3M is continually looking for opportunities to assist customers with managing/reducing waste. For example, several packaging reduction and process/product redesign projects have been and continue to be implemented to reduce our impacts. 3M will continue to integrate feedback and initiate projects to assist customers with minimizing waste impacts.

Further Information:

www.3M.com/Sustainability (Policies and Standards)

3M Waste Management Standard

WATER MANAGEMENT AND CONSERVATION

Understanding our Water Footprint

Reducing water use and improving water quality are additional important elements of environmental stewardship. Therefore, 3M continues to actively understand, manage, and work toward reducing our corporate water footprint. 3M's Water Management Standard provides a global framework including both general and specific elements for water management within the company. The standard requires 3M operations to manage their water resources through understanding their water use, compliance with regulatory requirements, systematic conservation and reuse, and reporting of water usage. Water resources include water intake, effluent water discharge, and rainwater.

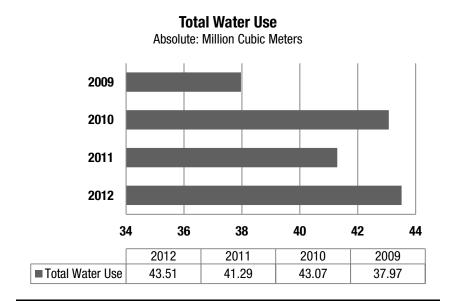
Setting Water Performance Goals and Evaluating Progress

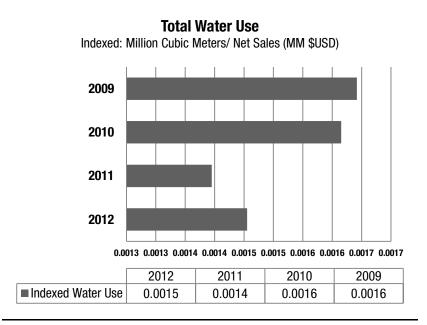
3M's Corporate Operating Committee endorsed a water conservation goal as part of the 2015 Sustainability Goals. The goal is focused on water conservation planning and reductions efforts in regions of the world where water resources are limited or excessively extracted (water stressed and hyperstressed). 3M uses the definitions and tools established by the World Business Council for Sustainable Development (WBCSD) to compare the company's various site locations and their affiliated water use with validated WBCSD water availability, population, and biodiversity information on a country and watershed basis. Currently 3M has identified 24 sites located in water stressed or hyper stressed areas as defined by the Mean Annual Relative Water Stress Index (WBCSD-Global Water Tool) and that have potential Medium to High local water risks, and use water for sanitary and process operations that is equal to or greater than 1000 cubic meters annually. Each 3M site located in a water stressed or hyper stressed area is required to understand their water use in detail, associated business risks/impacts, and local water requirements. Each identified site is also required to develop a water

conservation plan outlining current and future water conservation efforts. Annual evaluations are conducted using any updates from the WBCSD Global Water Tool, an analysis of site operations and water usage, and local conditions to determine 3M sites water stress level.

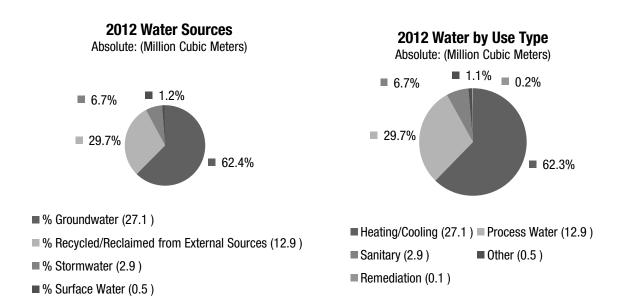
Manufacturing sites account for a majority of 3M's Environmental Footprint (96% of Sales Value of Production (SVOP). 3M estimates an additional 4% of water use from non-manufacturing sites, including laboratories, distribution centers, and office facilities. The water data provided below includes manufacturing sites that produce more than 4,536 metric tons (10,000 pounds) of product.

Although 3M does not have a quantitative goal yet, conservation efforts indicate a 37.1% decrease in water use globally indexed to net sales from 2005 to 2012. Water conservation efforts have been achieved through recycling/reuse and improvements to our buildings and manufacturing processes. A majority of our water intense manufacturing operations are located in the United States and Europe in areas not water stressed or water scarce. However, they also contribute significantly to our conservation efforts. Although the company continues to grow in many regions of the world thoughtful consideration is placed on the type of operations and availability of resources such as water.





In 2012, 3M conducted a global water survey to collect more detailed and consistent information on site water sources and type of water use. Survey results are provided below.



Results from the water survey indicates 6.5% of the total water used is also recycled/reused. We believe this data is extremely conservative given our operations; therefore we will be working to get more complete data in future analyses.

Improving Water Quality and Water management for our Customers

Similar to other management aspects of environmental stewardship, 3M provides solutions for water conservation and water quality. Some examples include water pipe solutions that remedy pipe corrosion, restore pipe width, and increase water flow using a trenchless technology application process and water filtration solutions that provides purification solutions for life sciences, industrial, food and beverage, foodservice, residential and air filtration applications. Additional water solutions are identified in the Environmental Solutions catalog located on www.3M.com/Sustainability (Our Solutions)

Further information:

• 3M Water Management Standard: www.3M.com/Sustainability >(Policies and Reports)

ENHANCING 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.

Biodiversity at 3M

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.

When developing property, the planning process begins with a thorough evaluation of local soils and geologic conditions, ground water and hydrology characteristics, drainage, flora and fauna and items of archeological or historical significance. The resulting design seeks to comply with all known local, state or federal regulations and to avoid or minimize negative impacts on cultural or natural resources. If an impact is unavoidable, we seek to mitigate the impact by preserving a property with property of equal or greater quality.

3M has a very large, existing property portfolio, much of which was designed and built nearly 40 years ago. As our business and customer needs change, we have focused on maximizing the efficient use of existing space and to the extent possible renovating to meet our current and future business needs. This allows the company to grow while minimizing our impacts on biodiversity and our natural resources.

For example, one of 3M's facilities in Austin, Texas 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.

The 3M Austin site worked with The Wildlife Habitat Council (WHC), a nonprofit organization that helps corporations, conservation organizations and individuals interested in protecting and enhancing wildlife habitat. WHC 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 WHC operates a Corporate Habitat Certification/International Accreditation Program. This program recognizes exceptional habitat

management and environmental education programs at corporate sites. Sites are required to re-certify each year.

In addition to the 3M Austin site, currently, two other 3M facilities maintain Wildlife Habitat Certification: Menomonie, Wisconsin and Cottage Grove, Minnesota.

Biodiversity through Partnerships

The Nature Conservancy (TNC):

Through the 3M Foundation, 3M has worked with the Nature Conservancy to preserve habitat around the world. This partnership is helping to safeguard critical habitat and preserve biodiversity. The partnership with TNC involves 3M employees and local residents. In addition to increasing the amount of protected lands for migration zones, endangered wildlife and rare indigenous plants, 3M is working with the Nature Conservancy to improve visitor access and learning opportunities for the public.

Each year, 3M works with the Nature Conservancy on a variety of projects worldwide: "Over the past decade and beyond, 3M has been a critical partner in our organization's evolution, helping to advance our work in places across the world – from the indigenous lands of Australia's outback, Mexico's Calakmul Biosphere Reserve, and the Maya Forest; to Brazil, where we train Amazon indigenous leaders to conserve their vast territories; to China's wetland reserves; to British Columbia's Darkwoods and Alabama's Paint Rock River watershed; and numerous points in between. . . We could not have achieved our goals and successes without the collaboration of 3M and the 3M Foundation."

Mark Tercek, President and CEO, The Nature Conservancy

North America Region

- Canada Dark woods in British Columbia
 3M supported the preservation of land in Darkwoods. Darkwood's 255,000 acres of contiguous protected area links existing wildlife management areas with parks where threatened plant and animal species may thrive. Through the Nature Conservancy's efforts, habitat is being restored for caribou, grizzly bears, and owls while protecting water quality and forest lands.
- United States Montana Forest Legacy and North Fork of the Flathead
 Sustaining the Crown of the Continent and connecting the vast network of wild lands in the
 Northern Rockies presents one of the best opportunities on the globe for ecosystem protection
 and resiliency. In 2011, 3M provided a \$1 million grant for the Crown of the Continent project
 representing two of the largest conservation acquisitions in North American history and knitting
 together a 60-million-acre network of protected public lands across Montana, Idaho, Wyoming,
 and into southern British Columbia.

Asia Pacific and Northern China Regions

The Chongming Dongtan Nature Reserve
 The nature reserve is near the mouth of the Yangtze River near Shanghai. It is an important corridor unique biodiversity for migratory birds from Japan to Australia and a critical fish spawning area. With 3M support through funding and over 80 volunteers, TNC is helping to 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.

Australia's Fish River Station

The 3M Foundation is helping The Nature Conservancy take on conservation priorities by supporting The Nature Conservancy's purchase of the 457,000-acre Fish River Station in 2010 and has since begun working with Indigenous Rangers and other partners to remove more than 2,500 feral animals from the property, reduce wildfires, and abate more than 40,000 tons of potential greenhouse gas emissions. The Fish River fire program serves as a model for other Indigenous-run conservation programs across northern Australia.

• The 3M Foundation and The Nature Conservancy are also helping to launch a new program that will enable indigenous people in Australia to earn carbon credits by reducing greenhouse gas emissions on their land. Once earned, the community can then sell those credits to people and businesses wishing to offset their emissions. The carbon credits will finance ongoing conservation work on their lands—helping to simultaneously stop deadly wildfires, reduce greenhouse gas emissions, and provide jobs for indigenous people.

Latin America Region

- In the Brazilian Amazon, indigenous territories occupy 22 percent of the Amazon and many of its best-preserved areas, but it suffers from illegal encroachment from loggers. This year, Brazil adopted its National Indigenous Territories Environmental Management Policy to strengthen indigenous peoples' control of their lands and direct millions of dollars to needed sustainable development and conservation projects. 3M provided a \$500,000 gift to The Nature Conservancy to support implementation of the Indigenous Territories Environmental Management Policy, which will help to address indigenous peoples' rights, as well as protect pristine habitat in the Brazilian Amazon, setting a sustainable development pathway for the future.
- Brazil-Atlantic Forest Water Producer Program
 In Brazil, a 3M grant is helping TNC 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 working on 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 Paolo. 3M's plant in Campinas has been supporting national- and municipal-level reforestation projects in the area since 2004.

Mexico-Calakmul Biosphere Reserve and Maya Forest 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:

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

PRODUCT RESPONSIBILITY

Our commitment to product responsibility includes product regulatory compliance, life cycle management, and accurately representing our products through communications and marketing.

Life Cycle Management

3M's global Life Cycle Management (LCM) process is used to identify opportunities associated with environmental, health, and safety (EHS) performance, and to characterize and manage EHS risks and regulatory compliance throughout a product's life cycle (raw material acquisition, development, manufacture, use, and disposal). LCM is qualitative in evaluation and applies globally to all 3M products and internal transfers regardless of their source. All 3M products - whether 3M-developed, developed jointly with another company, or acquired from a third party may be subject to review. Any product purchased from an outside supplier for sale as a 3M product receives the same product life cycle consideration as an internally developed and manufactured product. LCM evaluations are a required component of a 3M's New Product Introduction (NPI) process.

All of the elements listed below may be incorporated and implemented through various tools and resources in 3M's overall LCM evaluation process.

- Environmental Impacts of Product use
- Environmental Impacts of Product Manufacturing

- Environmental Impacts of Raw Materials/Procured Components
- Climate Change Impacts
- Reduction of Hazardous Materials
- Reduction of Health Effects
- Design for Recycling of Remaining Materials

A more detailed, quantitative Life Cycle Assessment (LCA) is completed on selected products and analyzes the environmental impacts of material acquisition, manufacturing, and distribution. Individual LCAs may be conducted on specific life cycle stages to evaluate risk in more detail during the new product introduction process as needed. 3M has global strategy for conducting consistent LCAs, lead by the Corporate Environmental Laboratory, which has adopted the ISO 14040 series standards, World Resource Institute, and World Business Council for Sustainable Development standards as guidance.

Environmental Product Declarations

Environmental Product Declarations (EPDs) standardize reports to communicate Life Cycle Assessment (LCA) results. Product Category Rules (PRCs) are developed to standardize application of a Product Carbon Footprint or LCA standard to a specific product category. 3M uses EPDs as one tool to communicate aspects of our products that are environmentally beneficial to the user/consumer. 3M has adopted the ISO 14040 series standards, World Resource Institute, World Business Council for Sustainable Development standards and the ReCiPe methodology for creating Environmental Product Declarations. In addition, other standards as well as published category rules may apply and are utilized upon request.

Environmental Product Declarations are generated using Product Category Rules (PCRs). 3M uses published Product Category Rules that have been established and are credible where appropriate for the use in making Environmental Product Declarations. 3M is working with the Sustainability Consortium to assist in establishing Product Category Rules. Internal guidance is provided to 3M businesses globally to ensure the EPDs meet the company's requirements and are substantiated in accordance to the standards and methodologies specified.

Product Marketing and Communications

It is 3M policy (<u>3M's Advertising and Product Representation Policy</u>) to represent our products truthfully, fairly and accurately in all sales, advertising, packaging and promotional efforts. Management of every 3M business unit is responsible for ensuring appropriate review of advertising and claims regarding respective business products and services.

All Environmental Product claims must be substantiated and technically accurate to the end user as specified by the Advertising and Product Representation Policy. 3M's environmental claims support team assists businesses in determining the appropriate product claims and is comprised of laboratory scientists, legal staff, life cycle management professionals, and other environmental marketing and business expertise. Extensive environmental marketing claim information and guidance is provided in 3M's internal Environmental Claims Guide.

Providing Sustainable Products

3M's commitment to sustainability and environmental stewardship goes beyond minimizing our impacts to the environment from our operations. Through innovation and as noted through examples highlighted above, 3M provides product solutions that help our customers minimize their own environmental impacts and 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. As mentioned, 3M has developed environmental solution catalogs that feature these products (see link in further information below). Products included in the catalogs must 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 and/or greenhouse gas emissions
- Products that reduce customer waste (e.g. reuse, recycling, and composting)
- 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 (e.g. 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

SUSTAINABLE PACKAGING

Providing sustainable packaging solutions for 3M products and processes is an important component to our overall sustainable success.

3M's global sustainable packaging vision and strategy are aligned well with 3M's Sustainability Principles and Strategies. Our vision is that 100% of 3M's packaging is environmentally sensible, responsibly sourced, preferred by our internal and external customers while providing added value and an economic advantage for 3M.

