

3M Science.
Applied to Life.™



2015
**Sustainability
Report**

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Message From Our CEO



3M is a science based company and every day we work with our customers around the world to solve their challenges. By applying science to improve lives, we can make our Vision become a reality.

- 3M technology advancing every company
- 3M products enhancing every home
- 3M innovation improving every life

Put simply, we are committed to improving our business, our planet and every life.

We strive to improve every life by focusing the efforts of our people in combination with our technologies to help address global challenges. These include reimagining natural resources, energy efficiency, air quality, water stress, human health, safety, education and development. In this report, we're pleased to share a new set of company goals, aimed at driving progress in each of these areas. We recognize that improving every life is ambitious, and believe it's a worthwhile pursuit. We are sharing our commitments – in collaboration with our partners, customers, and communities – and operationalizing plans to achieve them over the next ten years.

At 3M we have a rich history of creating ambitious goals and delivering successfully. Our first formalized commitment was made forty years ago with the establishment of our Pollution Prevention Pays Initiative and have continued ever since to create challenging goals and successful outcomes. Sustainability remains a core value for 3M – in our own operations and in the products we invent. We continue to invest in developing more sustainable products that help our customers reach their environmental goals, as well as increasing our social sustainability efforts as demonstrated by our ongoing commitment to the UN Global Compact and its principles. This is part of our commitment to protect the planet, while growing our business. Moving forward, our emphasis on applying science to improve lives will continue to grow, as will our emphasis on collaboration — with our customers, partners and communities.

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

“Put simply, we are committed to improving
our business, our planet and every life.”

- **Inge G. Thulin**
Chairman, President and CEO

2015 Sustainability Report

Our progress thus far, as well as our strategy and commitments moving forwards, are aimed at tackling some of the barriers to improving every life in the following areas:

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

While we recognize improving every life is ambitious, we believe it's a worthwhile pursuit. We invite you to learn more about our progress toward this ambition, as well as our strategy and goals moving forward, outlined in this report. And then, join us on this journey toward creating a better world.

Sustainability Progress

<p>Goal Achieved: Over 80% of supplier spend in top high-risk countries reviewed for alignment with 3M supplier policies and standards</p>	<p>Energy use indexed to sales decreased by nearly 10% ↓ since 2010</p>	<p>In 2014 alone, about 15 million metric tons of CO₂E were avoided for our customers through use of 3M product platforms.</p>	<p>Since 2010 increased on-site reuse recycling by nearly 40%</p>
<p>Over \$80 million of cash and in-kind product donations in 2014</p>	<p>In 2014 recycled 25% of total water used</p>  <p>Approximately $\frac{1}{2}$ of manufacturing sites globally have developed local stakeholder engagement plans</p>	<p>3M EHS onboarding plans in place for 100% of acquired operations</p>	<p>Since 2010 reduced over (per net sales) of 25% volatile air emissions</p>

Featured Awards for 2014



ENERGY STAR® Sustained Excellence Award

For a record-breaking 10th consecutive year, 3M earned the U.S. Environmental Protection Agency's ENERGY STAR® Sustained Excellence Award for its comprehensive worldwide energy conservation efforts. No other company has achieved this distinction for that many consecutive years or as many as ten times. A sampling of 2013 efforts for which EPA recognized 3M includes:

- Implementation of 252 projects, which resulted in savings of \$8.79 million and 61,700 metric tons (MT) of CO₂
- Development of a strategic initiative to identify and implement projects to make step-change improvements in greenhouse gas emissions and energy efficiency
- Formation of Centers of Excellence to integrate all aspects of sustainability into business strategies across the company
- Bringing energy-saving innovations to diverse markets, and engaging communities globally in energy and sustainability dialogues

Dow Jones Sustainability Index

For the 15th consecutive year, 3M was selected as a member of the Dow Jones Sustainability Index, a global stock index that recognizes and tracks the performance of leading sustainability-driven companies worldwide. As one of the most highly regarded rankings in terms of sustainability performance, this index is created by research analysts who perform an in-depth study of environmental, social and economic performance.



BUILDINGS Magazine Money Saving Products

BUILDINGS Magazine named 3M™ Sun Control Window Film Neutral 60 as one of its "2014 Money Saving Products." Winning products were selected based on criteria including potential cost savings to customers, quality, and innovation. Advantages of 3M™ Sun Control Window Film Neutral 60 include its ability to help eliminate hot spots within a building, block ultraviolet rays, reduce glare, and control energy costs.



Edison Award

3M™ Petrifilm™ *Salmonella* Express System received a silver Edison Award in the Science/Medical area's "Detection" category. The 3M Petrifilm *Salmonella* Express System is an all-in-one test method for the rapid detection and biochemical confirmation of *Salmonella* in enriched food and food process environmental samples. Two-Phase Immersion Cooling technology using 3M™ Novec™ Engineered Fluid earned a bronze Edison Award within the Applied Technology section's "Industrial Productivity" category. The technology reduces data center energy consumption by as much as 95 percent. Edison Universe conducts the awards to celebrate game-changing products.



The World's Most Ethical (WME) Companies

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



Aon Hewitt's 2014 Top Company for Leaders

3M ranked #8 globally and #6 in North America on Aon Hewitt's 2014 Top Company for Leaders list. Aon Hewitt recognizes employers who foster an environment that produces resilient and engaging leaders who help their companies rise above the rest.

Our Sustainability Strategy

Our Sustainability Strategy

Building on our long-standing leadership in environmental stewardship and commitment to customer-inspired innovation, we are focusing our Sustainability strategy on overcoming the global challenges that serve as barriers to improving every life. This means addressing challenges like energy availability and security, raw material scarcity, human health and safety, and education and development, while keeping our vision for growth in mind.

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

Starting with technology and culminating with the improvement of every life on the planet, we are committed to improving our business, our planet, and every life. We call this our Every Life ambition, and while it's ambitious, we believe it's a worthwhile pursuit.

Our Every Life Ambition

Imagine a world where every life is improved – where natural resources are reliably available, people have access to education and opportunity, and communities are safe, healthy, connected and thriving.

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

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

Our Approach to Goal-setting

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

Moving forward, we are proud to expand beyond our own operations by focusing more on supporting the Sustainability goals and needs of our customers and our communities. While we recognize the importance of what we do in our own operations, and will continue to improve accordingly, we see that far greater impact can be realized when we partner to understand and overcome the challenges we face in partnership with others.

To that end, we approach our Sustainability goals and strategy by:

- **delivering excellence in operations** and across our supply chain;
- **innovating to improve lives** with our customers and partners; and,
- **enriching our communities** where we live and work.

When we think about our customers, partners, and communities, and our mutual challenges and needs, we see a shared opportunity. In addition to environmental challenges, we recognize the connectedness of social challenges we face in pursuing a better world. Our strategy, goals, and report are organized around these challenges and how we're addressing them for the sustainability of our business, our planet, and our daily lives. To learn more about how we identified and prioritized these key challenges, see the materiality section of this report.

Global Challenges

While we have been a leader in environmental stewardship for decades, we recently sharpened our focus and began a transformational shift in how we balance these three pillars toward overcoming the global challenges we all face. Every day, 3M innovation aims to tackle the world's most pressing areas of concern.

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



Raw Materials



Water



Energy and Climate



Health and Safety



Education and Development

Sustainability Materiality Process and Outcomes

See how we set our materiality assessment and what the results were.

Overview

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

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

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

The important issues from the in-depth interviews were then compiled into a list and evaluated in a quantitative survey with internal and external stakeholders. The survey was conducted online, in English only, and completed by 1260 employees at 3M across all business units and regions, and 346 external stakeholders including 3M customers. 3M developed the internal and customer samples ensuring that both samples were reflective of 3M's diverse business. 3M and GlobeScan collectively built the external stakeholder sample. Similar to the other two groups, the sample was inclusive with a good spread across geography, stakeholder type and function. To safeguard the confidentiality and anonymity of respondents, GlobeScan managed the online survey process. Findings were reported in aggregate form with no responses being attributed to any one respondent or organization.

External stakeholders and customers were asked to rate the importance to them of 3M addressing each of the issues. Internal stakeholders were asked to rate the ability of 3M to make a positive difference on the significant issues listed in the survey. All three stakeholder groups were asked to rate 3M's performance on actions that would address the significant issues. For example, climate change was one key issue tested in the online survey. Respondents were asked to rate the importance of this issue as well as 3M's perceived performance on reducing greenhouse gas emissions. The impact on 3M's sustainability reputation was derived through regression analysis to determine the importance of 3M's perceived performance in each issue area across the three audiences. Mean scores from the online survey were used to determine the relative importance of all of the sustainability issues, 3M's perceived performance on the issues and the perceived ability of 3M to make a positive difference on the issues. These questions formed the basis of the matrix.