For 3M this means strategically working together worldwide in multiple aspects of packaging from design to distribution and use:

| Environmental Stewardship | Social Responsibility | Economic Success |
|---|---|--|
| Research, develop, validate, and share innovative sustainable material solutions | Provide continued leadership in sustainable packaging solutions and communications | Provide innovative, practical, sustainable packaging solutions |
| Responsibly design and source packaging | Provide clear and substantiated benefits | Implement cost effective, sensible solutions |
| Continuously improve, and educate internally and external partners | Ensure 3M and supplier packaging compliance | Maintain performance, safety and regulatory compliance |

3M focuses on the "R's" of sustainable packaging: Remove, Reduce, Recycle, Reuse, Renew. The 3M packaging and sourcing team continues to focus on optimizing new product packaging as well as continuously reviewing and improving existing packaging. All packaging improvements receive a technical packaging review and/or go through package ship testing to ensure the new designs will move safely through the supply chain.

The corporate packaging teams continue to understand and evaluate emerging packaging materials that support design improvements from renewable or recyclable sources. Reusable packaging items are considered and integrated where it makes sense from a process, technical, and economic aspect.

Packaging Challenges and Opportunities

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

- Diverse Requirements-Marketing, Manufacturing, Supply Chain, Customers, Merchandising
- Global Materials and Substantiation
- Different Regulatory and Industry Requirements
- Waste Stream/Recycling Infrastructure
- Cost Effective and Bio-material Solutions

Key focus areas:

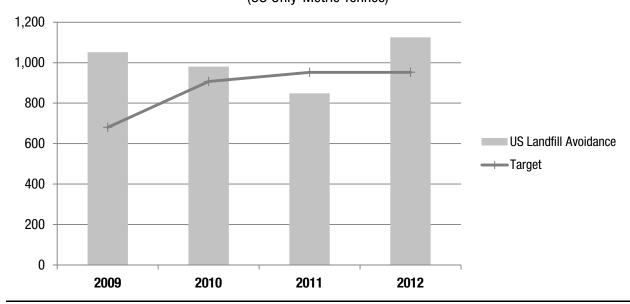
- <u>Rigid Plastic Packaging</u> Working to increase post-consumer recycled content or use alternative packaging solutions
- <u>Polyvinyl Chloride (PVC)</u> Working to eliminate PVC in packaging where technically and economically feasible
- <u>Heavy Metals</u> Monitoring and verifying supplier compliance with laws regulating heavy metals in packaging.

Setting Goals and Evaluating Performance

3M's global packaging team is committed to driving sustainable packaging design solutions. To quantify packaging design improvement impacts, packaging design optimization improvements made by packaging engineers are entered into a 3M developed, packaging sustainability reporting tool. Several metrics are tracked. The weight savings data and sales volume are compiled each month to calculate

actual pounds removed from waste streams due to design changes. Improvement data on all items are tracked for 12 months. 3M is expanding these reporting tools internally to global packaging design teams in 2013. The chart below is a U.S example of a metric that is currently tracked-total amount of packaging avoided from landfill waste streams based on packaging design changes.

Packaging Engineering-Design Optimization Landfill Avoidance (US Only-Metric Tonnes)



Packaging Collaboration

In late 2013, 3M will be hosting a Supplier Sustainability Expo where existing and new suppliers with unique sustainability solutions will be invited to engage with 3M businesses to share and exchange innovative packaging solutions and/or emerging technology offerings and needs. The expo will serve as a catalyst for sparking new sustainable packaging ideas throughout 3M's value chain.

Reducing Packaging Footprint for our Customers

A variety of projects have been implemented within the company worldwide and across many businesses to reduce our packaging footprint. For packaging optimization highlights, visit our 3M packaging website.

Further Information:

• 3M Packaging Website: www.3M.com/Sustainability (Packaging)

POLLUTION PREVENTION PAYS (3P)

3M's Pollution Prevention Pays program celebrated its 37th anniversary in 2012. Over that last 37 years, the program has prevented more than 1.9 million metric tons of pollutants and saved nearly \$1.7 billion (USD) based on aggregated data from the first year of each 3P project. The 3P program helps prevent pollution at the source, in products and manufacturing processes rather than removing it after is has been created. When the 3P program was launched in 1975, the concept of applying pollution prevention on a companywide basis and documenting the results was an industry first.

Active and thriving today, the 3P program invites participation from all aspects of the company including research and development, manufacturing, logistics, transportation, and packaging employees with various award categories and criteria.

3P is a key element of our environmental strategy and is advancing our sustainability efforts. 3P has achieved that status based on our belief that a prevention approach is more environmentally effective, socially acceptable, and more economical than conventional pollution controls. 3P seeks to eliminate pollution through the following methods:

- Product Reformulation
- Process Modification/Redesign
- Equipment Redesign
- Supply Chain Improvements
- Recycling and Reuse of Waste Materials

The program depends directly on the voluntary participation of 3M employees. Innovative projects selected by a 3P committee representing R&D, engineering, EHS, manufacturing, and supply chain organizations are recognized for their achievements with 3P awards.

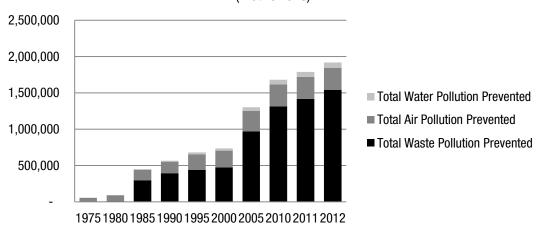
3P Global Results (1975-2012)

Total Number of Projects: 10,000+ Total Savings: 1.7 Billion USD

Total Pollution Prevented: 1.9 Million Metrics Tons

Global Prevention Achievements: 1975-2012

First Year Savings Cumulative Totals (Metric Tons)



SOCIAL RESPONSBILITY

3M is committed to positively contributing to the quality of life of our workforce, their families, as well as the communities and society in which we operate and conduct business. Supporting a socially responsible workplace with a global diverse workforce creates a culture of collaboration essential to innovative economic growth and sustainable operations and society.

OUR EMPLOYEES

Globally Diverse Workforce

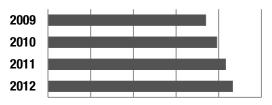
With nearly 87,000 employees in more than 70 countries, our diverse high performing teams are key to our innovative culture. With 46 technology platforms and thousands of products across five major business markets, we rely on the creativity of our people with diverse perspectives for our ongoing success.

As our global workforce becomes increasingly diverse, we have created many new tools and resources within the company to support an inclusive culture, with a strong focus on leadership training. More than fifty percent of U.S. leaders completed training to increase their awareness in areas such as unconscious bias, micro-messages and multi-generations. The workshops also reinforced inclusive leadership behaviors and developed cultural competence of the leaders.

The employee metrics below are reflective of employee headcount (total number of 3M full time and part time employees) not 3M Full Time Equivalent (FTE) employees. 3M's annual report (10K) reports employee FTE for all 3M legal owned entities at year end 2012. Due to acquisition integration schedules onto 3M's human resources systems, detailed employee information as detailed below may differ from employee totals in 3M financial report.

3M Total Employee Headcount

(Includes both full time and part time employees)



0 20,000 40,000 60,000 80,000 100,000

| | 2012 | 2011 | 2010 | 2009 |
|------------------------------|--------|--------|--------|--------|
| ■ 3M | 86,557 | 83,253 | 79,179 | 73,956 |
| ■ United States | 39% | 40% | 42% | 43% |
| ■ Latin America | 14% | 13% | 13% | 13% |
| ■ Asia Pacific | 21% | 22% | 20% | 19% |
| Europe/Middle East/Africa | 24% | 23% | 23% | 23% |
| ■ Canada | 2% | 2% | 2% | 2% |

Employee Hires



0 2,000 4,000 6,000 8,00010,000 2,000

| | 2012 | 2011 | 2010 | 2009 |
|------------------------------|-------|--------|--------|-------|
| ■ 3M | 9,322 | 10,775 | 11,067 | 7,944 |
| ■ United States | 36% | 33% | 35% | 23% |
| ■ Latin America | 29% | 19% | 20% | 46% |
| ■ Asia Pacific | 18% | 29% | 29% | 20% |
| Europe/Middle East/Africa | 16% | 17% | 16% | 11% |
| ■ Canada | 1% | 1% | 1% | 1% |

Female Employee Headcount

(As a percentage total)

| | 2012 | 2011 | 2010 | 2009 |
|---------------|------|------|------|------|
| United States | 33% | 34% | 34% | 35% |
| Latin America | 42% | 40% | 38% | 38% |
| APAC | 28% | 28% | 28% | 28% |
| Europe / MEA | 34% | 35% | 35% | 35% |
| Canada | 37% | 37% | 37% | 35% |

Females Hired

(As a percentage of new hires)

| | 2012 | 2011 | 2010 | 2009 |
|---------------|------|------|------|------|
| United States | 34% | 36% | 32% | 39% |
| Latin America | 51% | 50% | 45% | 49% |
| APAC | 26% | 27% | 24% | 24% |
| Europe / MEA | 37% | 35% | 38% | 39% |
| Canada | 40% | 38% | 40% | 41% |

Employees in Management Positions

(as a percentage of employees in management positions)
2009
2010
2011
2012
0 2,000 4,000 6,000 8,000

| | 2012 | 2011 | 2010 | 2009 |
|--------------------------|-------|-------|-------|-------|
| ■ Total Management | 7,100 | 6,875 | 6,616 | 6,269 |
| ■ Proportion of Females* | 25% | 24% | 23% | 24% |

| Age Distribution (Percentage of Total 3M Employees per Year) | | | | | |
|--|------------------------------|-------|-------|-------|-------|
| | | 2009 | 2010 | 2011 | 2012 |
| Baby Boomers (1943-1960) | | 29.3% | 26.6% | 24.2% | 22.0% |
| | United States | 19.2% | 17.5% | 15.8% | 14.2% |
| | Latin America | 1.2% | 1.2% | 1.1% | 1.0% |
| Age 52-69 | Asia Pacific | 1.8% | 1.7% | 1.5% | 1.2% |
| | Europe/Middle East/Africa | 6.2% | 5.5% | 5.0% | 5.0% |
| | Canada | 0.9% | 0.8% | 0.7% | 0.6% |
| Generation X (1961-1 | 981) | 60.3% | 60.2% | 59.9% | 60.1% |
| | United States | 20.7% | 20.8% | 20.5% | 20.9% |
| | Latin America | 8.8% | 8.7% | 8.5% | 8.5% |
| Age 31-51 | Asia Pacific | 14.1% | 14.4% | 14.8% | 14.1% |
| ŭ | Europe/Middle East/Africa | 15.1% | 14.7% | 14.7% | 15.2% |
| | Canada | 1.5% | 1.5% | 1.5% | 1.4% |
| Generation Y (<1981) | | 10.4% | 13.2% | 15.9% | 17.9% |
| Age <31 | United States | 2.8% | 3.3% | 3.7% | 4.3% |
| | Latin America | 2.8% | 3.3% | 3.8% | 4.5% |
| | Asia Pacific | 2.7% | 3.9% | 5.2% | 5.4% |
| | Europe/Middle East/Africa | 2.1% | 2.6% | 3.1% | 3.6% |
| | Canada | 29.3% | 26.6% | 24.2% | 22.0% |

Supporting a Socially Responsible Workplace

3M values its people. Our business culture and human resource principles have always emphasized integrity and fairness alongside innovation and excellence and we will continue to respect and to help employees develop their diverse talents. 3M is dedicated to the following human resource principles:

- Respect the dignity and worth of individuals
- Provide equal opportunity
- Encourage the initiative of each employee
- Challenge individual capabilities.

Sustaining our future requires acting in a socially responsible way. As an ethical and law-abiding company, 3M strives for 100 percent compliance with government regulations globally concerning human rights, employees and employment laws, and expects ethical behavior from employees in accordance with our Business Conduct Policies. Our conduct goes beyond legal obligations and includes policies that help support a challenging, productive and enjoyable work culture.

HUMAN RIGHTS

Leading with High Integrity and Values

3M is committed to and values sustaining a culture of high integrity business ethics with our business partners and within our own operations. In 2013, 3M adopted a Global Human Rights Policy. 3M respects international human rights principles including the United Nations Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and is dedicated to enriching the workplace, engaging with stakeholders and continuously improving the communities in which we operate.

3M has reviewed internal corporate policies, management systems, and external frameworks, principles, standards and affiliated organizations related to Human Rights in 2012. In 2013-2014 we will work to enhance our existing training, communications to applicable employees, and verification and auditing processes to align with our Global Human Rights Policy and 3M and external expectations.

3M values its people and considers them a key contributing factor to our success and growth for over 100 years. We work hard to foster an environment where all employees are treated with respect and allowed to develop their skills and talents and to always act with integrity. We not only comply with laws and regulations, but are rooted in going above and beyond to do the right thing.

Human Rights Elements:

- <u>Safe and Healthy Workplace</u>: One of 3M's primary goals is to ensure that all employees are provided a safe and healthy workplace. 3M has environmental, health and safety policies and practices that comply with and in many cases, exceed applicable laws and regulations.
- Respectful Workplace: 3M is committed to attracting and retaining a diverse workforce. Our Equal Employment Opportunity (EEO) policies prohibit all forms of illegal discrimination or harassment against applicants, employees, vendors, contractors, or customers on the basis of race, color, creed, religion, sex, national origin, age, disability, veteran's status, pregnancy, genetic information, sexual orientation, marital status, citizenship status, status with regards to public assistance, gender identity/expression, or any other reason prohibited by law. Our affirmative action policies and programs are designed to ensure equal opportunities for qualified minorities, women, covered veterans, and individuals with disabilities, and also to provide reasonable accommodation to individuals with disabilities. 3M is committed to attracting and retaining a diverse workforce, by creating the kind of inclusive work environment 3M employees want and can be proud of.
- Working Hours and Compensation: 3M complies with minimum wage legislation globally. In
 most countries where 3M does business, our compensation exceeds legal minimum wage
 requirements. Our competitive compensation reflects our practice of establishing competitive
 salary ranges based on actual pay data from benchmark companies. 3M also complies with all
 applicable laws relating to working hours, overtime, and breaks.
- Freedom of Association and Collective Bargaining: 3M works diligently to create a work culture that affords all employees the opportunity to work without fear of intimidation, reprisal or harassment, in an environment where employees are able to get their questions addressed in a fair and timely manner. In all locations, the company's relationship with employees, whether union or non-union, is a key responsibility of all leaders, assisted by human resources representatives. Human resources professionals work with all employees to maintain positive employee relations. 3M recognizes and respects the ability of employees to choose whether or not to join unions and engage in collective bargaining, as permitted by applicable laws in the countries where 3M does business.
- <u>Child Labor/Minimum Hiring Age</u>: 3M complies with all applicable laws relating to hiring minors, and applies a global minimum hiring age of 16. 3M has those same expectations for all vendors doing business with 3M.
- <u>Forced and Compulsory Labor:</u> 3M complies with all applicable laws and employment regulations and does not engage or participate in forced labor. 3M has those same expectations for all vendors doing business with 3M.