Sustainability Materiality Matrix Results

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

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

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

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

The material aspects defined in the Sustainability Materiality Matrix have been identified through our materiality assessment process described in this section. The sustainability materiality assessment determined the material aspects for a wide variety of 3M stakeholders outside of 3M as listed in this report. External 3M stakeholders were surveyed with a survey sample that was inclusive across geography, stakeholder type, and function. All material aspects defined within this report per our comprehensive sustainability materiality assessment are deemed material for all entities within the 3M organization. As a large corporation, 3M has diverse global operations and serves diverse markets worldwide. While the prioritization for the various aspects may vary within 3M operations and geographies, they are still material.

They include:

Economic Performance

Material

Energy

Water

Emissions

Effluent and Waste

Environmental Compliance

Employment

Occupational Health and Safety

Training and Education

Freedom of Association and Collective Bargaining

Child Labor

Forced or Compulsory Labor

Local Communities

Anti-Corruption

Customer Health and Safety

Product Service and Labeling

Product Responsibility Compliance

3M Sustainability Materiality Matrix

Views of Customers, External and Internal Stakeholders



Product Innovation

See how we're accelerating innovation to deliver meaningful sustainability solutions.

Overview

3M has a long-standing reputation as a company committed to innovation and continues to dedicate a large percentage of revenue (5.6 percent) to research and development (R&D) around the world. In addition to having extensive resources at our headquarters in Minnesota, 3M has rapidly expanded R&D operations globally and now operates approximately 85 laboratories and 45 technology centers. To drive further global growth of the company, a specific Invest in Innovation (I3) program was put in place in 2012 to focus on organic growth through prioritized investments in new-to-the-world platform development areas aimed at new markets for 3M. The increased R&D spending began in 2013 and is projected to stabilize at six percent to sales by 2017. One of the key metrics for organic growth is the New Product Vitality Index (NPVI) which 3M developed as a measure of the percentage of 3M total sales coming from products launched in the last 5 years. Currently at 33.3 percent, our NPVI has steadily increased since the metric was established in 2002. The additional Invest in Innovation R&D funding is aimed at injecting additional fuel to take 3M's organic growth rate to new levels and launch new product platforms to advance our commitment to improving our business, our planet and every life.

On Approach

3M's seven-phase New Product Introduction process provides the robust framework for developing products from ideas to launch.

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

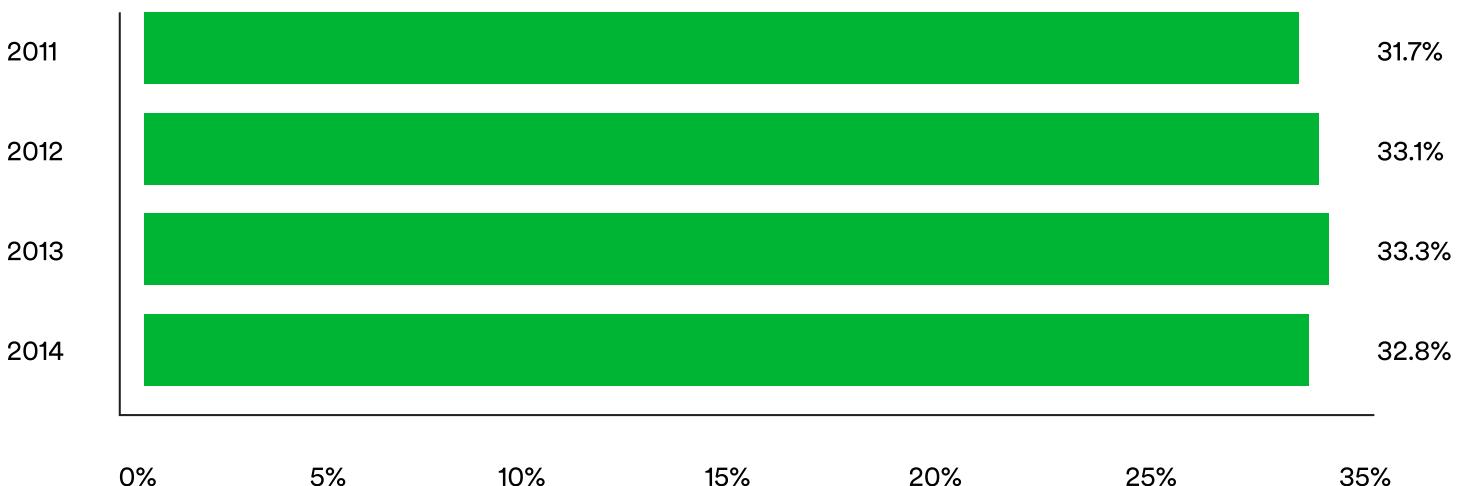
3M Tech Forum: Innovation Through Collaboration

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

Technology Platforms: 3M's Innovation Engine

A broad base of 46 innovative technology platforms — ranging from adhesives, abrasives and ceramics to fiber optics, imaging, light management, molding, nonwoven materials, polymer melt processing and many more — come together in new and groundbreaking ways for customized solutions. Our technologies are transformed into consumer brands known and respected around the world, including Scotch®, Post-it™, Scotch-Brite™, Filtrete™, Command™, Nexcare™ and Scotchgard™ Brands. Learn more about 3M's Technology Platforms.

Product Vitality Index



Driving Growth Through Sustainable Product Stewardship

Our teams are focused on collaborating with our customers and developing product experiences that integrate full life-cycle thinking, have net-positive impacts and create more sustainable business practices.

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

Our Approach

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

Product Responsibility Liaisons (PRLs) or Product Stewards, embedded within 3M businesses and countries of operation, act as champions of EHS&R and sustainability. They help assure our products meet EHS&R requirements stemming from 3M policies, governmental regulations and from our customers. It is from this place that we infuse sustainability into product innovation from concept to launch. They act as the conduit between the Business Teams and the Corporate Staff Groups (Environmental, Toxicology, Industrial Hygiene, and Safety) assuring appropriate risk assessments are made and improvements incorporated into product development. PRLs work with the business teams to minimize the EHS&R impacts of our products not only as manufactured products, but throughout the life cycle of the product. Their assessment includes the impacts through raw material selection, manufacturing, customer use, and final disposal.

Life Cycle Management and Analysis

One of 3M's foundational EHS Policies and processes is global Life Cycle Management (LCM). LCM is a process used to identify opportunities associated with environmental, health and safety (EHS) performance, to characterize and manage EHS risks and regulatory compliance, and identify opportunities for improvement, throughout a product's life cycle and supply chain. LCM is a broad, customized evaluation process within 3M, which supports sustainability efforts by leveraging subject matter experts with deep knowledge and experience related to the products, applications, marketplace, and environmental and toxicological implications.

By 3M Policy, which has been in existence since 2001, all new products must complete an LCM evaluation prior to sale, and existing products are reviewed on a prioritized basis. LCM procedures are applied globally to all 3M products, whether 3M-developed, developed jointly with another company or acquired from a third party. 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 3M's New Product Introduction (NPI) process, essential for each and every new product launched by 3M, anywhere in the world. Key elements that may be included in the LCM evaluation are energy and greenhouse gas impacts, reduction of hazardous materials, and potential health and environmental effects, customer/worker safety, and design for product "end of life" including potential for recycling. In 2014, over 90% of 3M products had been evaluated through the LCM process for their environmental, health, and safety impacts and opportunities for improvement.

3M's global strategy for detailed quantitative Life Cycle Assessments (LCA) is first and foremost based on using sound science. This strategy for LCAs is led by our Environmental Health and Safety Laboratory, which has adopted the ISO 14040 series standards, World Resource Institute standards and World Business Council for Sustainable Development standards as guidance. Other standards as well as Product Category Rules (described below) are applied and used as applicable. Individual LCAs may be conducted on a full product's life cycle or on specific life-cycle stages.

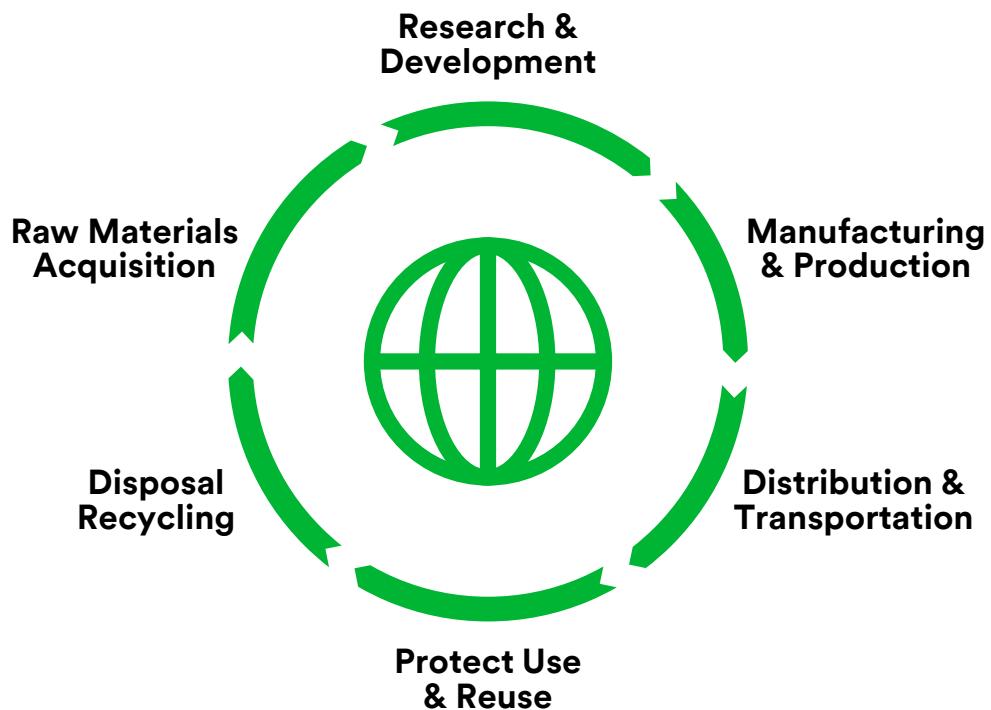
This flexibility enables 3M to evaluate risks and opportunities in more detail during the new product introduction process as needed. Due to the tens of thousands of unique products and differences in sourcing, manufacturing, supply chain, and end uses, 3M's core strategy for conducting LCAs and advancing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

Deepening Sustainability in Solution Development

3M began a project in 2013 which is being piloted in 2015, to build capabilities to further enhance the extent to which our new products improve lives in socio-environmental terms. This project will help to educate cross-functional teams on how to think about improving the sustainability attributes and applications of products from before a new idea even gets drawn out on paper all the way through the finalization of the manufacturing scale-up and product launch. Through this new process, the development teams will evaluate their new product and identify opportunities for improvement to create innovative sustainability-focused solutions throughout the seven stages of the NPI process. This will build on our long-standing Life Cycle Management process and tools for assessment to further integrate sustainability into our product development culture and processes, getting to the core of who we are at 3M.

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

Life Cycle Management & Analysis



Product Marketing and Communications

Hazard Communication and Composition Disclosure

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

We continue to work with the Sustainability Consortium as well as other organizations to assist in establishing Product Category Rules.

Environmental Product Declarations

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

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

Goals and Results

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

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

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

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

Story



Making innovation sustainable

3M™ teams constantly scrutinize our products to ensure they are produced and disposed of in a sustainable manner.

With every product that 3M™ designs, we aim to improve lives through science. If we have improved the businesses and lives of our consumers, we could say that we have done our job. But we don't stop there.

At 3M™, we believe that the planet we live on is just as important as the people that reside in it.

If we don't take care of our Earth today, we will not have the resources to create such innovative products tomorrow. This is why we constantly scrutinize our practices to ensure that they are sustainable for decades to come.

At the core of our innovation practices are Product Responsibility Liaisons. These important members of our team evaluate the environmental, health, safety and regulatory (EHS&R) impacts of our products. They seek to minimize our impact on the Earth and act as champions of sustainability throughout the new product development process. They are vital in ensuring that 3M™ meets EHS&R requirements.

3M’s current work to deepen sustainability into product development will help refine criteria and expand product sustainability attributes.

Our EHS&R standards are outlined by 3M™ policies, governmental regulations and customer expectations. From these three, our Product Responsibility Liaisons infuse sustainability into product innovation from concept to launch.

We don't limit our sustainability efforts to certain areas of our work. We believe that it is key to everything we do. That is why we have Product Responsibility Liaisons responsible for every Business Unit or Country where 3M™ operates. They ensure that risk assessments are made and the resulting improvements are incorporated into product development.

Since 2001, we have been conducting Life Cycle Management assessments on all new products as part of our new product development process. These assessments include all stages of the product lifecycle including raw material selection, manufacturing, customer use and final disposal. We are constantly working to develop innovative products today with a keen eye on what we leave for tomorrow.

To this end, we are developing a new Sustainability Advantage Assessment tool which will assist product development teams in developing products with sustainability advantages which help to solve the sustainability challenges of our customers. The tool will allow teams to identify the global sustainability challenges and impact areas which are most relevant to their customers and market, then evaluate possible sustainability advantages for each challenge/impact area identified. Through this assessment, we will identify opportunities to solve our customers' and our global sustainability challenges.

Responsible Sourcing

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

Overview

3M's product supply chain involves suppliers from 81 countries classified in 204 sub-categories. There are 10 global commodity teams and numerous sub-teams that work with all client divisions and all 3M factories to assess criticality and develop strategies relevant to mitigating risks and increasing value within all product supply chains. 3M uses a criteria matrix to rank suppliers using multiple factors and critical suppliers are defined within each of the global commodity teams. With our broad global supply chain, we are constantly managing changes in supply markets both opportunistically to extract value and defensively where necessary to secure supply.

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

As part of 3M's Sourcing Sustainability Standard, we set expectations for suppliers through our Supply Chain Policies. These policies apply to the selection and retention of all suppliers that provide goods and services to 3M worldwide, and pertain to the areas of environmental, health and safety (EHS); transportation; labor and human resources; and supplied materials.

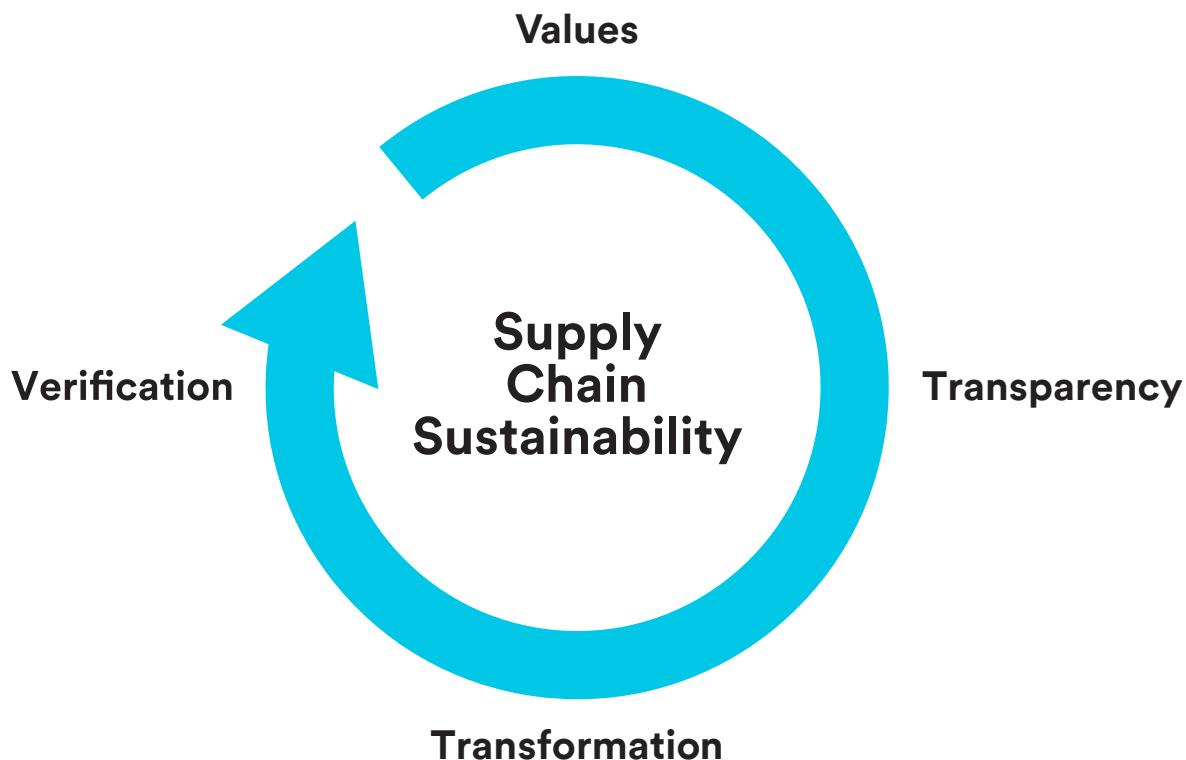
All 3M suppliers are expected to comply with applicable laws, and those expectations are embedded in 3M contract and purchase order terms. In addition, our supply chain policies establish a framework that 3M considers important for:

- Safe and healthy workplaces
- 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
- Compliance with material content and origin laws

3M expects suppliers to establish programs that are consistent with those policies. We also selectively review supplier performance relative to these policies. When noncompliance is detected, 3M will attempt to work with the supplier to correct the situation. We expect the supplier to develop a corrective action plan to bring its operations into compliance, and if a supplier does not develop such a plan or fails to implement it, 3M will move to terminate the business relationship.