Human Rights Remediation/Grievance Resolution

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

Human Rights Awareness and Training

To ensure that employees are aware of 3M policies related to Human Rights, 3M provides regular training to employees regarding our Business Conduct Policies. Current training includes direction on how employees can raise issues for investigation and response. All 3M locations also post information on how employees can report any concerns. Finally, 3M's website also has information on 3M's policies, as well as links and information on how to report any concerns. 3M will be providing additional training and awareness in 2014-2015 on the Global Human Rights Policy and affiliated project work.

Human Rights Performance and Assessment

3M's employee relations staff conduct site assessments of workplace practices on a bi-annual basis. Various data is tracked through this process to identify potential gaps and opportunities for improvement. In addition corporate audits are also conducted of site workplace and human resource related practices. Both the assessment and audit processes will be enhanced in 2013-2014 to include additional elements related to human rights. Assessment and auditing of suppliers is also conducting to assure compliance with 3M's expectations related to labor practices (See Engaging our Suppliers section)

Further information

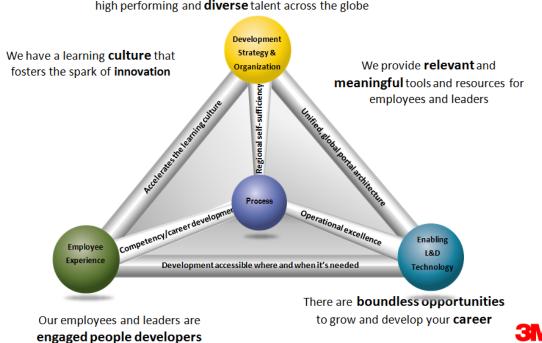
- 3M Global Human Rights Policy Statement (Sustainability Policies)
- <u>3M Ethical Business Guidelines</u> (Business Conduct Policies)
- 3M Equal Employment Opportunity Policy (3M Careers)
- <u>3M Harassment Policy</u> (Business Conduct Policies)

INVESTING IN OUR PEOPLE

The long term success of 3M is due to the dedication, skill and effort of our employees. 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 drive the company's success. To that end, one of our six new company-wide strategies championed by 3M Chief Executive Officer Inge Thulin is to continue to *Build High Performing and Diverse Global Talent*. As the following illustration shows, we purposefully and successfully develop our people in ways that prepare them to lead business growth.

Growing Our Business by Growing Our People

Employee development drives company **performance** and builds high performing and **diverse** talent across the globe



Leveraging Diversity

Diversity and inclusion is a 3M business strategy in which we are working to embed cultural competence in all talent and business processes. 3M's Employee Resource Networks (ERNs) are an integral part of 3M's business grow. The networks below drive networking, engagement, and development of diverse populations, provide insight and education to the company and employee specific to diverse populations, provide leadership opportunities, influence change, and sponsor and participate in community outreach on behalf of 3M. All ERNs align their strategies with 3M's visions, strategy and human resource principles.

3M Employee Resource Networks and Business Resource Teams include:

- disAbility Awareness Network
- Latino Resource Network
- Military Support Network
- African American Network
- Native American Network
- New Employee Opportunity Network
- Gay Lesbian Bisexual & Transgender (GLBT+) Network
- South Asia Network
- Team Austin
- Women's Leadership Network
- Country Teams: Team Africa, China regiona support team, Team Brazil, Team India, Team Japan, Team Turkey, Team Vietnam, Team Dynamic Korea
- Global Teams: India Diversity Team, Diversity for Innovative Values, and New Employee Network in Japan, Korea Women's Leadership Network

Engaging Diverse Perspectives

Employee Resource Networks partner with 3M businesses to tackle specific business challenges. What results from the partnerships among the groups is impressive. Many of our employee resource networks are able to identify significant market potential in specific customer segments – some of which include millions of current or potential customers. Some examples of ERN work is provided below.

- Our employee resource network, GLBT+, was instrumental in driving changes to our policies and benefits offerings. As a result, we were recognized as a Best Place to Work for LGBT Equality with a rating of 100 percent again. Last year, the Human Rights Commission put more stringent requirements into the survey and out of 315 companies, only 190 companies achieved a 100 percent rating.
- Our businesses are leveraging employee resource networks to accelerate growth in emerging markets. For example, the Industrial and Transportation Business partnered with the Latino Resource Network to understand how to engage and sell to diverse customers using a multicultural business development process.

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

Our commitment to diversity and inclusion is evidenced in our ongoing support of national diverse organizations, our support of education especially in science and technology and the external recognition we have received for our inclusive policies and practices.

To learn more about 3M Diversity: www.3M.com/Diversity

Competitive Compensation and Benefits

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

- Compensation: Annual salary, short-term annual cash incentives and long-term equity incentives
- Vacation/Paid Leave: Vacation, Holidays, and Paid Leave
- <u>Life/Disability Insurance</u>: Life insurance for employees and their eligible dependents at group rates.
 Short- and long-term disability benefits offered to help employees who cannot work due to illness or injury
- Health Care: Medical, prescription drug, dental and vision benefits
- Health Savings Account: An employee-owned Health Savings Account that includes annual 3M contributions
- Flexible Spending Accounts: Tax-free reimbursement accounts for qualified health care and dependent care expenses
- Parental Leave: (U.S. only) To allow parents enough time to bond with their new children, 3M's Family/Medical Leave Policy offers employees additional bonding leave for this purpose even if this means they will exceed their 12 week allotment of Family/Medical Leave for the year. The additional bonding leave must be taken on a full-time basis and must be completed within 12 months after the birth of the child or placement in the home for adoption or foster care. 3M complies with local law/requirements for operations outside the United States.
- Retirement Programs: 401(k) plan and retiree medical insurance. The 3M Voluntary Investment Plan (VIP), 3M's 401(k) plan, is an opportunity for employees and 3M to share responsibility for building income for our employees' retirement years. Employees have the opportunity to save both on a before-tax basis and on a Roth 401(k) basis. 3M contributes to employees' retirement savings with

both matching and non elective contributions. Employees also have the opportunity for additional savings by contributing to their after-tax savings account in the VIP. Employees who retire from 3M after reaching age 55 with at least five years of service are eligible to purchase retiree medical insurance coverage through a retiree medical savings account which includes credits that accumulate while you are employed by 3M.

- Stock Ownership/Investment Programs: Through 3M's General Employees Stock Purchase Plan (GESPP), 3M offers employees a 15 percent discount on 3M stock purchases. 3M hopes the GESPP will help employees achieve their long-term financial goals. Over the years, employees have used their GESPP investments for everything from home improvement projects to funding their children's and grandchildren's educations. 3M has encouraged employees to become owners of the company through the GESPP since 1964, when the company introduced the plan. Today, more than 40 countries have adopted the plan, more than 63,000 employees worldwide are eligible and more than 16,000 employees currently participate in the plan.
- Dependent Care: 3M provides a range of resources to assist employees with dependent care, including child care and elder care. 3M offers Child Care and Adult Care Consultation and Referral services through the 3M Employee Assistance Program in order to help employees locate appropriate services for their loved ones across the United States. 3M employees in the St. Paul area also have access to back up child care which is available when their regular day care cannot care for their child
- Adoption Assistance: 3M provides financial assistance to eligible employees who choose to adopt children by covering a portion of the eligible expenses associated with the adoption
- Employee Assistance Program: In 1974, 3M began an employee assistance program which today provides over 7,500 hours of consultation and education per year to U.S. employees and their dependents, and leaders across 3M to assist them in navigating challenging situations. In some locations outside of the United States, 3M offers employee assistance resources at the local level. Resources enhance well-being and effectiveness; prevent problems; or address a wide range of personal, family, work or behavioral health challenges: and are available online, in print literature and other media. Topics include, but are not limited to: resiliency, stress management, shift work, anxiety, depression, alcohol use, drug abuse, personal financial and legal problems, and supporting employees and family members in grief or other troubling situations. In addition, 3M offers U.S. employees Legal and Financial Consultation and Referral services through the EAP. Financial issues include debt management and taxes, while legal issues include family, civil, tax or criminal law.
- Corporate-Supported Employee Groups: Through 3M Clubs around the world, 3M encourages employees with shared interests to pursue those interests in a supportive environment. Every country in which 3M does business has a 3M employee club that sponsors special events, 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, Minn., and has approximately 7,000 members. Employee resource networks such as GLBT+ (Gay, Lesbian, Bisexual and Transgender, plus allies), African American Network, China ResourceNetwork, Disability Awarness Network, Latino Resource Network, Military Support Network, Native American Network, New Employee Opportunity Network

(NEON), South Asia Network, Team Austin and the Women's Leadership Network are sponsored by 3M under the direction of the Human Resources Advisory Committee on Diversity.

- <u>Flexible Work Arrangements:</u> 3M recognizes the importance of helping employees balance their life concerns with their work responsibilities. 3M employees are able to explore a variety of flexible work arrangements with their management, including part-time, job share, flex-time, compressed work week and telecommuting. These opportunities are communicated to employees through management and are administered through 3M internal systems.
- <u>Health Living:</u> One way we promote an enjoyable work culture is by providing a work environment where healthy living is easy and where health and wellness is promoted. 3M employees enjoy multiple Healthy Living offerings. One example is 3M's monthly Healthy Living Newsletter. All U.S. employees with e-mail get this monthly e-newsletter highlighting events and employee stories. 3M employees who do not work at computers have access to a paper copy of the same content. Among e-mail newsletter recipients across the United States, we saw an average monthly newsletter open rate of 65.7 percent during October, November and December consistent with open rates during previous months. Our research finds that 3Mers enjoy reading personal stories about how others in the company have been successful at gaining renewed health. That's no surprise to us! Sharing healthy living stories is just one more way 3Mers collaborate and challenge each other to do more and be better for our customers and ourselves. 3M employees also have access to such programs as Lunch and Learns, tobacco cessation programs, on site flu vaccines, maternity programs and lots more.
- Additional Resources and Opportunities Offered Globally
 - Scholarships for eligible dependents of employees
 - Employee stores for purchase of 3M products online or at many 3M locations
 - Support for community involvement: Matching Gifts, Volunteer Match, and 3M Community Giving
 - 3M owned facilities/venues for personal use, weddings, graduations, picnics, golf, sports, etc.

Education, Learning and Career Growth

Today's business environment demands that we become faster and more flexible in anticipating and exceeding the needs of our customers, shareholders and employees. Creating a high performance culture built on continuous learning will help 3M achieve business growth for the company and professional growth for employees. From 2007 to 2012, 3M invested \$3.4 million in education and learning programs.

New Employee On boarding: 3M invests in on boarding and developing new employees so that our employees have the tools, resources and networks they need to succeed. After all, 3M success depends on individual employee success. Our on boarding process begins at the time a candidate accepts a job offer and continues through the first year of employment. This investment in on boarding is indicative of how 3M treats people, does business, improves retention and sets new employees up to make meaningful contributions from the start. Instituting a 3M-wide on boarding process is also one way we help supervisors and managers support employee growth and achievement consistently throughout the company. In addition, 3M on boarding processes are designed to make the best possible first impression and welcome

employees to 3M in a way that garners their commitment and dedication. To achieve all these things, we have developed a two-stage, two-technology approach to on boarding.

- The first stage is a globally internally-developed and built on boarding portal available to new employees, hiring managers, assigned buddies and human resources professionals to help them consistently and effectively onboard and develop new employees. We have also created a pre-start portal to engage new employees in advance of their start. Through this portal, prospective employees can find valuable information about 3M, how to accept their offer, next steps in the employment process, what to expect the first day and employee resources including networks, clubs and events as well as relocation guides and policy handbooks.
- The second stage is called SuccessFactors (Verifications Inc) through SAP. SuccessFactors will be deployed globally beginning in October 2013 and finalized by May 2014. The implementation of SuccessFactors, is an example of 3M continuous improvement: taking a successful process to an enhanced level. SuccessFactors will include the same process features available in the stage one process, plus more.
 - Seamless delivery by one system from recruiting through to on boarding
 - Advanced reporting and analytics for continuous improvement
 - Timeline-automated task and information flow at the right time to the right people.
 - Business- and function-specific on boarding packages.
 - Internal transfer, merger and acquisition, and high volume production employee program support
 - Paperless processes for many hiring processes globally as new hires will electronically complete, sign and submit important employment documents.
 - SuccessFactors will support onboarding processes in 65 countries in 23 languages consistently

Skill Mapping and Contribution and Development Assessment: 3M has separate processes for employee performance and career development reviews. Each year, every 3M non-production employee identifies their contributions in meeting their specified goals through an employee performance review system. In addition non-production employees create an individual development plan that includes the next year's set of goals to elevate individual performance and skills. Additional skill mapping tools may be used in collaboration with the employee's supervisor to identify long-term desired goals. 3M strives to have 100% of non-production employees receiving performance and career development reviews at least annually. In 2012 approximately 72% of global non-production employees completed and received a performance review. Contribution and development assessments for production staff follow site specific procedures depending on local requirements and business specific needs.

- Accelerated Leadership Development: 3M views leadership development as a competitive advantage and is accelerating leadership development 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 and growth; develop, teach and engage others; make courageous decisions; lead with energy, passion and 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 that we can regularly assess the extent to which employees' behavior demonstrate 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 include 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
- <u>Tuition Reimbursement:</u> 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.
- Mentoring: Through the 3M Mentoring Network, the organization encourages self-directed mentoring partnerships. 3M employees know or can easily learn that they can identify and recruit mentors themselves. This way, employees are able to establish relationships and get advice from leaders whom they may already know and respect and anyone else in the company willing to be a mentor. Mentors are identified globally throughout the company by adding the tag "Mentor Available" to their Connections Profile. This allows self selection by the mentor and self-removal if they have enough mentees. When a mentee then starts the process of finding a mentor they complete a search on the "Mentor Available" tag which returns the most current list of mentors at 3M. Connections also allow additional tags to be added to find more specific expertise. The Mentoring Network also has a wiki page for "How to Become a Mentor" which highlights requirements and nuts and bolts process information for becoming a mentor. A similar page exists for mentees called "How to Become a

Mentee." The wiki augments supports and uses information and structured materials provided on the 3M HR Mentoring web page. Some organizations have assisted mentoring programs to help identify and recruit mentors to meet the needs of specific individuals. An online Mentoring Program Design Kit with guidelines for developing and implementing a mentoring program in alignment with strategic business objectives is available to support organizations wanting to offer mentoring programs. An executive 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.