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

Supply Chain Sustainability



Approach

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

In addition, 3M employees who have responsibility for sourcing suppliers and managing supplier relationships receive training on all aspects of supply chain sustainability, including slavery and human trafficking prohibitions. Most recently 3M has provided training on understanding and managing environmental preference factors in supplier selection.

We use product responsibility databases and tools to better manage environmental and health and safety information related to 3M products. We've undertaken extensive efforts with 3M suppliers to gather product composition and origin information and other EHS data to ensure compliance with applicable laws wherever 3M does business. 3M has implemented many compliance programs related to material composition and origin. The latest programs address sustainably harvested plant materials and U.S. SEC disclosure rules regarding the mineral origin of tin, tantalum, tungsten or gold (3TG) in our products (see the Due Diligence For Supply Chain Compliance section below for additional information). We also disclose on our website our efforts to eradicate slavery and human trafficking from our direct supply chain for tangible goods offered for sale, pursuant to the California Transparency in Supply Chains Act.

Due Diligence for Supply Chain Compliance

Supply chain due diligence is an important part of 3M's sustainability initiatives. Our efforts center on our use of certain minerals that have the potential to be sourced from conflict areas, and our use of timber-based products and other plant materials.

In August 2012, the U.S. Securities and Exchange Commission (SEC) adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies, beginning in 2014, to publicly disclose their use of conflict minerals (tin, tantalum, tungsten and gold, commonly referred to as 3TG) and whether those 3TG may originate in the Democratic Republic of Congo or a neighboring country.

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

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

- We have established a due diligence management system approach for both conflict minerals and legal harvesting compliance, consisting of these elements:
 - Establish strong management systems
 - Identify and assess risks in the supply chain
 - Design and implement a strategy to respond to identified risks
 - Audit supply chain due diligence
 - Report on supply chain due diligence activities
- We develop policies to address the challenge represented by these requirements.
- For existing relevant suppliers, we have implemented a prioritized supplier inquiry and verification process.
- Requirements are embedded in our Supply Chain Policies and expectations for new and existing suppliers.
- We establish compliance language in supplier contracts, purchase orders and material specifications as appropriate.

Responsible Sourcing of Minerals

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

3M is a member of the Conflict-Free Sourcing Initiative (CFSI), an organization established by the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative (EICC-GeSI), which develops tools and guidance for companies on conflict minerals. We encourage our suppliers and other companies to participate in CFSI, to advance the conflict-free sourcing of 3TG globally.

CFSI also develops standards for third party audits of smelters and refiners to validate their processes that assure processed 3TG originated from conflict-free sources. In 2014, 3M contributed to the CFSI Initial Audit Fund. The fund supports responsible sourcing and conflict-free 3TG by providing financial assistance to smelters for first-year independent audits under the Conflict Free Smelter (CFS) Assessment Program, in order to validate conflict-free status.

3M sends the CFSI Conflict Minerals Reporting Template (CMRT) to prioritized suppliers to gather information on the smelters and refiners in the supply chains for the 3TG necessary to the production or functionality of our products. Our supplier requests include links to 3M's Conflict Minerals website, which includes our Conflict Minerals Policy and 3M training on how to respond to the CMRT. This website also directs suppliers to training resources available through the CFSI.

Our SEC Form SD filing has more information on our Conflict Minerals program, including our reasonable country of origin inquiry and due diligence. This is available as a link from 3M's Working with Suppliers page on 3m.com/Suppliers.

Responsible Sourcing of Forest Products

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

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

The 3M Pulp and Paper Sourcing Policy, drafted in 2014 and finalized in 2015, is designed to assure that the virgin wood fiber used in our paper-based products and packaging comes from sources that protect forests and respect the rights of workers and people who live in or may depend on forests for their livelihood.

3M uses materials that, if made from virgin fiber, must be traceable to the forest source and must be harvested legally. We expect that our suppliers will work to assure and verify that these virgin fibers are also harvested in a manner that is protective of high carbon stock forests, high conservation values, and workers' and indigenous peoples' rights.

3M is committed to working together with our suppliers to help them understand and apply the necessary measures to assure responsible paper sourcing and sustainable forest management.

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

Along with our Policy, we are providing Policy Guidance, tools and training for our suppliers. Overall, our goal is to improve the sustainability of the global pulp and paper supply chain by engaging with our current and potential new suppliers to promote performance improvements. We believe that by working together we can all improve.

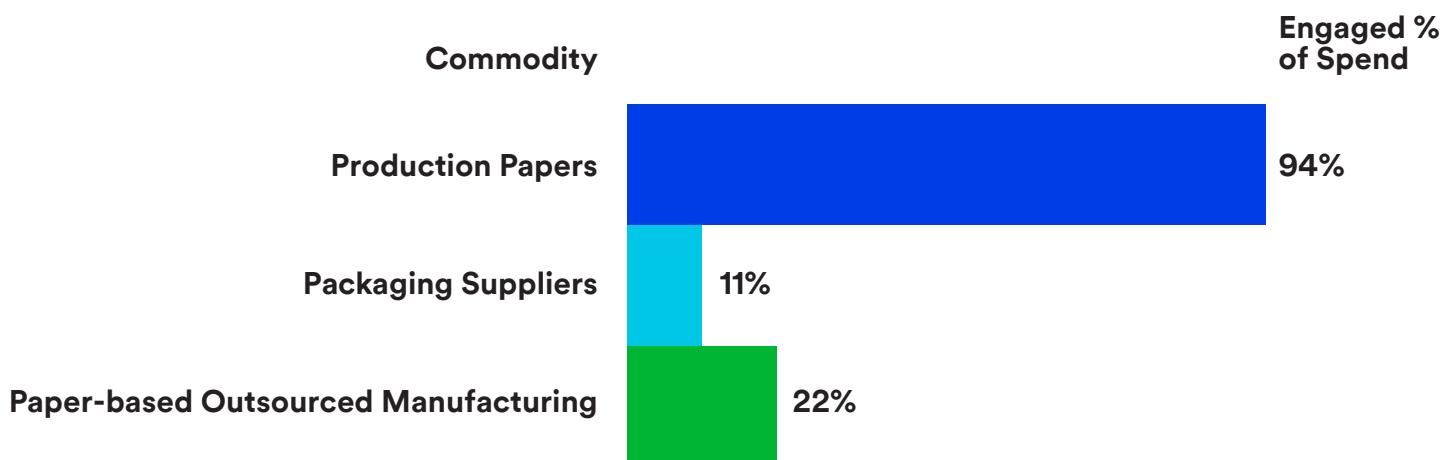


Continuum of Supply Chain Transparency

Results So Far

In the past year alone, 3M has directly engaged with a significant portion of our suppliers on 3M's responsible sourcing expectations. For each supplier and supplied material, we gather detailed information in order to evaluate legality, traceability, third-party certification status, and overall policy conformance. Although complex and time-consuming, this supplier inquiry process is providing 3M important information about our supply chain, and helps us identify opportunities for collaboration and improvements to advance sustainable forestry.

Commodity and Engaged Percent of Spend



California Transparency in Supply Chains Disclosure

3M's Supply Chain Policies apply to the selection and retention of all 3M suppliers and establish a framework for the maintenance of fair and reasonable labor and human resource practices, including the prohibition of slavery and human trafficking. 3M's efforts to eradicate slavery and human trafficking from its direct supply chain for tangible goods offered for sale are described in a disclosure linked from the home page of our website, pursuant to the California Transparency in Supply Chains Act (California SB 657). Our California Supply Chains Act (SB 657) disclosure describes our systems for verifying and auditing supplier performance in prohibiting slavery and human trafficking, as well as supplier performance in other aspects of our Supply Chain Policies. The disclosure also describes our commitment to legal and ethical practices through our membership in the UN Global Compact and implementation of 3M's Code of Conduct.

Assessing Supplier Performance

Overview and Approach

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

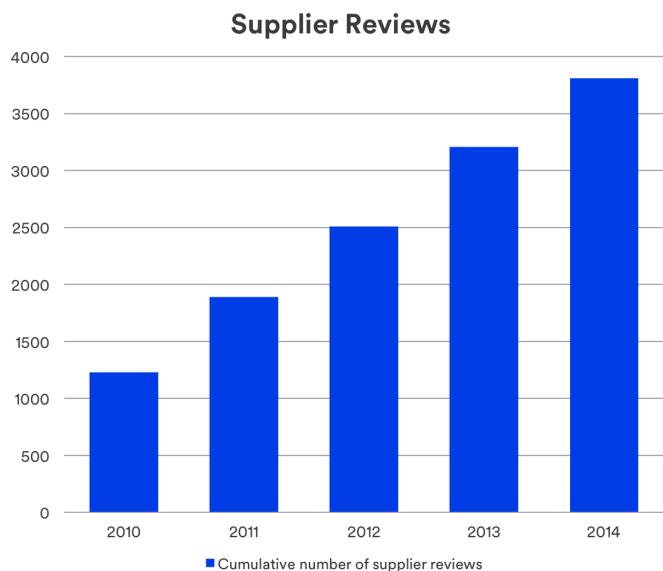
- Suppliers are ranked using a prioritization matrix tool.
 - The matrix takes into account country, type of operations and annual 3M purchases.
 - Prioritized suppliers may be asked to complete a self-assessment survey.
 - The self-assessment survey is used to understand supplier programs and whether 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 EHS practices and training, general working conditions, emergency response procedures, and hazardous materials management, including transportation protocols and employment practices. 3M staff typically conduct on-site audits, but 3M may use third-party audit firms as needed. The assessment program has independent oversight from the 3M EHS Advisory Committee. Customer or general public concerns can be brought to 3M's attention via phone or website, with contact information available online.

Goals and Progress

To date, more than 3,800 self-assessments or on-site audits of suppliers have been conducted in prioritized countries, including China, India, Korea, Malaysia, Taiwan, Thailand, Brazil, Mexico, Russia and Turkey over the past eight years. Suppliers reviewed in the last three years represent 81 percent of 3M's 2014 spend in the listed countries.

Most suppliers met 3M's expectations, and those requiring improvement were given specific corrective action in order to retain 3M business. Suppliers with corrective action must pass a 3M requalification assessment after completing the necessary steps.



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.

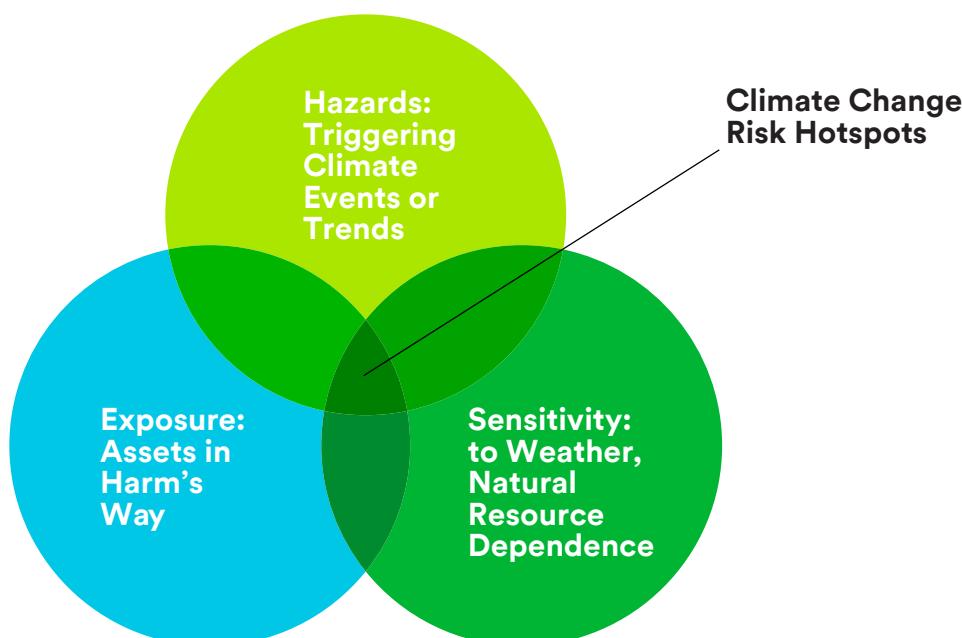
In addition to existing suppliers, many potential suppliers have been evaluated using the assessment tools. Several 3M businesses have incorporated supplier EHS and labor considerations into life-cycle management reviews and have independently performed assessments of key suppliers.

We are always looking for ways to advance this work and extend 3M's sustainability initiatives within our sphere of influence. The UN Global Compact Principles serve as a common framework to guide our sustainability efforts with suppliers.

Climate Change Supply Chain Risk Assessment

3M commissioned the organizations Four Twenty Seven and Climate Earth to conduct a climate change supply chain risk assessment in 2014. Climate Earth generated a condensed analysis of transaction and resource consumption levels at different tiers and locations in the supply chain through a proprietary model supported by Multi-Regional Input-Output and Life-Cycle Analysis, using input-output (I-O) tables from the Comprehensive Environmental Data Archive (CEDA) and global trade flow data from the United Nations Commodity Trade Statistics database. Four Twenty Seven applied its proprietary risk indicators, which capture direct and indirect risks from climate change, ranging from extreme weather events to long-term temperature and precipitation shifts and socio-economic vulnerability. Four Twenty Seven and Climate Earth applied strict statistical verification methods and standards to ensure a practicable level of directional accuracy to account for inherent uncertainties in the models.

The model identifies risk hotspots, in the form of raw material commodity-source country pairings, based on the intersection of potential hazards, exposure and sensitivity. The commodity-country risk pairings are reviewed by 3M sourcing experts to validate the modeling results. We can prioritize potential future actions based on the estimated relative magnitude impact of the risk pairings on sales, costs, availability, and other factors, as well as our ability to mitigate the risks.



Economic Sustainability

Learn how our technology, products, and innovation come together to lead to our continued financial sustainability.



Financial Summary

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

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

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

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

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

3M made good progress on our five-year financial objectives, which were announced in November 2012, covering the period from 2013-2017:

- Grow diluted earnings per share 9-11 percent per year, on average (11.5 percent in 2014)
- Grow organic local-currency sales 4-6 percent per year, on average (4.9 percent in 2014)
- Achieve return on invested capital of approximately 20 percent (22 percent in 2014)
- Convert approximately 100 percent of net income to free cash flow (104 percent in 2014)

Selected Financial Results

(Dollars In Millions, Except Per Share Amounts)

Operating Results	2011 \$	2012 \$	2013 \$	2014 \$	2014 - 2013 Change
Net Sales	29,611	29,904	30,871	31,821	950
Operating Income	6,178	6,483	6,666	7,135	469
Net Income Attributes to 3M	4,283	4,444	4,659	4,956	297
Per Share - Basic	6.05	6.40	6.83	7.63	0.80
Per Share - Diluted	5.96	6.32	6.72	7.49	0.77
Operating Results					
Capital Expenditures	1,379	1,484	1,665	1,493	-172
Research, Development and Related Expenses	1,570	1,634	1,715	1,770	55
Employee Compensation and Benefits	8,059	8,347	8,732	8,836	104
Payments to Providers of Capital	1,774	1,801	1,899	2,394	495

3M continues to drive our success using three key levers in 2014:

- Portfolio Management – Since 2012, 3M has realigned from six sectors to five business groups and from 40 businesses down to 27 at year end 2014. We also combined businesses within three of our business groups: Electronics and Energy, Safety and Graphics and Industrial. We have also invested \$1 billion in acquisitions during 2014, which includes the purchase of the 25 percent remaining share of our Sumitomo 3M subsidiary. Active portfolio management is delivering significant benefits for 3M, including greater customer relevance, scale and productivity
- Investing in Innovation – 3M's primary growth strategy is organic, which is why research and development is the heartbeat of our company. In 2014, we invested \$1.8 billion in R&D and earned more than 3,000 patents in 2014. We continue to prioritize and invest 5.6 percent of total sales in R&D by 2017, with a growing portion of our investment in disruptive technologies.
- Business Transformation – 3M is committed to Business Transformation, which will make us more agile, more efficient, and most importantly, more responsive to customers. The backbone of this effort is implementation of a global Enterprise Resource Planning system. 3M made good progress in 2014, including a successful deployment in our largest European distribution center. Ultimately, Business Transformation will provide the systems and processes to drive productivity through our supply chain, reduce inventory, and deliver greater value to customers.