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 website that lists current 3M position openings for employees to self-nominate as well as career development information and tools.

Communication and Technology Networks

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

Formal Learning Networks: The Learning Solution is 3M's corporate learning management system and is a one-stop electronic learning center that helps employees enroll in, deliver, track and report on learning activities. The Learning Solution serves the learning needs of 3M business units, plants and learning organizations globally.

Intranet Knowledge Platforms Databases.

- 3M's intranet site structure is set up so that each employee has a "Work Center" as one of the
 quick link tabs following login. Each work center is a collection of tools, systems and processes
 that are used routinely in daily work practices to successfully complete projects/work
 assignments in an employee's functional work area. A link to other work centers is also
 available. 3M also has a database for global communicators that houses key corporate
 information and enables them to translate employee news articles and distribute them to their
 local audiences via e-mail.
- Company news for employees is available on a global news site called Spark 3M News. It
 enables employees to share news articles, videos and links with others both internally and
 externally via e-mail and social media. Because it is a public site available on a platform that
 displays the information to laptops, tablets and smart phones, Spark is easily accessible by
 employees anywhere they have an Internet connection.

Best Practice Descriptions/Processes. As a diverse technical company, 3M shares best practices several ways. Two of the most widely used internal organizations are the 3M Tech Forum and the 3M Engineering Technology Organization (ETO). These two organizations provide an extensive network of

expertise through specialized chapters focused on 3M's core technologies and other emerging markets. Employees in R&D, manufacturing and other parts of the supply chain are able to collaborate and drive innovation globally across the organization.

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

Idea Management: Idea management is driven differently across the company depending on organizational needs and what works best for the area of work. Some platform examples include Innovation Live, Wiki Enterprise, and 3M internal and external social media channels. All systems are implemented and available globally to share best practices and ideas.

MEASURING AND RECOGNIZING EMPLOYEE ENGAGEMENT

As 3M corporate policy, a standard opinion survey is administered to all employees at locations worldwide once every two years. The information received is used to address employee concerns and identify opportunities for improvement. In addition, custom or "mini" surveys can be used by business units to gather additional information either as a follow up to the standard opinion survey or to go more in-depth on a particular topic. A variety of other 360 feedback tools are also available upon demand.

Since 2006, key survey content and follow-up actions have focused on employee engagement. 3M knows that employee engagement is good for the company and employees. Engaged employees are more satisfied with their work, tend to stay and are more productive and committed. 3M's multi-faceted approach to engaging employees focuses on key drivers of engagement, such as career development and providing roles that are meaningful and aligned with company goals and values. Our leaders – including supervisors and managers – play a critical role in fostering engagement through daily interactions and special-purpose conversations – such as Employment Value Discussions that focus on individual employee development. 3M requires leaders to foster engagement actively – this expectation is included in our Leadership Attributes listing, which applies to all 3M leaders and links to their annual performance assessment. 3M supports leaders in these efforts via formal training (engagement is embedded in leadership classes), videos and on-demand tools.

3M's extensive work on employee engagement has been documented in several sources including "Engagement at 3M: A Case Study" a chapter in *The Executive Guide to Integrated Talent Management* (eds. Oakes & Galagan) published by The American Society for Training and Development (ASTD) (2011) and "In the Company We Trust" an article in *HR Magazine* (2011).

Similarly, 3M's engagement efforts have been recognized in a number of ways including Best-Practice by the American Productivity & Quality Center (APQC) for "Rewarding, Engaging, and Retaining Key Talent," as profiled by the Society for Human Resource Management (SHRM) in the video for HR Best Practices in *Leadership Assessment, Succession and Development*. Other awards include *Top Companies for Leaders* sponsored by the Hay Group, *Best Companies for Leaders* led by Hewitt and Associates, and top 10 on the *2013 Best Companies for Leaders*, conducted by the Chally Group for CEO Magazine. Finally, 3M has been recognized as a premier company to work for by numerous groups including the Great Place to Work® Institute, appearing on a number of their lists (Best Workplace, Best Companies, etc.).

Employee Rewards and Recognition

Hard work and extra effort are rewarded and recognized at 3M through an array of award programs. 3M sponsors many corporate award programs to honor individuals and teams that make significant contributions to the company. In addition, many divisions, 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 honors employees for their outstanding career scientific achievements, their contributions to new technologies or new products and their high standards of originality, dedication and integrity.
- <u>Circle of Technical Excellence & Innovation Awards</u> honor and recognize 3M individuals and teams that have made exceptional technical contributions to the innovation, productivity and growth of 3M.
- Pyramid of Excellence Awards recognize outstanding individual and team administrative-employee performance and contributions that align with 3M corporate and subsidiary goals, leadership attributes and customer service objectives
- Quality Achievement Awards program consists of the Lewis W. Lehr Career Quality Achievement Award, the Individual Quality Achievement Award and the Team Quality Achievement Award to identify and recognize top performers in the 3M Quality and Lean Six Sigma communities. The program includes an in-depth search for examples of best practices and achievements. The objectives are to identify best practices within the company, honor the individuals and teams involved and communicate those practices throughout our organization.
- Global Marketing Excellence Award honors marketing professionals who have demonstrated excellence in leadership, planning and executing exceptional marketing programs from around the world. 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 honors the work of cross-functional teams_who have developed significant new products, services, markets or business models. These products or services must have achieved at least \$10 Million in annual (calendar) sales within three full years after launch.
- Supply Chain Achievement Award recognizes 3Mers who have made significant, sustainable contributions to the improvement, execution, efficiency and results of our supply chains.
- 3M Pollution Prevention Pays (3P) Awards recognizes employees and teams that apply innovative thinking to projects that significantly prevent pollution and provide a positive economic benefit to 3M or our customers.
- 3M's Environment, Health and Safety Achievement 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.
- O 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 globally.
- 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.

GLOBAL SAFETY AND HEALTH

3M has a long history of ensuring global Safety and Health commitment to all employees. 3M's Safety and Health Policy applies to all 3M operations, including new acquisitions. It is based on our core business values and stems from our Environmental, Health, and Safety vision for "Safe and Healthy People, Products and Planet." The policy confirms 3M's commitment to protecting the safety and health of those working at or visiting a 3M location.

Corporate Safety and Industrial Hygiene operations executes the vision, strategies and policy by partnering with each of the five business units worldwide to develop and implement practical preventive and risk based solutions; driving safety health excellence throughout the company. All visitors, vendors, and contract workers at 3M locations are held to the same safety and health requirements as 3M employees, therefore consistent management systems and evaluation tools are critical to company safety and health success.

Safety and Health Management System & Performance

In 1996, a Global Safety & Health Plan (GSHP) tool was initiated for all 3M locations worldwide and is a well developed self assessment categorized into multiple elements addressing various areas and standards related of safety and health. The GSHP tool is an integral part of 3M's global safety and health management systems, which allow locations and the corporation as a whole to assess the current status versus various safety and health systems requirements. Using a standardized assessment approach allows for meaningful performance results to be shared throughout the company. Through implementation of this tool, each 3M location develops applicable safety and health management systems, identifies gaps in their safety and health programs/performance, and develops plans to close gaps and drive continuous improvement in their own safety and performance.



The GSHP standards embedded in the assessment tool are categorized under the following elements:

Management System Elements

Local Safety and Health Plans, Safety and Health Committees, Performance Appraisals, Staffing and Qualifications, Self Evaluations, Maintaining Records, Employee engagement, Orientation and Training, Change Management, and 24-hour Safety and Health

Process Elements

Chemical Exposure Assessment / Management, Ergonomics, and Process Safety

Procedural Elements

Incident Management, Hazard Reporting, Contractor Safety and Health, and Emergency Preparedness

Medical Elements

Employee Monitoring to Noise and Other Exposures for Bodily Harm, Biosafety

Chemical Hazard Elements

Assessments, Communication, Training Programs, Use of Protective Equipment and Ventilation Systems

Physical Hazard Elements

Electrical Safety Machine Guarding, and Fire Prevention, Fall Protection, Flammable Liquids, Hoists, PIV

Safety and Health Committees

3M seeks employee participation at all levels to assure involvement and ownership of safety and health programs and systems. This involvement is critical to achieving effective, proactive solutions to safety and health issues. Increasing employee ownership and involvement in the safety and health process helps provide a safer, healthier work place. Emphasis is placed on a cooperative effort between management and employees in achieving these goals. Examples of these efforts where employee participation and involvement is critical are listed below:

- Safety and health committees
- Safety and health suggestion programs
- Safety and health orientation and training
- Safety and health self-surveys
- Job hazard analysis
- Ergonomics teams
- Behavioral based safety processes
- Process safety management
- Fire protection plan
- Potential hazard reporting programs
- Participation in investigations and prompt follow-up of incidents and potential hazards

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

The Safety and Health committee is usually chaired by facility management or an appointed representative with responsibility and authority for making decisions for the facility. If the committee is not chaired by senior management, the chair must be accountable to senior management.

The committee membership must include representatives from the non-supervisory work force. Representatives can be elected, appointed or volunteer. Committee membership includes representation from all departments or functional areas in the organization or facility. Committee members can represent multiple functional areas or departments.

Objectives of Safety and Health Committees:

- Review current safety and health issues and document goals for making steady progress toward achieving their safety and health objectives,
- Develop action plans and assign responsibilities for completing goals and objectives to resolve safety and health issues,
- Provide input into the development of safety and health policies and rules for the facility,
- Identify and promote opportunities for management recognition of employee contributions to safety and health performance,
- Review incidents, safety/health suggestions and results of both self and external surveys,
- Review safety and health suggestions and results of safety and health self evaluations and inspections.

Setting Goals and Measuring Safety and Health Performance

Measuring leading indicators of Safety and Health performance is a key focus for 3M. Aggregated data from all Global Safety and Health Plan Assessments, Audits, and Incident reporting are evaluated to identify performance status and corporate wide opportunities. Metrics are tracked and reported for continuous improvement at the facility, business unit, regional, and corporate levels. Initiatives such as improving quality and level of implementation of safely and health management system elements (including preventive measures) at each 3M site results in increased awareness, mature programs, and reduced injury and illness rates. In 2011, 3M set the following key corporate wide safety and health objectives to continuously improve related management systems and to proactively reduce safety and health impacts. Significant progress was made in 2012 for all objectives.

| Corporate Safety and Health Objectives | Target | Milestones | 2012 Progress |
|---|----------------------|--|---|
| Implement standardized tool for risk characterization and prioritization. | Year- End 2013 | Conduct training on use of tool Integrate into global EHS auditing system Integrate into potential hazard reporting | A standardized Risk Assessment & Prioritization (RAP) tool was developed and is being used for prioritizing audit findings and potential hazards. |
| | | | The RAP tool was also integrated into the incident investigation process to determine the effectiveness, strength and reliability of safeguards and controls for the prevention of incidents. |
| Enhance and improve worldwide incident reporting data quality for statistical accuracy and metrics | Year- End 2013 | Conduct Six Sigma Improvement Project Establish timeline and work teams to complete project | The Six Sigma project was completed in June 2012 and resulted in significant changes to the approach used for the investigation of incidents. |
| evaluation. | | recommendations Implement project recommendations | All incidents, near miss cases and potential hazards are given a risk assessment using the new RAP tool that was incorporated into the 3M incident management system. |
| | | | The data entry process was also improved to minimize reporting errors. |
| Increase quality of incident investigation reports and action items to drive better understanding of contributing factors and improvements in the control of hazards. | Year- End 2013 | Define, pilot, and refine a quality assessment tool Conduct training on use of tool Implement use of tool Adjust tool as needed for improvement | A layer of protection approach was defined as the basis for incident investigations. This method has been incorporated into the 3M incident management system. Training on the use of this new method is in progress. |
| Implement a standardized method for the identification, evaluation and control of machine hazards. | Year- End 2013 | Assess methods and tools currently in use Select method(s) that provide greatest control of machine hazards Pilot at locations where high severity events related to machine hazards have been | The assessment resulted in the selection of two methods for machine hazard analysis. One method is used for selection of machine safety circuits and the other method evaluates the spectrum of the "Hierarchy of Controls" used as layers of |

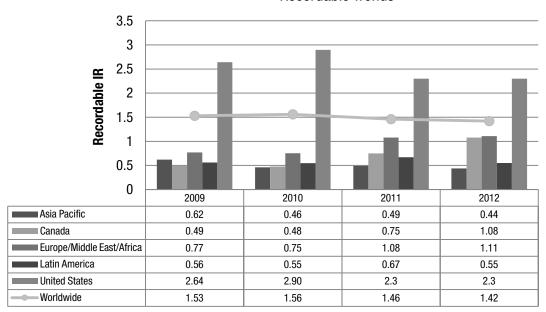
| Corporate Safety and Health Objectives | Target | Milestones | 2012 Progress |
|---|----------------------|---|--|
| | | historically high Implement final method(s) and tools | protection. Training for both methods is in progress. |
| Conduct facility EHS perception surveys and implement improvement activities. | Year- End 2013 | Conduct EHS perception surveys at all 3M manufacturing facilities Develop and implement facility EHS culture improvement plans Collect and share best practices for EHS culture improvement | Over 60% of 3M manufacturing facilities had completed an EHS perception survey at the end of 2012. Of the 123 facilities completing the survey, 18 sites had developed improvement plans by the end of 2012. Best practices taken from the improvement plans are being shared across 3M. |
| Implement new global audit management system. | Year- End 2013 | Define and deliver new software Conduct training for lead auditors Pilot and implement use of tool | Software has been developed and is undergoing testing prior to release. Training for lead auditors is being conducted as scheduled. Tool will be field tested in Q2 & Q3 prior to final release. |
| Complete baseline exposure assessments worldwide. | Year- End 2013 | Complete Comprehensive Chemical & Noise Baseline Qualitative Exposure Assessments in new Industrial Hygiene software system for all sites | New web based exposure assessment and management system has been implemented to support a comprehensive strategy across all sites globally. The system implementation included web based and hands on training of over 250 users worldwide to complete >500,000 processtask-chemical assessments. 97% Complete - Comprehensive task based exposure assessments for all materials and chemicals used across every site globally. |

| Corporate Safety and Health Objectives | Target | Milestones | 2012 Progress |
|---|----------------------|--|--|
| Implement Air and Noise Monitoring Certification program to enhance protection and performance. | Year- End 2014 | Develop Air and Noise Monitoring certification program Certify an Air and Noise Monitoring resource for each site where monitoring is conducted | An updated "Air & Noise Certification" training program including proficiency testing was completed in 2012. Implementation began in late 2012 with a total of 27% of sites globally having an assigned certified resource. |
| Improve global implementation of 3M Ergonomic Program. | Year- End 2013 | Assist acquisitions to implement ergonomic program Assess MSD risk exposure data and reevaluate job assessment criteria Expand location and regional ergonomics | New acquisition sites were visited on schedule to begin implementation of the 3M ergonomics program. MSD risk assessments are being conducted as planned. Regional workshops are being conducted to improve expertise of EHS personnel globally in the use of ergonomics risk reduction tools. |

3M has been monitoring, measuring, and working toward improving leading indicators of performance while simultaneously increasing the growth of the company. As a result of our efforts, lagging indicators such as worldwide recordable and lost time rates have decreased through 2012. 3M follows the US OSHA recordkeeping rules and formulas to record and measure injury / illness rates worldwide. All 3M employees and contingent employees worldwide, regardless of facility type but within 3M's operational control, are covered by our injury and illness recordkeeping rules. In addition, contractors are asked to submit notification to 3M of any injuries occurring while performing work in accordance with a 3M contract.