Key Economic Highlights in 2014:

- Earnings per share increased 11.5 percent to \$7.49 per share
- Operating income increased 7 percent to \$7.1 billion
- Operating income margins increased 0.8 percentage points year on year to 22.4 percent
- Total worldwide net sales for the year were \$31.8 billion, an increase of 3.1 percent

- Organic local-currency sales growth increased 4.9 percent for worldwide 3M total company: 6.3 percent in Asia Pacific, 4.9 percent in the United States, 4.5 percent in Latin America/Canada and 3.2 percent in Europe/Middle East/Africa
- Currency impacts reduced worldwide sales by 1.9 percent and acquisitions added 0.1 percent to sales
- \$7.9 billion was returned to shareholders through dividends paid and share repurchases

Pension and Postretirement Benefits

Qualified and Nonqualified Pension Benefits (In Millions)

	2011 \$	2012 \$	2013 \$	2014 \$	2014 - 2013 Change
United States					
Projected Benefit Obligation	14,499	14,830	19,967	16,452	2,485
Fair Value of Assets	12,102	13,781	13,889	14,643	754
Net Funded Status	(744)	(1,049)	(78)	(1,809)	(1,731)
International					
Projected Benefit Obligations	4,912	6,414	6,346	6,979	633
Fair Value of Assets	4,355	5,222	5,758	5,957	199
Net Funded Status	(557)	(689)	(588)	(1,022)	(434)

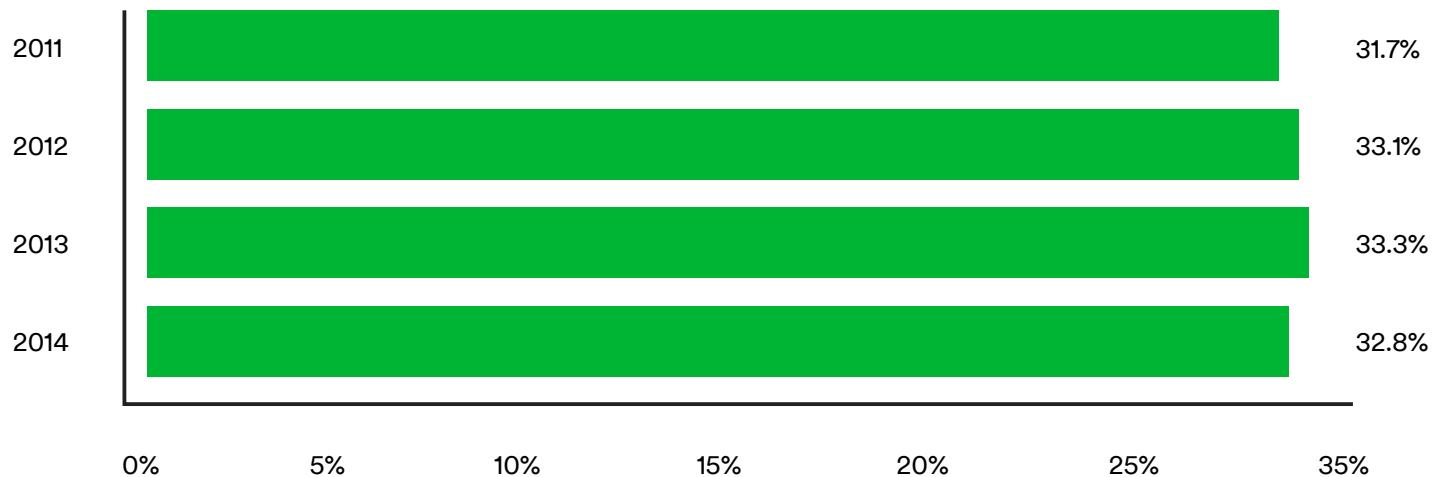
3M has company-sponsored retirement plans covering substantially all U.S. employees and many employees outside the U.S. The primary U.S. defined-benefit pension plan was closed to new participants effective January 1, 2009. 3M expects to contribute \$100 to \$200 million to its global defined benefit pension and postretirement plans in 2015. 3M does not have a required minimum cash pension obligation for its U.S. plans in 2015. The projected benefit obligation increased in 2014, as 3M converted to the “RP 2014 Mortality Tables” and updated the mortality improvement scale, in addition to the impact of the decrease in discount rates.

The Company also sponsors employee savings plans under Section 401(k) of the Internal Revenue Code. These plans are offered to all regular full-time employees in the US – regular part time employees who work at least 20 hours/week are also eligible. For eligible employees hired prior to January 1, 2009, employee 401(k) contributions of up to 6% of eligible compensation are matched in cash at rates of 60% or 75%, depending on the plan in which the employee participates. Employees hired on or after January 1, 2009, receive a cash match of 100% for employee 401(k) contributions of up to 6% of eligible compensation and also receive an employer retirement income account cash contribution of 3% of the participant’s total eligible compensation. All contributions are invested in a number of investment funds pursuant to the employees’ elections.

Investment in Innovation

The continued investment in research and development is reflected in the following New Product Vitality Index, which is the percentage of net sales of products introduced within the last five years as compared to total net sales. Continued introduction of new disruptive products and technology is a key component of 3M’s growth plan, continuing 3M’s long standing reputation of innovation.

New Product Vitality Index



Employee Engagement and Recognition

Learn about the ways we foster employee engagement and reward their efforts.



Overview

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

Approach

Networks and Collaboration

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

- **Formal Learning Networks:** The Learning Solution is 3M's corporate learning management system and is a one-stop electronic learning center that helps employees enroll in, deliver, track and report on learning activities. The Learning Solution serves the learning needs of 3M business units, plants and learning organizations globally.
- **Intranet Knowledge Platforms Databases:** 3M's intranet site structure is set up so that each employee has a Work Center as one of the quick-link tabs following login. Each Work Center is a collection of tools, systems and processes that are used routinely in daily work practices to successfully complete projects and work assignments in an employee's functional work area. Company news for employees is available on a global news site called Spark 3M News. It enables employees to share news articles, videos and links with others both internally and externally via email and social media.
- **Best Practice Descriptions/Processes:** As a diverse technical company, 3M shares best practices several ways. Two of the most widely used internal organizations are the 3M Technical Forum and the 3M Engineering Technology Organization. These two organizations provide an extensive network of expertise through specialized chapters focused on 3M's core technologies and other emerging markets. Employees in R&D, manufacturing and other parts of the supply chain are able to collaborate and drive innovation globally across the organization.
- **Company Education Facility:** In addition to a variety of general courses, webinars, etc., 3M offers specialized extended courses to increase skills such as the 3M Leadership Development Institute, the 3M Marketing University, compliance courses, the Supply Chain Academy and the General Managers' and Managing Directors' program.
- **Idea Sharing:** Idea management is driven differently across the Company depending on organizational needs and what works best for the area of work. Some platform examples include Yammer, Wiki Enterprise, and various 3M internal and external social media channels. Systems are implemented and available globally to share best practices and ideas. We also encourage our employees to spend 15% of their working time sharing and working on their own projects.

Measurement, Feedback and Action on Employee Engagement

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

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

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

Goals and Results

Survey Measurements on Employee Engagement

Results from the Standard Opinion Survey and the Vision and Strategies Alignment Survey indicate 3M's support of employee engagement is strong and continuing to get stronger. Results have improved with each administration, up to 83 percent favorable in the most recent survey, which is well above the threshold for strength (70 percent favorable).

Employee Rewards and Recognition

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

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

3M's support of employee engagement is strong and continuing to get stronger.

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

Employee Engagement for Sustainability

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

- Global communications - every employee with a 3M email address routinely receives email communications from executive leadership regarding global challenges, environmental days of recognition (Earth Day, World Water Day, International Women’s Day,) in an effort to further educate the global workforce on both challenges and ideas for improving how we live and work.
- Events - 3M hosts 8-10 global broadcasts each year, featuring internal and external subject matter experts on issues and innovations related to Sustainability. The experts range from award-winning authors and professors to corporate executives and entrepreneurs.
- Sustainability Week - In 2014, 3M hosted its second annual “Sustainability Week” celebration - a globally celebrated series of activities including Sustainability brainstorm sessions, a product innovation competition featuring executive judges and global employee voting, a “Waste to Wonderful” event during which employees used construction waste to build tables for a local non-profit furniture bank, and a family event at the Minnesota Zoo.

Results from 2013 Vision and Strategies Alignment Survey



Story

Encouraging life-long sustainability, one week at a time.

3M is using Sustainability Week, a week-long series of events, to engage our employees in sustainable thinking.

True sustainability must be lived daily. But sometimes we all need little reminders to jump start our thoughts and actions. That's why we created Sustainability Week, a series of daily events, discussions and communications focused entirely on engaging 3Mers in sustainable thinking.

Our goal is to get the thousands of 3M employees across the globe embraced in the sustainability mindset and participating in activities that make a real impact. From product development competitions to independent research projects, giant brainstorming sessions to discussions at home, this week sharpens our focus on using sustainability to improve lives.

During the 2014 Sustainability Week, we addressed global sustainability challenges we all face every day at home and at work. 3Mers were asked to think creatively, collaborate, and innovate with the shared goal of making life better. We built tables for those in need, using construction waste. And we led a Shark Tank-inspired Power Pitch, which allowed teams of employees to suggest business ideas with a sustainability focus to compete for research and development funding with winners chosen through global text voting by their peers.

Additional events included a recycling relay, a family day at the zoo, as well as hundreds of cyclists riding to work together on multiple 3M campuses.

We look forward to our 2015 Sustainability Week and seeing how we can continue to grow our efforts to live a more sustainable lives.



A photograph of a woman with short brown hair, wearing a white tank top, smiling and looking down at a laptop screen. She is sitting at a desk in an office setting. The background is slightly blurred.

Engaging Our Stakeholders

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

Overview

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

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

The assessment conducted by 3M looks at important sustainability issues around the world, including those of highest concern to us and our stakeholders. Researchers used a quantitative, stakeholder-driven approach to determine and prioritize key sustainability issues for 3M's internal and external stakeholders, which can be tracked over time and provide rigor in driving strategy internally.

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

Major Stakeholders and Key Actions

Employees

3M Key Actions

- 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

Investors

3M Key Actions

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

Suppliers/Contractors/ Industry Associates

3M Key Actions

- Selecting credible suppliers and contractors that meet or exceed expectations
- Supporting collective efforts to deliver business results
- Respecting human rights for workers in our supply chain

Academia/Scientific Organizations

3M Key Actions

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

Nonprofit Organizations/NGOs

3M Key Actions

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

Customers

3M Key Actions

- Providing diverse innovative product solutions and high-valued customer service and support
- Offering a diversified portfolio of safe, reliable, dependable and sustainable products
- Providing sustainable products to address energy, climate change and water challenges

Government/Regulators

3M Key Actions

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

Major Stakeholders and Key Actions, continued

Local Communities

3M Key Actions

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

Media

3M Key Actions

- Ensuring 3M is represented accurately with current information

Memberships and Partnerships

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

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

3M partners with many organizations. Key engagements include the following listed below.

Employees

Memberships and Partnerships

- United Nations Global Compact
- Committee to Encourage Corporate Philanthropy
- The League of American Bicyclists
- The Science Museum of Minnesota

Investors

Memberships and Partnerships

- Dow Jones Sustainability Index
- National Investor Relations Institute

Government/Regulators

Memberships and Partnerships

- U.S. EPA Green Power Partnership
- U.S. EPA Energy Star Power Program and
- U.S. Department of Energy (DOE)

Customers

Memberships and Partnerships

- Retail Industry Leaders Association
- The Sustainability Consortium
- Sustainable Brands
- World Business Council for Sustainable Development
- Corporate Eco Forum

Academia/Scientific Organizations

Memberships and Partnerships

- University of Minnesota, NorthStar Initiative for Sustainable Enterprise and Center for Sustainable Polymers
- Iowa State University for Bioplastics and Biocomposites
- Harvard Medical School, Center for Health and the Global Environment
- Intergovernmental Panel on Climate Change

Government/Regulators

Memberships and Partnerships

- University of Minnesota, NorthStar Initiative for Sustainable Enterprise and Center for Sustainable Polymers
- Iowa State University for Bioplastics and Biocomposites
- Harvard Medical School, Center for Health and the Global Environment
- Intergovernmental Panel on Climate Change

Local Communities

Memberships and Partnerships

- United Way
- Habitat for Humanity
- American Red Cross

Memberships and Partnerships, continued

Suppliers/Contractors/ Industry Associations

Memberships and Partnerships

- The Conference Board
- American Chamber of Commerce (AmCham)
- CAPS Research
- National Association of Manufacturers (NAM)
- National Climate Coalition
- Practice Greenhealth
- Mission Ready Sustainability Initiative (MRSI)
- American Chemistry Council (ACC)
- European Chemistry Industry Council (CEFIC)
- The Conflict Free Sourcing Initiative (CFSI)

Media

Memberships and Partnerships

- Sustainable Life Media

Nonprofit Organizations/NGOs

Memberships and Partnerships

- The Nature Conservancy
- WorldSkills
- Net Impact
- Alliance to Save Energy
- Friends of EU Emissions Trading Scheme (ETS)
- Forum for the Future
- World Resources Institute (WRI)
- World Wildlife Fund (WWF)
- The Forest Trust

3M is a member of global business associations that work on sustainability and various aspects core to our sustainability strategy, including the following:

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

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

Levels of engagement with stakeholders vary greatly by geography, type and function. For example, 3Mers globally are engaged at least monthly with a Sustainability Speakers Series event with diverse topics based on our material aspects, while we may engage annually for an industry association meeting. We may also have engagements around a specific issue. For example, a recent interaction with key stakeholders centered on our work to revise our Pulp and Paper Sourcing Policy. We worked closely with The Forest Trust, ForestEthics, Greenpeace, Dovetail Partners, The Nature Conservancy and others. During this process, 3M teams spoke with partners almost weekly and conducted several in-person meetings. We also consulted customers and suppliers and visited forests, including during third-party audits. This engagement resulted in a successful launch of our revised policy on March 5, 2015.

We also receive stakeholder input via shareholder inquiries and proposals, as well as general outreach. In 2014, we heard from 3M investors and environmental stakeholders regarding 3M's humanitarian efforts and global renewable energy goals. To help us think more broadly about our humanitarian impact, we used the Net Impact Conference to begin a conversation with stakeholders around the idea of social sustainability and 3M's ability to "improve every life." We look forward to continuing to learn more about this topic from a variety of thought leaders in the year ahead.

Businesses today are operating in a new landscape where broad sets of stakeholders expect an increased level of transparency, access and engagement. To further facilitate this process, in September 2014, 3M hired a full-time professional to manage 3M's global stakeholder engagement. It is part of our effort to strengthen 3M by better communicating with our customers, consumers, investors and other stakeholders around the world. A dedicated,

full-time focus will allow us to have a more strategic and proactive approach to engagement on a variety of topics, which will keep us well-connected and ahead of issues that could affect our business. It is through this position that we will facilitate consultation between stakeholders and the board on economic, environmental and social topics.

Looking ahead, there are future plans to engage stakeholders on the new 3M 2025 Sustainability Goals. The sustainability goals are aligned with the key global sustainability challenges described in this report and present an opportunity for partnerships and collaboration on these challenges. There are also plans to engage stakeholders on developing our social sustainability platform in 2015.

Collaborating with Our Communities

See how our partnerships with diverse organizations around the world lead to better sustainability solutions.



Overview

3M improves lives around the world through strategic social investments. Our goal is to create a better world for everyone, and our sustainability approach revolves around social investments within our global communities. We team with a variety of organizations to gain diverse viewpoints on social challenges and opportunities, sustainability, a better understanding of our stakeholders' needs and a mechanism to learn from the work of our peers.

Improving Lives Through 3Mgives

In 2014, 3M invested more than \$80 million in cash and in-kind donations to support global educational, community and environmental initiatives. The 3Mgives Global Advisory Committee continues to inform and influence our global investment strategy, which includes driving internal coordination and collaboration, as well as leveraging cash, product contributions and volunteerism.