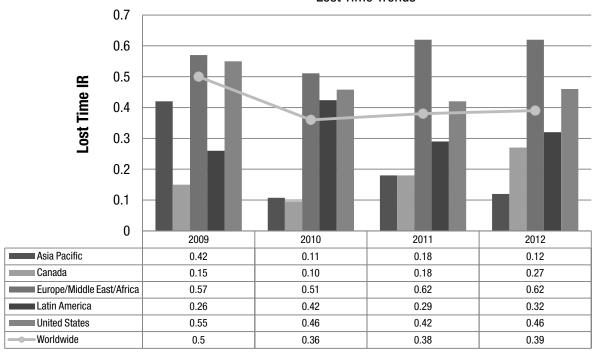
3M WORLDWIDE - BY REGION

Recordable Trends



3M WORLDWIDE - BY REGION

Lost Time Trends



Annual lost time incidents per 100 employees (200,000 work hours)

| Fatalities | Unit | 2009 | 2010 | 2011 | 2012 |
|---------------------|--------|------|------|------|------|
| Employees (Work- | Total | 0 | 1 | 0 | 1 |
| Related Fatalities) | Number | | | | |
| Contractors (Work- | Total | 0 | 0 | 1 | 1 |
| Related Fatalities) | Number | | | | |

There was one employee and one contractor fatality in 2012. A 3M employee entered the workplace and wounded four colleagues before committing suicide with a self-inflicted gunshot. A review of 3M Workplace Violence programs is in progress.

An employee of a sub-contractor working at a 3M site was fatally injured when struck by falling concrete during removal of sand from inside an underground storage tank vault. The investigation found gaps in hazard communication between the contractor and the sub-contractor employees. The 3M contractor safety program is being evaluated to determine what additional safeguards and requirements would be appropriate.

Improving Safety and Health for our Customers

3M offers many products to assist our customers in improving their Safety and Health.

3M Personal Protective Equipment and Safety Products

For Further Information:

3M Safety and Health Policy

CRISIS PLANNING AND PANDEMIC PREPAREDNESS

The guiding principle that directs 3M's decisions in an emergency or crisis is our unwavering commitment to protect 3M employees, assets, operations, and the communities in which we serve. 3M's Corporate Crisis Management Team comprised of senior and executive management manages a wide range of crisis situations including pandemic preparedness.

Every 3M facility has a facility/country crisis management team, plan, and associated communication/response strategies developed in the event of a crisis situation. 3M Corporate Occupational Medicine monitors global pandemic alerts and communicates the level of response depending on both the level of person to person contact and how widespread the disease is in humans.

3M's Crisis Management Planning Guidelines are provided to all 3M businesses and facility locations worldwide. 3M's requirement is for each location to develop a current Crisis Management Plan. The Crisis Management Planning Guidelines are designed to provide a common framework for integrating crisis management into the standard operations of each 3M facility. All plans must be prepared in accordance with good engineering practices and with the full approval of management at a level with

authority to commit the necessary resources. All plans are also expected to align with local rules, regulations, and requirements. Scenario exercises are conducted at facilities to evaluate the effectiveness and response of their crisis management plan with a likely potential crisis for that area/region.

In order to prepare 3M for the possibility of a pandemic, the 3M Corporate Crisis Management Team includes a cross-functional Corporate Pandemic Preparedness Team. The Corporate Pandemic Preparedness Team has developed a Corporate Pandemic Preparedness Planning Guide. The Planning Guide builds on guidelines and recommendations utilizing materials and best practices from a number of resources including pandemic planning recommendations from the World Health Organization (WHO), U.S. Centers for Disease Control (CDC), government and other multinational company plans. The goals of the Pandemic Preparedness Planning Guide are to prevent and control the spread of disease within 3M and maintain business continuity by delivering essential products and services to 3M customers.

Response measures for disease prevention and control are categorized under the following areas: public health communication and education; medical prevention and protection; social distancing and medical surveillance; workplace hygiene; medical supplies and resources; and business travel, Foreign Service employees and families. 3M Corporate Occupational Medicine monitors global pandemic alerts and communicates the level of response depending on both the level of person to person contact and how widespread the disease is in humans.

3M communicates to global employees through the Pandemic Preparedness internal website which provides information and alerts about current or emerging pandemics, prevention and protection measure, emergency preparedness, travel advisories and procedures, and frequently asked questions.

In 2013, 3M is implementing an additional US emergency communications system to alert employees via automated text or voicemail on electronic mobile devices in the event an emergency arises.

ENGAGING OUR SUPPLIERS

All 3M suppliers are expected to comply with applicable laws. Those expectations are embedded in 3M Contract and Purchase Order terms. 3M supplements those contractual requirements with Supply Chain Policies that specifically address environmental, health, safety, transportation and labor/human resources practices and the content/origin of materials supplied to 3M. Those Policies apply to the selection and retention of suppliers and establish a framework that 3M considers important to a safe and healthy workplace, the maintenance of fair and reasonable labor and human resource practices (including the prohibition of slavery and human trafficking), management of manufacturing and distribution operations to minimize adverse environmental impact and compliance with material content/origin laws. 3M expects suppliers to establish programs that are consistent with those policies.

Supplier EHS/Labor/Transportation Performance

3M periodically monitors supplier performance against its Policy expectations. Assessing that performance is challenging because of 3M's many thousands of suppliers, numerous supply chain tiers and complex global supply chains. 3M has implemented a risk-based supplier assessment process to help assure that its suppliers meet its expectations:

- Suppliers are ranked using a prioritization matrix tool.
- The matrix takes into account country, type of operations, and annual 3M purchases.
- Prioritized suppliers may be asked to complete a self-assessment survey (SAS).
- The SAS is used to understand supplier programs and whether they meet the intent of 3M Policies.
- An on-site audit may be conducted.
- If any deficiencies are identified during an on-site visit, a correction plan is developed.
- 3M conducts follow-up audits or other communications to assure that deficiencies are corrected.

The supplier audit process covers environmental, health and safety practices and training, general working conditions, emergency response procedures, hazardous materials management including transportation protocols and employment practices. Onsite audits are conducted by 3M staff in most cases, but 3M may use third party audit firms as necessary. The assessment program has independent oversight from the 3M EHS Advisory Committee. Customer or general public concerns can be brought to 3M's attention via phone or website: (http://solutions.3m.com/wps/portal/3M/en_US/About/3M/).

More than 1,800 self-assessments or on-site audits of suppliers have been conducted in prioritized countries: China, India, Korea, Malaysia, Taiwan, Thailand, Brazil, Mexico, Russia and Turkey over the past six years. Suppliers reviewed in the last three years represent 78% of 3M's 2012 spend in the listed countries. Most suppliers met 3M's expectations. Those requiring improvement were given specific corrective action in order to retain 3M business. Suppliers with corrective action must pass a 3M re-qualification assessment after completing the necessary steps.

The most common audit findings pertain to machine guarding, human resource documentation and pay controls. Most suppliers work very quickly to address any 3M findings. Those suppliers unwilling or unable to take the necessary corrective action in a timely manner have been terminated by 3M.

In addition to existing suppliers, many potential suppliers have been evaluated using the assessment tools. Several 3M businesses have incorporated supplier EHS and labor considerations into life cycle management reviews and have independently performed assessments of key suppliers.

Supplier Development

3M communicates its sustainability expectations to suppliers through contract clauses, specifications, and links to 3M's website and in direct business meetings. Improving energy efficiency and reducing waste are common supplier meeting agenda items. 3M has expanded its involvement with the U.S. EPA "Energy Star" program by promoting the pledge program with key suppliers and has hosted a best practice seminar.

Sourcing Training

3M Sourcing staff with responsibility for supplier relationships receive training on all aspects of supply chain sustainability, including slavery and human trafficking prohibitions. Most recently 3M has provided training on understanding and managing environmental preference factors in supplier selection.

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 factor in how 3M purchases goods and services. These businesses comprise a vital, growing segment of our economy and offer 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. 3M works to solicit capable firms and execute orders and contracts with those firms as required to support 3M business needs. Sourcing personnel have access to various supplier diversity directories and resources to assist in identifying sources.

When awarding business to diverse suppliers, 3M also considers the community impact. Changing demand patterns may require 3M to reduce spend with a particular supplier. If 3M purchases represent a high percentage of that supplier's total business, local employment opportunities can be affected. 3M attempts to manage its spend levels with individual suppliers to avoid this type of community impact.

3M's Partners and Suppliers website is the gateway to learn more about 3M's supplier requirements and our diversity initiative: www.3M.com/Partners/Suppliers

Supplier Information

3M uses product responsibility databases and tools to better manage environmental and health and safety information related to 3M products. Extensive efforts have been taken with 3M suppliers to gather product composition/origin information and other environmental, health and safety data to ensure compliance with applicable laws wherever 3M does business and respond to customer inquiries.

Paperless Transactions

In addition to the 3M Environmental Solutions Catalogs, 3M has worked to e-enable many business e-commerce processes. In the US, 85percent of purchase orders are sent electronically, 92 percent of purchase order invoices are received electronically and 75 percent of payments are paperless. This has

eliminated tens of thousands of paper documents per year. In a recent third-party benchmark study, 3M's e-commerce results were well above other U.S. best in class companies.

Continuing our Progress

3M is an innovative company and will continue finding new ways to improve supply chain sustainability.

Further Information

- 3M Sourcing Sustainability Standard www.3M.com/Sustainability (Working with Suppliers)
- 3M Supply Chain Policies www.3M.com/Sustainability (Working with Suppliers)

CORPORATE CITIZENSHIP AND COMMUNITY ENGAGEMENT

3M's investment in communities, where the company operates, reflects the philosophy and practice of our governing principles since 1902. Early on, corporate leadership understood the importance of community vitality to business success. Community engagement was encouraged at all levels of the company. Our first volunteer program dates back to 1949 through Junior Achievement. In 1953, to formalize 3M corporate philanthropy, the 3M Foundation was established.

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

3M is not only a company that creates; it is a company that cares-improving lives each day. In 2012, 3M awarded more than \$56 million to non-profit organizations. These global donations were bolstered by many thousands of employee and retiree volunteers serving hundreds of thousands of hours.

Mission

The mission of 3M's Community Giving – Improving Every Life – is rooted in the 3M Corporate Vision:

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

This alignment leverages our giving strategy as we partner with staff and business groups to solve community problems and live out the mission of improving every life.

STAKEHOLDER INTERACTION

Meeting the Needs and Keeping in Touch

In our efforts to advance Sustainability, we continuously strive to maintain a continuous and open dialogue with the community, shareholders, employees, retirees and other interested parties concerning past achievements and future sustainability goals. We are members of

- The Conference Board Contributions Council
- American Council of Corporate Contributions Professionals
- London Benchmarking Group
- Technology Affinity Group
- A Billion + Change
- United Way Worldwide Global Corporate Leadership Advisory Council

Association with these organizations increases our effectiveness as we engage with peer companies to learn about national and global trends, best practices in program administration, evaluation, communication and reporting.

The interconnection of environmental stewardship, societal needs, and market opportunities informs continuous reassessment and sustainable development progress. We remain committed to providing investors with an attractive return through sustained, high quality growth. 3M shares information regarding our efforts, focus areas, and relative growth through a number of online and printed publications, open houses, and facility tours.

Engaging Stakeholders

3M recognizes the connection community stakeholders have to business. The discussions and interactions with stakeholders help the company keep awareness of emerging issues and respond in a responsible manner. 3M develops engagement plans and communicates with a wide variety of stakeholders at the corporate, regional, or local level. 3M strives to meet stakeholder expectations at a global level on global issues; however the majority of stakeholder interactions occur at the place where 3M 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 as a formalized process to help facilities establish a consistent, documented, and proactive system to drive engagement. As part of 3M's 2015 Sustainability Goals, facilities selected on a risk-prioritized basis are to complete and document the following activities:

- Identify critical stakeholders
- Analyze and evaluate their current stakeholder engagement activities
- Identify communications opportunities
- Identify local community needs and align with 3M's giving priorities
- Develop and implement a stakeholder engagement plan
- Measure the plan's effectiveness through charitable giving results and engagement activities

Stakeholder Engagement Plans

Approximately 113 manufacturing facilities globally have completed a stakeholder engagement plan. Many of these plans are rooted in 3M Community Relations Councils' (CRC) Giving Plans that define regional strategies in states where 3M has multiple facilities. Established over twenty years ago, CRCs are designed to connect 3M facilities with the local community through grants to education, social and environmental organizations. While facilities will develop a stakeholder engagement plan using developed guidelines, the engagement tactics employed by each location are developed to meet the needs of regional or local stakeholders. 3M locations use a wide range of methods to consult and interact with stakeholders:

- Neighbor Meetings
- Employee Meetings
- Employee Surveys
- Community Newsletters
- Facility Open Houses and Tours
- Active Participation in Local Civic Groups
- Participation in Community Organizations (e.g. chambers of commerce, task forces, nonprofit boards, mentoring in schools)
- Facility Websites
- Grantmaking and Product Donations
- Volunteerism

COMMUNITY INVOLVEMENT

Our mission is improving every life through support of education, health and human services, the arts, and the environment with the following areas of emphasis:

- <u>Education</u>: Science, Technology, Engineering and Math (STEM); and Economics/Business education to prepare students for postsecondary education and future careers
- Health and Human Services: Support of United Way in 3M communities, disaster relief; and programs that promote youth development through quality out-of-school programs and early childhood education
- Arts and Culture: Premier arts organizations with educational outreach and diverse programming
- Environment: Make a lasting positive impact on the Earth's ecosystems and promote science-based environmental and conservation education
- Volunteer and Civic: Engage, recognize and support 3M volunteers

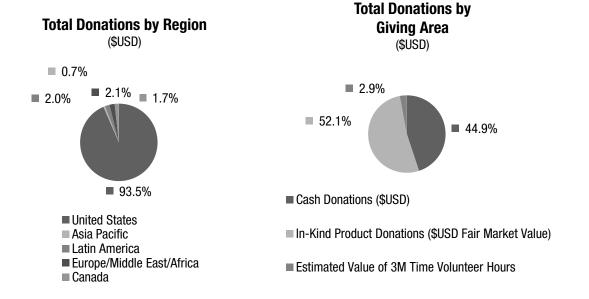
Global community giving and involvement is decentralized with 3M subsidiaries in each country developing and administering programs that are consistent with the local culture, community needs, and the environment in which they operate. In the United States, 16 Community Relations Councils develop regional strategies and direct local charitable giving.

GLOBAL CONTRIBUTIONS

Contributions from 3M and 3M Foundation support education, health and human services, arts and culture, and environmental organizations that:

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

| Region: | Total Donations (\$USD) | Cash Donations (\$USD) | In-Kind Product Donations (\$USD Fair Market Value) | Estimated Value of 3M Time Volunteer Hours | Number of Volunteers | Volunteer Hours During 3M Time and Reported for Volunteer Match |
|------------------------------|----------------------------|---------------------------|---|--|----------------------|---|
| Total Global Giving: | \$62,118,224 | \$27,910,358 | \$32,388,268 | \$1,819,598 | 16,273 | 289,186 |
| United States | \$58,067,945 | \$24,529,109 | \$32,077,596 | \$1,461,240 | 12,000 | 200,000 |
| Asia Pacific | \$430,326 | \$310,229 | \$52,393 | \$67,704 | 1,314 | 3,058 |
| Latin America | \$1,211,713 | \$1,092,198 | \$36,866 | \$82,649 | 551 | 3,733 |
| Europe/Middle East/Africa | \$1,335,042 | \$999,904 | \$171,413 | \$163,725 | 1,908 | 7,395 |
| Canada | \$1,073,198 | \$978,918 | \$50,000 | \$44,280 | 500 | 75,000 |



3M's community giving is collected through a manual, self-reporting process rather than through traditional accounting systems due to the decentralized nature of community giving outside the U.S. This year, a global SharePoint site was created and a survey was developed within the SharePoint site to collect the data that is accessible to all countries. The data was provided by the manager of each country's community giving program or their designee. A total of 27 countries responded to this survey; this is not an all-inclusive calculation as all countries did not report.

Going forward we expect improved accounting as the SharePoint will be built out during 2013 with each country inserting information about their programs. To recognize the 60th Anniversary of the U.S. 3M Foundation and global engagement in volunteerism, a Global Day of Volunteering is planned in September 2013. The SharePoint will be used to track activities by each country and to drive engagement monthly email messages will be sent with global updates and best practices.

EMPLOYEE PARTICIPATION

3M encourages volunteerism to enhance the quality of life in our communities; to support volunteers' efforts by sharing information about community needs and volunteer opportunities, and to recognize the sharing of time and talents to make a difference in our communities. Community participation and volunteer service is especially encouraged at management levels, and therefore, their respective employees.

Employees can participate in a variety of ways:

- Volunteer service on non-profit boards or community projects
- Service on 3M advisory committees that shape funding priorities and assist with the review of grants
- 3M Volunteer Match with contributions to nonprofit organizations where employees volunteer 20 hours or more and retirees volunteer 25 hours or more per year
- 3M College and University Match is ongoing throughout the year and special matches are offered for hunger relief and the environment

2012 Volunteer Participation

<u>United States</u>: Through 3M Volunteer Match; the 3M Foundation donated \$480,000 USD in the names of 1,920 volunteers for 147,140 hours of service to 856 schools and nonprofit organizations in 43 states. Other results:

- 3M-sponsored programs: Over 12,000 volunteers
- 3M/Saint Paul Public School Partnership: Over 1,000 volunteers
- 3M Community Giving/United Way Campaign group volunteer activities: 19,200 hours
- Skills-Based Volunteering: 3M sponsored the first annual Skills-Based Summit with workshops presented by 3M Finance volunteers to help nonprofits with budgeting, ROI, cash flow and longterm financial metrics.

- Optimized production: 3M engineering experts used optimized lean production and warehouse layouts to help Second Harvest Heartland more efficiently collect, warehouse and distribute over 76 million pounds of food.
- 3M CARES Retiree Volunteer Program: Over 1,100 retirees volunteered in 50 projects, with over 32,000 hours served. New Store to Door program helps seniors remain independent by taking grocery phone orders, shopping for groceries and clipping coupons. 3M CARES Habitat for Humanity marked 17 years with a total 59 homes built and substantial work on 92 more homes.

2012 Giving Highlights

Education

- <u>Supplies 4 Schools (U.S):</u> A program to help classroom and school budgets go further through donations of 3M products (e.g., Scotch Glue Sticks, Protective Eyewear, Post-it® Notes, Post-it® Flags) for classroom use. \$2.3 million USD was donated to 322 schools across the U.S.
- Project Lead the Way (PLTW) (U.S): Headquartered in Indianapolis, Ind., a program to open students' minds and spark their interest in engineering. PLTW's middle and high school programs provide continued exposure as students learn and continue to develop problem-solving and technical thinking skills. Over \$1.6 million has been awarded to schools in 3M communities across the country since 2008. 3M volunteers reinforce classroom learning as guest speakers, sharing their experience and backgrounds to inspire students to think about their futures. The University of Minnesota and many other engineering schools ask if students have participated in Project Lead the Way on admissions applications. Students who take PLTW classes have taken a rigorous curriculum and enter college prepared -- requiring less remediation. Over 20% of entering University of Minnesota freshmen are PLTW alumni.
- FIRST Robotics (Global): An international competition that engages student teams from around the world in STEM (Science, Technology, Engineering, and Math). 2012 3M and 3M Foundation support totaled almost \$1.3 million (\$833k product and \$467k cash). FIRST LEGO League is for middle school students who build and program LEGO robots to compete in a challenge. A 3M Foundation grant helps sponsor the challenge and playing fields used by all teams. A 3M logo is on the mat, recognizing support to develop the mat, and LEGO pieces are held in place by 3M Hook and Loop. 3M sponsors 28 US High School FIRST Robotics teams from across the country. 3M Electrical, Electronic, Industrial Tape and Abrasive and Personal Safety Products are in the Kit of Parts used by all teams to build their robots, introducing students to our industrial product lines.
- <u>Destination Imagination (U.S.):</u> A creative problem-solving competition for student teams from elementary – college. 3M Foundation sponsors the structure challenge where students build a structure from balsa wood to bear weight. Teams from 45 states and 18 countries converged at the University of Tennessee in Knoxville for the global finals in May 2012.

- <u>Science Outreach (Singapore):</u> A program modeled after the 3M Visiting Wizards. It is done in partnership with the Ministry of Education. Employees interact with students; provide career talks at colleges and universities.
- <u>Science, Technology, Engineering, and Math (Germany):</u> A partnership with local officials to support Science, Technology, Engineering and Math education, providing funding, volunteers and product to help engage the next generation of scientists and engineers.
- Science Partnership (Germany): A joint initiative of 3M and the North Rhine-Westphalia Ministry of Education and the Bavarian Ministry of Education and Culture in a long-term cooperation with six schools at the 3M locations of Neuss, Hilden, Kamen, Jüchen, Burgkirchen and Seefeld. Common activities are developed between pupils, teachers and 3M employees to motivate and inspire young people to take an interest in mathematics and natural sciences, which they often see as difficult. Activities include programming and over 100 employee volunteers giving 1,400 hours. One program, Women's Power on Girls' Day, 3M female staff explained to 14 girls what they do as a way to help the girls understand a career in an industrial company.
- Job Training (Brazil): 3M Brazil Foundation works with local schools to provide job training for parents to help them obtain new skills leading to employment opportunities.
- 3M WorldlyWise Web Site (UK): Teachers have extra resources to educate their pupils about sustainable living and the challenges of climate change, thanks to the latest additions to 3M Worldly-wise, a website developed by 3M UK to support the teaching of sustainable living to 11-16 year olds. The interactive geography section covers a wide range of topics including farming, forestry, power stations, recycling, pollution, and renewable energy, while the STEM section takes ambassadors straight to a suite of resources that have been designed specifically for classroom activities.
- <u>3M South Africa</u> Partnered with the Department of Education and NGO HIP2B2 on the 3M Innovation Challenge, where young innovators create solutions to real world problems. The winning team of Grade 10 Uxholophambili High School learners earned the title of South Africa's Top Young Innovators of 2012 with their idea. The students' idea emerged from wanting to find a solution to the calluses on their mothers' hands caused from scrubbing of their Potjie pots.

Health and Human Services

- 3M Edumex, with facilities in Juárez and Chihuahua Mexico, and El Paso, Texas: Partnered on innovative education and human service programs. Combined community giving, United Way corporate and employee gifts made the following projects possible in 2012:
 - Gifts to Casas por Cristo in Juárez built a home for a family in need, and 46 Edumex plant employees volunteered on the building project.
 - The El Paso Independent School District recognized 3M Edumex as the Partner in Education for the month for the support received by three schools in the district who participated in the Supplies for Schools Program. This program donates 3M products like Scotch Tape, Glue Sticks, Post It Notes and Nexcare bandages to schools in 3M communities.

- United Way (GLOBAL): 3M's long relationship with United Way (with numerous employees serving on boards and committees) is testimony to the strength of the organization, the agencies that receive funding, and its attention to community solutions. In 2012, the combined total pledges from 3M employees and retirees in the U.S., and the 3M Foundation contributions, equaled \$8.5 million. With volunteerism a key component of the 3M Community Giving Campaign, 19,200 volunteer hours were logged by 3Mers across the country. More and more of 3M's international locations are participating with United Ways as well, including board representation in Brazil, Chile, and Colombia and involvement in Africa, Argentina, China, Guatemala, India, Mexico, Panama, South Korea, and Venezuela. 3M conducts over 130 United Way campaigns company-wide. Each is led by local employee volunteers in partnership with their local United Way. Over 30 3Mers serve on United Way boards in 16 states from Connecticut to California.
- <u>Project HOPE (GLOBAL)</u>: For more than 50 years, Project HOPE has rushed medical aid to
 disaster victims around the world in addition to training local medical workers and establishing
 hospitals in Shanghai and Iraq. For over 40 of those years, 3M has been at their side, donating
 cash, medical supplies, face masks, and other products. Since 1970, we have donated \$22
 million in cash and product to Project HOPE.
- Social Innovation Institute (Brazil): 3M Brazil's Social Innovation Institute uses 3M innovation to find easily replicated and affordable solutions to the country's most pressing social issues in collaboration with local governments. Among its breakthroughs: a unique bread that helps combat malnutrition and hunger, a rainwater-collection system for farmers struggling with both drought and poverty, and a process for using the rubber from old tiles in construction bricks.
- <u>Disaster Relief (GLOBAL):</u> As a member of American Red Cross Annual Disaster Giving Program,
 3M contributes to disaster relief on a global basis. In 2012, over \$500,000 in cash and product was donated to Superstorm Sandy relief efforts.
- Tohoku Project-Rebuilding a Safer Japan: In March 2011, the Great East Japan (Tohoku) Earthquake devastated the Japanese people. With tremendous courage and in the spirit of the Japanese people, 3M Japan Group employees, with assistance from 3M worldwide, responded to both business and human needs in an immense way. To help accelerate the mid-term reconstruction and long term economic rebuilding of the area, 3M Japan has begun full operation of a newly formed Tohoku Project Department to promote an all 3M cross-functional approach to facilitate the re-building with cooperation of local municipalities. Many of 3M's technologies and products will help Japan be safer. 3M Japan, together with 3M in the United States, gave financial assistance and in-kind donations of medical products and stationery amounting to over 335 million yen (\$4.4 million) to support relief and reconstruction.
- <u>Sales Force for the Kids (U.S.)</u>: 3M's U.S. sales force engaged with Boys & Girls Clubs across the country, providing over \$200,000 in cash and product donations to local Clubs. With 2,400 hours volunteered by 450 salespeople at over 20 Clubs, 6,500 youth will benefit from their activities, which included Club clean-up efforts, room makeovers, school's out and back-to-school events, and math and science activities.

- Girl Scouts of Minnesota & Wisconsin River Valleys (U.S.): Celebrating the Girl Scouts' Centennial year, the 3M Foundation provided a \$250,000 grant to support math and science programming for the Girls and the Centennial Day of Service activities to benefit the environment. Girl Scouts from 49 Minnesota, lowa and Wisconsin counties worked to improve local watersheds, cleaning up over 2 million pounds of leaves to prevent over 10 million pounds of harmful algae growth in lakes and streams.
- <u>Early Learning (U.S)</u>: Since 2007, 3M partnerships with United Way to promote early learning in the Twin Cities have served over 90,000 kids. This includes childcare accreditation programs and scholarships for low-income families.
- MCA 3M Camp Eureka for Kids (Singapore): 3M sponsored a day camp to engage children in holiday enrichment classes. Eighty children participated along with 62 3M volunteers. 3M's Visiting Wizards help stimulate an interest in science through fun problem-solving and solution creations.

Arts and Culture

- The Smithsonian National Museum of African American History and Culture (Washington, DC):
 Committed a combined \$1 million cash and product donation for the new museum that opens on the Capitol Mall in November 2015.
- Zachary Scott Theatre Center (Austin, TX): 3M provided a \$150,000 cash and product donation to help construct the new 418-seat Topfer Theatre, which opened in 2012.
- Minnesota African American Museum & Cultural Center (Minneapolis, MN): A \$100,000 capital grant
 for development of the museum and cultural center, which will become the cultural destination for
 students, residents and visitors, illuminating Minnesota's black history. Through education
 programming and outreach, the goal is to increase opportunities for success in school and future
 careers among African American youth.
- Minnesota Children's Museum (St. Paul, MN): A \$1 million commitment for renovation of the current museum and establishment of a new Science Gallery converging early learning in the physical and natural sciences.

Environment

Over the past decade, 3M has distinguished itself as a supporter of efforts to protect and restore vital ecosystems around the world. Since 2001, the 3M Foundation has supported various projects centered upon key conservation priorities through over \$21 million in philanthropic giving.

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

- In Northern Australia, the 3M Foundation is helping The Nature Conservancy take on conservation priorities by supporting The Nature Conservancy's purchase of the 457,000-acre Fish River Station in 2010 and has since begun working with Indigenous Rangers and other partners to remove more than 2,500 feral animals from the property, reduce wildfires, and abate more than 40,000 tons of potential greenhouse gas emissions. The Fish River fire program serves as a model for other Indigenous-run conservation programs across northern Australia.
- The 3M Foundation and The Nature Conservancy: Helping to launch a new program that will enable Indigenous people in Australia to earn carbon credits by reducing greenhouse gas emissions on their land. Once earned, the community can then sell those credits to people and businesses wishing to offset their emissions. The carbon credits will finance ongoing conservation work on their lands—helping to simultaneously stop deadly wildfires, reduce greenhouse gas emissions, and provide jobs for indigenous people.
- In North America, 3M donated \$1 million in 2011 for the Crown of the Continent, representing two of the largest conservation acquisitions in North American history. The project knits together a 60million-acre network of protected public lands across Montana, Idaho, Wyoming, and up into southern British Columbia.
- <u>3M established the new Eco Grant</u> program in 2012 to improve science-based environmental and conservation education for youth in nature or environmental learning centers in the U.S. With a commitment of \$400,000, nine grants were awarded from Delaware to Washington, with a grant range of \$30,000 \$50,000. Many included partnerships with schools to get students outdoors to learn about science, technology, engineering, and math, including a watershed stewardship program and an immersion program at a nature center.
- <u>Learning for a Sustainable Future (Canada):</u> This partnership integrates sustainability education into Canada's education system, advancing the knowledge, skills, values, and actions essential to responsible citizenship.
- <u>Environmental Education Program in Public Schools (Brazil):</u> In partnership with the Education Secretary, about 30,000 students study the regional environment, the importance of natural resources, responsible energy consumption, and recycling.

Volunteer and Civic

- Science outreach (Singapore): 100 volunteers from 3M Singapore are involved in science activities with students ages 9-12.
- Earth Day (Hungary): 3M Hungary volunteers participated in a program.
- Earthquake and tsunami (Japan): Approximately 100 employees from 3M Japan volunteered in relief efforts.
- Children's events (Spain and Portugal): Working with NGOs that help children in need, volunteers provided special events for children to participate in.

Further Information:

- 3M Community Giving Website: www.3Mgiving.com
- Community Involvement (United States) Website (NOTE: Links to other Regional Community websites are provided on the USA page):

MEMBERSHIPS AND 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 viewpoint 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 many organizations; some examples are listed below:

NATIONAL, INTERNATIONAL, AND LOCAL GOVERNMENTS PARTNERSHIPS

- United States Environmental Protection Agency (US EPA) Clean Air Act Advisory Committee (Charter Member)
- US EPA's Green Power Partnership
- US EPA's and US Department of Energy's (DOE) Energy Star Program
- Federal Office of Social Insurance (Switzerland)
- Federal Office of Health (Switzerland)
- Wisconsin Department of Natural Resources Green Tier Program

COMMUNITY, ACADEMIC, AND NON-GOVERNMENTAL ORGANIZATIONAL PARTNERSHIPS

- United Way
- The Nature Conservancy
- Forum for the Future
- Tech America
- Air and Waste Management Association
- Alliance to Save Energy
- Climate Initiative
- University of Minnesota Institute on the Environment
- NorthStar Initiative for Sustainable Enterprise
- Friends of the Mississippi River
- Harvard Medical School, Center for Health and the Global Environmental
- Junior Achievement-US and Switzerland
- Ordway Center for Performing Arts
- American Red Cross
- Minnesota Children's Museum
- Minnesota Environmental Initiative
- National League Against Cancer
- The Science Museum of Minnesota
- Hand on Twin Cities
- St. Paul Public Schools
- WWF Italia

BUSINESS ASSOCIATION MEMBERSHIPS

- The Conference Board
- World Business Council for Sustainable Development
- Sustainable Brands
- Corporate Eco-Forum
- Net Impact
- Global Environmental Management Initiative (GEMI)
- Product Sustainability Roundtable (PSRT)
- American Chamber of Commerce (AmCham)
- EHS Roundtable
- Carbon Offset Network
- The Sustainability Consortium
- The Product Stewardship Institute
- National Green Schools Organization
- Green Community Schools
- Association of Corporate Contributions Professionals
- London Benchmarking Group

SUSTAINABILITY AWARDS

3M's continued focus on innovation combined with enthusiasm, creativity, passion, and hard work is creating a stronger company. These qualities are continually validated in external recognition that 3M receives. This reinforces 3M's reputation as a diversified technology company that continually strives to provide innovative and practical solutions while maintaining a commitment to sustainability. For a complete list of 3M awards (Global Rankings and Recognition), please visit 3M Awards (2008-2012):

http://solutions.3m.com/wps/portal/3M/en US/3M-Company/Information/Profile/Awards/

REPORT DATA COLLECTION, ADJUSTMENTS AND VERIFICATION

DATA PERIOD

The data provided in this report through facts and figures is based on activities during 3M's fiscal year 2012 (January 1, 2012-December 31, 2012). For some performance indicators previous year's data is provided to allow for annual comparisons.

REPORT DATA COLLECTION

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

- <u>Financial Data:</u> Financial information referenced in this report is collected and reporting in accordance to United States Securities and Exchange Commission through the 2012 Annual Report.
- <u>Environmental, Health, and Safety Data:</u> The environmental, health, and safety data in this report
 is related to release to the environment, safety performance, management systems
 implementation, and regulatory compliance. Data collection systems are in place at the
 applicable sites to track and collect environmental and safety data through the corporate-wide
 EHS reporting systems (e.g. Environmental Targets Database, Worldwide Incident Management
 System).
- <u>Social Data</u>: The data related to employee metrics and community programs has been derived from various databases from within the Human Resources and Community Affairs organizations. This data has been reviewed and verified by the departments responsible for maintaining the internal reporting systems.

Sites acquired by 3M are integrated into 3M programs and reporting systems via prioritized integration schedule. Timeframe for integration varies depending on subject matter reporting requirements and site systems prior to being acquired, however on average integration ranges between 1 and 3 years.

BASE YEAR AND OTHER ADJUSTMENTS

3M's annual report (10K) and investor relations web site documents any changes to financial data. Several of 3M's environmental goals are normalized per net sales. 3M does not adjust sales data for inflation.

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

In every case, 3M adjusts base year and other year's data if data collection methods change or data errors are identified. Any significant changes in the measurement methods and/or data values applied to key environmental metrics from previous years are documented with the report's content. Significant

changes are defined by 3M's Sustainability Report as changes greater than 5% of the original data point. In the case of minor changes less than 5% of the original data point, the data point is modified to reflect the minor changes in measurement method or data.

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). Between 2005 and 2010 3M adopted a different definition of waste to drive the company's waste reduction efforts toward more sustainable solutions, such as pollution prevention. 3M's waste reduction goal and progress during this period included recycling. Waste data is reported in this report using both definitions. When total waste is discussed in general, a conventional recycling neutral definition is used.

3M adjusts social metrics per the requirements of polices, standards, and regulations in those respective areas. For example employee headcount metrics would be reinstated accordingly if reorganization occurs to an existing legal entity.

REPORT AND DATA VERIFICATION

3M's 2013 Sustainability report was prepared using the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines. GRI is a voluntary reporting protocol used and supported by 3M and companies to promote international harmonization in the reporting of relevant and credible corporate environmental, social, and economic performance information. Note: GRI has not completed a formal check or verified contents of this report, nor does it take position on the reliability of the information reported herein.

Internal verification:

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

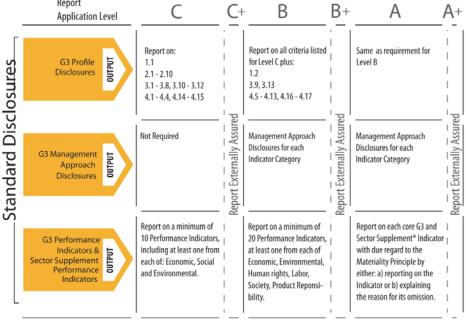
- Accuracy and completeness of data
- Reliability of systems used to measure and record data
- Reliability of ratios compiled from underlying data (Operational Eco-Efficiency Metrics)
- Adherence to the GRI G3.1 Reporting Guidelines
- Implementation of internal policies and related management systems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

Third Party Verification:

ISOS Group ["Assurance Provider"] provided independent third party assurance for this report covering activities January 1, 2012 to December 31, 2012. See Appendix A.

GRI Application Levels:

The image below illustrates the GRI's possible application levels under G3.1. 3M self declares the 2013 report as a "C+" level report. However many elements of the A or B level are included.



*Sector supplement in final version

Further information

Global Reporting Initiative: https://www.globalreporting.org/Pages/default.aspx

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

The Global Reporting Initiative (GRI) is a network-based organization that includes representatives from business, government, labor, third-party advocacy groups and academia. The GRI organization has developed a framework for sustainability reporting. Following the GRI Sustainability framework advances two important objectives: Transparency and the ability to compare results from one organization to another. 3M has developed this report using the Global Reporting Initiatives' G3.1 Guidelines. The table below outlines where specific GRI reporting elements and indicators are addressed in the report or other reporting sources including 3M's Annual Report-10K(AR), 2013 3M Proxy Statement (PR), or other noted sources.

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|---|---------|---------------------------|
| Strategy and | l Analysis | | | |
| 1.1 | Statement from the most senior decision maker of the organization | Executive Message | 7 | Full |
| 1.2 | Description of key impacts, risks, | Executive Message | 7 | Full |
| | and opportunities | <u>Our strategies</u> | 26 | |
| | | Sustainability Materiality | 17 | |
| Organization | nal Profile | | | |
| 2.1 | Name of the organization | Company Overview | 8 | Full |
| 2.2 | Primary brands, products, and/or | <u>Our Products</u> | 9 | Partial |
| | services. | 3M Website-Our Products | | |
| 2.3 | Operational structure of the | Company Overview | 8 | Full |
| | organization, including main divisions, operating companies, | 2012 Annual Report | AR:3-8 | |
| | subsidiaries, and joint ventures. | | | |
| 2.4 | Location of organization's headquarters. | Company Overview | 8 | Full |
| 2.5 | Number of countries where the | Company Overview | 8 | |
| | organization operates, and names of countries with either major | | | Full |
| | operations or that are specifically | | | |
| | relevant to the sustainability issues | | | |
| 2.6 | Nature of ownership and legal | Company Overview | 8 | Full |
| | form. | 2012 Annual Report | AR:1 | |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|---|----------|---------------------------|
| 2.7 | Markets served (including | Company Overview | 8 | Full |
| | geographic breakdown, sectors served, and types of | <u>Our Products</u> | 9 | |
| | customers/beneficiaries). | 2012 Annual Report | AR:3-6 | |
| 2.8 | Scale of the reporting organization | Company Overview | 8 | Full |
| 2.9 | Significant changes during the | 2013 Proxy Statement | PR:23-57 | Full |
| | reporting period regarding size, structure, or ownership. | 2012 Annual Report (Acquisitions/Divestitures) | AR:60-65 | |
| 2.10 | Awards received in the reporting period. | Awards and Recognition | 101 | Full |
| Reporting Pa | rameters | | | |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. | Report Profile | 4 | Full |
| 3.2 | Date of most recent previous report (if any). | Report Profile | 4 | Full |
| 3.3 | Reporting cycle (annual, biennial, etc.) | Report Profile | 4 | Full |
| 3.4 | Contact point for questions. | Report Profile | 4 | Full |
| 3.5 | Process for defining report content | Stakeholders and Materiality | 17 | Full |
| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). | Report Profile | 4 | Full |
| 3.7 | State any specific limitations on the scope or boundary of the report | Report Profile | 4 | Full |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability | Report Profile | 4 | Full |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|---------------------------|--|---|---------------|---------------------------|
| | from period to period and/or between organizations. | | | |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations | Facts and Figures Data Collection, Adjustments, and Verification | 101 | Full |
| | applied to the compilation of the Indicators and other information in the report. | | | |
| 3.10 | Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). | Data Collection, Adjustments, and Verification | 101 | Full |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | Data Collection, Adjustments, and Verification | 101 | Full |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | GRI Content Index | 105 | Full |
| 3.13 | Policy and current practice with regard to seeking external | Data Collection, Adjustments, and Verification | 101 | Full |
| | assurance for the report. | Independent Assurance Report | Appendix A | |
| Governance, | Commitments, and Engagement | | | |
| 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. | Corporate Governance 2013 Proxy Statement | 10 PR:9-16 | Full |
| 4.2 | Indicate whether the Chair of the highest governance body is also | Corporate Governance | 10 | Full |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|---------------------------|--|--|-----------------|---------------------------|
| | an executive officer. | 2013 Proxy Statement | PR:9-10 | |
| 4.3 | For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members. | Corporate Governance 2013 Proxy Statement | 10 PR:17-27 | Full |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | Shareholder and Stakeholder Input 2013 Proxy Statement (Annual Meeting of Stockholders) | 12 PR: iii-8 | Full |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives. | 2013 Proxy Statement | PR:37-63 | Partial |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | Corporate Governance 2013 Proxy Statement | 10 PR: 9-20 | Full |
| 4.7 | Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity. | Corporate Governance 2013 Proxy Statement | 10 PR:9-20 | Full |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | Management Approach and Performance (Economic, Environmental, and Social) | 26 | Partial |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, | Corporate Governance 2013 Proxy Statement (Board's Role in Risk | 10 PR:14 | Partial |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|---|-----------------|---------------------------|
| | environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | Oversight) 2012 Annual Report | AR:9-11 | |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | 2013 Proxy Statement (Compensation Committee) | PR: 18,21-22 | Partial |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | 3M Environmental Policy (www.3M.com/Sustainability)- Policies and Reports Environmental Stewardship Life Cycle Management | 29 56 | Full |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | Partnerships Business Conduct Human Rights | 100 17 65 | Partial |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations. | <u>Memberships</u> | 100 | Full |
| 4.14 | List of stakeholder groups engaged by the organization. | Stakeholders and Materiality | 19 | Full |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | Stakeholders and Materiality | 19 | Full |
| 4.16 | Approaches to stakeholder engagement, including frequency | Stakeholders and Materiality Frequency and level of | 19 | Partial |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|--|---|---|---------------------------|
| | of engagement by type and by stakeholder group. | stakeholder engagement is considered Business Confidential. | | |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | Stakeholders and Materiality Details of key topics and Concerns raised through stakeholder engagement and how 3M responds is considered Business Confidential. | 19 | Partial |
| Performance | Indicators | | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments | 2012 Annual Report Revenues Operating Costs Employee Compensation Community Investments Payments to Capital Providers and Governments | AR:18 AR:18 AR:46 AR:46-51 AR:46-51 AR:46-51 | Full |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | Climate Change | 33 | Partial |
| EC3 | Coverage of the organization's defined benefit plan obligations. | 2012 Annual Report | AR:78-89, 111-114 | Full |
| EC4 | Significant financial assistance received from government. | 3M does not receive significant financial assistance from the government. For some information about tax holidays and the U.S. research and development credit, refer to Note 8 (Income Taxes) in 3M's 2011 Annual Report on Form | AR: 69-73 | Full |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|---------------------------|--|---|---------|---------------------------|
| | | 10-K | | |
| EC5 | Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. | The differences in compensation by country/region contribute to global ranges that are not representative of compensation structures within the company. | N/A | Not Reported |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | Supply Chain Management The proportion of spending on locally based suppliers is considered Business Confidential | 101 | Partial |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | Our Employees Details of hiring procedures /selection criteria are considered Business Confidential | 62 | Partial |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | Corporate Citizenship and Community Giving | 89 | Full |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | | N/A | Not Reported |
| Environment | al | | | • |
| EN1 | Materials used by weight or volume. | Due to the diversity and complexity of manufacturing of 3M's products and associated materials portfolio, this data is not collected (by weight/volume) and aggregated to the extent it would indicate relevance at a | N/A | Not Reported |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|---------------------------|---|---|---------|---------------------------|
| | | corporate level. | | |
| EN2 | Percentage of materials used that are recycled input materials. | Due to the diversity and complexity of manufacturing of 3M's products and associated materials portfolio, this data is not collected (% of recycled materials) and aggregated to the extent it would indicate relevance at a corporate level. | N/A | Not Reported |
| | | Please refer to Environmental Solutions Catalog for several examples of utilizing recycled content | | |
| | | Env. Solutions Catalog | | |
| EN3 | Direct energy consumption by primary energy source. | Energy Efficiency | 40 | Full |
| EN4 | Indirect energy consumption by | Energy Efficiency | 40 | Partial |
| | primary source. | The costs for collecting additional detailed information is disproportionate to the results | | |
| EN5 | Energy saved due to conservation and efficiency improvements. | Energy Efficiency | 40 | Full |
| EN6 | Initiatives to provide energy- efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | Energy Efficiency | 40 | Full |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | Energy Efficiency | 40 | Full |
| EN8 | Total water withdrawal by source. | Water Conservation | 50 | Full |
| EN9 | Water sources significantly | Water Conservation | 50 | Partial |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|---|---------|---------------------------|
| | affected by withdrawal of water. | | | |
| EN10 | Percentage and total volume of water recycled and reused. | Water Conservation | 50 | Full |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Biodiversity | 53 | Partial |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | Due to the size and complexity of 3M, the costs for collecting impacts of activities, products and services is disproportionate to the results. | | Not Reported |
| EN13 | Habitats protected or restored. | Biodiversity | 53 | Partial |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | | | Not Reported |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | | | Not Reported |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | Climate Change | 33 | Full |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | Climate Change | 33 | Partial |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | Climate Change | 33 | Full |
| EN19 | Emissions of ozone-depleting substances by weight. | 3M has an Ozone Depleting Chemical policy (applicable to all 3M operations) which prohibits the use of highly | | Partial |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|--|---------|---------------------------|
| | | ozone depleting chemicals from all products, manufacturing processes and new equipment worldwide. HCFCs are being phased out by 2015. | | |
| EN20 | NOx, SOx, and other significant air emissions by type and weight. | Improving Air Quality | 44 | Partial |
| EN21 | Total water discharge by quality and destination. | | | Not Reported |
| EN22 | Total weight of waste by type and disposal method. | Waste Management | 47 | Full |
| EN23 | Total number and volume of significant spills. | 3M did not have any significant spills in 2012 that met the GRI definition of reportable in the organizations financial report (due to resulting liabilities). | | Full |
| | | Environmental Compliance Metrics | 31 | |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | | | Not Reported |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | | | Not Reported |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact | Environmental Stewardship- All Key Indicators | 29 | Partial |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|---|------------------------|---------------------------|
| | mitigation. | Product Responsibility Environmental Solutions Catalog | 56 | |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | Packaging | 58 | Partial |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | Environmental Compliance Metrics 2012 Annual Report | 31 AR:6,102- 110 | Full |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | | | Not Reported |
| EN30 | Total environmental protection expenditures and investments by type. | This is considered Business Confidential. | | Not Reported |
| Human Right | ds | l | | |
| HR1 | Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening. | Investment agreements are subject to 3M Business Conduct Policies and Guidelines. | | Partial |
| HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken. | Supplier Management 2015 Sustainability Goals | 24 | Partial |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to | | | Not Reported |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|---------------------------|---|--|---------|---------------------------|
| | operations, including the percentage of employees trained. | | | |
| HR4 | Total number of incidents of discrimination and corrective actions taken. | This is considered Business Confidential. | | Not Reported |
| HR5 | Operations and significant suppliers identified in which the right to exercise freedom of | Supply Chain Management Human Rights (Freedom of | 87 | Full |
| | association and collective bargaining may be at significant risk, and actions taken to support these rights. | Association) | 65 | |
| HR6 | Operations and significant suppliers identified as having significant risk for incidents of | Supply Chain Management Child Labor | 87 | Full |
| | child labor, and measures taken to contribute to the elimination of child labor. | Child Labor | 66 | |
| HR7 | Operations and significant suppliers identified as having significant risk for incidents of | Supply Chain Management Forced and Compulsory Labor | 87 | Partial |
| | forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor. | | 66 | |
| HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | | | Not Reported |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken | | | Not Reported |
| HR10 | Percentage and total number of | This is considered Business | | Not Reported |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|---|---------|---------------------------|
| | operations that have been subject to human rights reviews and/or impact assessments. | Confidential. | | |
| HR11 | Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms. | This is considered Business Confidential. | | Not Reported |
| Labor Praction | ce and Decent Work | | | |
| LA1 | Total workforce by employment type, employment contract, and region broken down by gender. | Our Employees | 62 | Partial |
| LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region. | Our Employees | 62 | Partial |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | Employee Benefits | 69 | Partial |
| LA4 | Percentage of employees covered by collective bargaining agreements. | This is considered Business Confidential | | Not Reported |
| LA5 | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. | This is considered Business Confidential | | Not Reported |
| 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 includes 3M employees working in manufacturing, laboratories, and distribution centers. Some, but not all administrative employees are | N/A | Full |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|---------------------------|---|--|---------|---------------------------|
| | | covered by health and safety committees. | | |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender. | Safety and Health Performance | 78 | Partial |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | Pandemic Preparedness | 85 | Partial |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | | | Not Reported |
| LA10 | Average hours of training per year per employee by gender and by employee category | Although 3M tracks some training hours, it is not consistent globally. 3M believes indicators that align with the results of the people to success of the company are direct indicators of successful development programs (e.g. Leadership & Employee engagement, Retention, Brand Recognition, New Product Vitality Index) | | Not Reported |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Education, Learning, and Career Growth | 72 | Full |
| LA12 | Percentage of employees receiving regular performance and career | Contribution and Development Assessment | 72 | Full |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|---------------------------|--|--|---------|---------------------------|
| | development reviews by gender. | | | |
| LA13 | Composition of governance bodies and breakdown of employees per employee category according to | Our Governance Structure | 10 | Partial |
| | gender, age group, minority group membership, and other indicators of diversity. | Our Employees | 62 | |
| LA14 | Ratio of basic salary of men to women by employee category. | 3M administers performance related compensation regardless of gender | N/A | Not Reported |
| LA15 | Return to work and retention rates after parental leave, by gender. | | | Not Reported |
| Society | , | | | |
| S01 | Percentage of operations with | 2015 Sustainability Goals | 24 | Full |
| | implemented local community engagement, impact assessments, and development programs. | Community Involvement | 89 | |
| S02 | Percentage and total number of business units analyzed for risks related to corruption. | Business Conduct Maintaining Compliance | 17 | Full |
| S03 | Percentage of employees trained in organization's anti-corruption policies and procedures. | Business Conduct Training | 17 | Partial |
| S04 | Actions taken in response to incidents of corruption. | Responding to Concerns (www.3M.Com/Business Conduct) | N/A | Partial |
| | | Investigations and Findings (www.3M.com/Business Conduct-Add'l info) | | |
| S05 | Public policy positions and participation in public policy development and lobbying. | Public Policy | 15 | Full |
| S06 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions | 3M Political Activity Policy (www.3M.com/Business | N/A | Partial |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|---|----------------|---------------------------|
| | by country. | Conduct-Policies) | | |
| | | 3M PAC Contributions (www.fec.gov) | | |
| | | Any political activities outside the United States require approval by the Executive Vice President of International Operations | | |
| S07 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. | | | Not Reported |
| S08 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | 2012 Annual Report | AR:102- 110 | Partial |
| S09 | Operations with significant potential or actual negative impacts on local communities. | | | Not Reported |
| S010 | Prevention and mitigation measures implemented in operations with significant potential or actual negative | Environmental Management System and Compliance Safety and Health | 29 | Partial |
| | impacts on local communities. | <u>Management</u> | 78 | |
| | | Business Conduct Local Engagement | 17 | |
| | | | 89 | |
| Product Resp | oonsibility | | | , |
| 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 | Life Cycle Management | 56 | Partial |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|--|--|---------|---------------------------|
| | categories subject to such procedures. | | | |
| PR2 | Total number of incidents of non- compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. | | | Not Reported |
| PR3 | Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements. | Product Responsibility | 56 | Full |
| PR4 | Total number of incidents of non- compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | 3M is not aware of any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | N/A | Full |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | This information is considered Business Confidential | | Not Reported |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | 3M is not aware of any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. See 3M's Business Conducts Policy: Advertising and | N/A | Partial |
| PR7 | Total number of incidents of non- | Product Representation Policy | | Not Reported |
| | compliance with regulations and voluntary codes concerning marketing communications, | | | |

| GRI Profile Disclosure | Description | Cross Reference (Hyperlinks) OR Direct Answer | Page(s) | GRI Reporting Level |
|------------------------|---|--|---------|---------------------------|
| | including advertising, promotion, and sponsorship by type of outcomes. | | | |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | | | Not Reported |
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | 3M is not aware of any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | N/A | Full |

APPENDIX A:

Assurance Statement



External Assurance Statement Independent assurance statement by ISOS Group ["ISOS"]

to the management of 3M Co. ["3M"] on the 3M 2013 Sustainability Report ["Report"] GRI Application Level: C+

Scope of Assurance

ISOS Group ["Assurance Provider"] has been commissioned by the management of 3M to carry out an assurance engagement on the 3M 2013 Sustainability Report covering activities from January 1st, 2012 to December 31st, 2012. The scope of the assurance included: volatile organic compounds ["VOCs"], water (consumption, waste and conservation efforts), waste (levels, management practices and reduction efforts), exceedances and reportable spills (fines and corrective measures) and health and safety data (recordable incidents, lost time injury and/or illness cases), expressed on behalf of 3M's global operations. Other financial, energy usage and greenhouse gas emissions, social and labor information already verified through other methods has been excluded from the scope of this engagement. The review was conducted based on the Report content and supporting documentation made available during the verification period from March 2013 through June 2013.

Objectives

The objective of the assurance engagement was to independently express conclusions on the subject matter as defined within the scope of work above, validate claims and evaluate systems for collecting and reporting data. All evaluative tasks were aimed at confirming 3M's conformance with the GRI G3.1 Guidelines requirements for C+ level sustainability reporting.

Criteria and Level of Assurance

The Assurance Provider carried out limited assurance on the selected key performance indicators and evaluated the Report's adherence to GRI's reporting principles for Quality, Content and Boundary Setting and AA1000 Assurance Standard's ["AA1000AS"] (2008) principles of Inclusivity, Materiality and Responsiveness in determining credibility of underlying processes.

Methodology

As part of the assurance engagement, the Assurance Provider verified the sustainability-related statements and claims made in the sustainability Report, including internal processes, controls and supporting documentation supplied by 3M, or found in the public domain.

To form our conclusions, we undertook the following activities:

- ✓ Reviewed original sources of data for the indicators in scope of limited assurance to determine whether the data for these indicators as presented in the Report is accurate and reliable;
- ✓ Reviewed key data management systems, procedures and controls relating to the collection, aggregation and reporting processes of the selected performance indicators;
- ✓ Performed process interviews with 3M's reporting team and subject matter experts to verify consistency in the management approach for determining materiality, delegating reporting tasks and implementing internal quality control procedures;
- ✓ Conducted investigations of public records to determine legitimacy of 3M's assertions regarding performance;
- Reviewed several drafts of the Report along with supporting data and, as necessary, provided recommendations
 on discrepancies that might affect communication to stakeholders;
- ✓ Reviewed 3M's approach to ensuring application of the GRI G_{3.1} Guidelines principles and verified alignment with GRI Application level C+ requirements.

The procedures selected are based on the Assurance Provider's professional judgment. Although only ten material key performance indicators and a limited set of profile disclosures are required for a GRI C+ level report, this external assurance statement is the result of a more comprehensive independent review.



An initial readiness assessment allowed 3M to provide supplemental documentation for review by the Assurance Provider and implement corrective actions for discrepancies detected during both quantitative and qualitative reviews. Once a revised draft was delivered to the Assurance Provider, ISOS confirmed our conclusions on the Report as set out in this statement.

Conclusions

Based on the assurance procedures conducted, nothing has come to our attention that causes us to believe that 3M's sustainability-related strategies and specific performance indicators defined in the 3M 2013 Sustainability Report are materially misstated. In view of the sustainability Report, along with supplemental documentation supplied to the Assurance Provider, we confirm that the GRI requirements for Application Level C+ have been met.

3M has implemented very robust processes and procedures for sustainability data measurement, verification and reporting. The Company has expanded its sustainability team to include key subject matter experts responsible for data management as well as end-to-end implementation of sustainable practices across 3M's global operations. Additionally, 3M has updated its boundary statement to clearly define operational control and specific data exceptions to the boundary. To improve future sustainability reporting in accordance with GRI, further formalizing a more structured two-way external stakeholder engagement approach across the organization's operations will be of benefit to the Company and help extend best practices throughout the value chain.

Our Responsibility

In performing our assurance activities, our responsibility is to the management of 3M. However, our statement represents our independent opinion and is intended to inform all stakeholders, internal and external to 3M. We are committed to expressing an opinion based on our work performed as to whether any issues have come to our attention, causing us to believe that the reported information has not been prepared in accordance with relevant voluntary sustainability reporting criteria.

3M's sustainability reporting team holds responsibility for the collection, analysis, aggregation and presentation of information within the Report. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. The Assurance Provider and 3M agreed to uphold confidentiality arrangements between the two entities regarding correspondence and data exchange.

Statement of Independence

ISOS Group is an independent professional services firm that specializes in sustainability reporting under the Global Reporting Initiative (GRI) and the CDP, which includes assurance and verification of data therein. The Assurance Provider's independent team members have not been involved in the development of 3M's sustainability Report nor have they been associated with 3M's data collection or management processes.

ISOS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of competencies can be found at: www.isosgroup.com

Nancy Mancilla Lead Verifier Alexandru Georgescu Lead Verifier/Data Analyst

May 29, 2013