Key accomplishments include the following:

- Launched its inaugural Global Volunteer Day and impacted more than 300,000 lives around the world with fifteen countries participating and more than 8,400 volunteers donating more than 28,000 hours. Initiated innovative education partnerships with DoSomething and Donors Choose that resulted in more than 90,000 students learning about Science Technology Engineering and Math (STEM) through a "Science Sleuth" texting game. DonorsChoose directed donations earned through Science Sleuth to over 4,000 classrooms, reaching an additional 190,000 students, primarily in underserved communities.
- Recorded a record year for product donations, including 3M's response to global natural disasters.
- Contributed \$5.5 million to the Greater Twin Cities United Way Workplace Giving Campaign, in addition to thousands of volunteer hours. 3M's efforts earned the company the Greater Twin Cities United Way's "Best in Show" award, which recognized 3M's year-long education and awareness activities, CEO/executive engagement, Global Volunteer Day initiatives, and employee service leadership.
- Partnered with United Way Worldwide in twenty-four 3M communities around the world to improve lives.
- Strengthened employee engagement and the company's support of diverse communities through the revitalization of Employee Resource Networks and Community Relations Councils.
- Executed strategic investments in the Closed Loop Fund in a landmark corporate partnership with Wal-Mart and other leading companies to help municipalities advance recycling efforts.

Approach

3M decentralizes global social investments and involvement so our teams in each country can develop and administer programs consistent with both the 3Mgives strategy and local culture and social needs. For example, in the United States, 17 Community Relations Councils develop regional strategies and direct local social investments in partnership with 3Mgives managers.

In Belgium, Spain, Italy and Brazil we maintain our own foundations, and our other international subsidiaries manage corporate investments in programs that benefit education, social services or the environment.

3M is not only a company that creates; it is a company that cares, improving lives each day. Since 1953, 3M and the 3M Foundation have invested more than \$1.4 billion in cash and products in communities around the world. These global donations were bolstered by many thousands of employee and retiree volunteers serving hundreds of thousands of hours.

3M is not only a company that creates; it is a company that cares, improving lives each day.

Engaging Locally

The collaboration, discussions and interactions 3M has with its corporate, regional and local stakeholders strengthen the company's connection to the community, help address local challenges and build on relevant capabilities.

As part of 3M's 2015 Sustainability Goal to develop stakeholder engagement plans, work continued in 2014 to enhance the local and regional stakeholder engagement process to further align with corporate strategic focus areas. There are 187 prioritized global manufacturing sites that are 'in scope' for environmental reporting under our Sustainability goal. Approximately 124 prioritized manufacturing facilities (approximately 68%) around the world have completed a stakeholder engagement plan. A framework that enables continuous progress and prioritization was developed with these key features:

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

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

Our Employees Care: 3M Volunteers Improving Lives around the World

3M employees who share their time and talent represent the company's most important contribution to our communities. Volunteerism is an important part of our 3M culture, acknowledged by our 3M Vision and Leadership Behaviors, and backed by our Volunteer Pledge. As a result of the dedicated and enduring volunteer spirit of 3M employees and alumni, we are accomplishing more than ever in our communities.

Our Volunteer Pledge is to encourage, support and recognize employees' and alumni's volunteer efforts in their communities. In 2014, 21,000 employees and alumni participated in 3M-affiliated volunteer activities. They served nearly 300,000 hours.

The positive impact of our employees is seen in communities around the world. In 2014, 3M launched its inaugural Global Volunteer Day with a theme of mentoring students or youth, or supporting organizations that serve them. The activities resulted in more than 300,000 lives impacted around the world. Fifteen countries participated with more than 8,400 volunteers donating more than 28,000 hours. Examples of Global Volunteer Day activities include:

- 3M China volunteers visited kindergarten classrooms to assist with art projects. They also painted and decorated the classrooms, and donated books to enrich students' learning.
- 3M Madrid hosted students at the Innovation Center where they learned about 3M technologies and road safety, and participated in volunteer-led science experiments.
- 3M United Kingdom volunteers built a sustainable outdoor learning center. Other volunteers assisted with a school garden project or improved visitor access to a park.
- At 3M Mexico, 41 volunteers hosted a holiday event at the Santa Fe Community Center for 170 children. They led the children in educational and creative activities.
- In St. Paul, the Women's Leadership Forum mentored 150 8th grade young women during a special luncheon. NEON (New Employee Opportunities Network) led 3M United Way Campaign teams in packing 3,000 healthy snacks for youth organizations.

Since its creation in 2000, 3M Volunteer Match has recognized over 25,000 U.S. employees and alumni by donating \$250 grants in their names to organizations where they volunteer 20 hours (25 hours for retirees) or more per year. Under this program, 3M Foundation grants totaling more than \$5.6 million have gone to more than 3,000 schools and non-profit organizations in every state.

3Mgives Volunteer Award annually honors 3M's 30 most outstanding volunteers. Awardees receive \$1,000 3M Foundation grants for the non-profit organizations of their choice. In 2014, the award expanded to honor excellent volunteers globally. Eight global volunteers were honored from Chile, China, Italy, Singapore, South Africa, Spain, the United Kingdom and Vietnam.

Employees make a difference every day in our communities by sharing their time and talents through skills-based volunteering:

- Nonprofit workshops. Seminars by 3M Human Resources, Marketing, Strategic Business Development and Finance volunteers help nonprofits with budgeting, ROI, interview and social media skills or strategic planning.
- Thousands of 3Mers serve as mentors or tutors for students.
- Child and student law. 3M Legal pro bono work includes partnerships with the Children's Law Center of Minnesota and Southern Minnesota Regional Legal Services. Work has led to clarification on all Minnesota students' rights.
- Loving math. 3Mers across the country coach MathCounts and FIRST® Robotics teams at local schools.
- Science encouragement. 3M Visiting Wizards, 3M STEP (Science Training Encouragement Program) and 3M TECH (Technical Teams Encouraging Career Horizons) motivate students with classroom science experiments, STEM career days and mentoring.
- Board service. More than 200 employees and retirees serve on nonprofit boards to share leadership, financial, marketing, technical and legal skills.

Internal Insights

Employees involved in 3M's Employee Resource Networks and Women's Leadership Forum serve as advisors that shape funding priorities and assist with grant reviews and that also broaden the company's grant making to diverse organizations.

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

Goals and Results

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

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

**Contributions from
3M and the 3M
Foundation support
education, community
and environmental
organizations.**

2014 Global Giving by Focus Area

GIVING AREA	CASH	IN-KIND	TOTAL	%	VOLUNTEER HOURS
Education	\$11,648,879	\$17,254,003	\$28,902,883	35%	97,190
Community	\$17,435,099	\$34,002,647	\$51,437,745	63%	185,271
Environment	\$1,805,093	\$51,016	\$1,856,109	2%	8,102
TOTAL	\$30,889,071	\$51,307,666	\$82,196,737	100%	290,563

2014 Global Giving by Region

	Charitable Corporate Cash Donations (USD)	Charitable Foundation Cash Donations (USD)	In-Kind Product Donations (USD Fair Market Value)	Total Donations (USD)
United States	\$9,856,000	\$17,648,620	\$48,356,024	\$75,860,644
Asia Pacific	\$10,000	\$692,889	\$397,732	\$1,100,621
Europe	\$204,035	\$346,975	\$257,860	\$808,870
Latin America	\$44,435	\$1,188,117		\$1,232,552
Middle East/Africa	\$30,000		\$2,024,050	\$2,054,050
Canada	\$868,000		\$272,000	\$1,140,000
Total Global Giving	\$11,012,470	\$19,876,601	\$51,307,666	\$82,196,737

Public Policy and Engagement Worldwide

We live our values and corporate vision through our public policy pursuits.

Public Policy and Engagement Worldwide

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

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

For example, in the United States, an evaluation process developed by the 3M Government Affairs Department establishes a public policy agenda of issues impacting our businesses. Public policy teams develop a Top 10 list (see below) of Priority Public Policy Issues that serves as a road map for all forms of engagement with federal, state and local governments.

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

Besides linking 3M's vision to the needs and priorities of government officials, the Top 10 list helps ensure the many faces of 3M speak with a single, unified voice. Internationally, 3M managing directors of host country businesses are responsible for evaluating and determining key government issues globally in their respective countries.

3M Priority Public Policy Issues

(1) Tax Policy – Tax reform is essential to ensuring the long-term competitiveness of American businesses and workers. 3M believes business tax reform should focus on a significant reduction of the corporate income tax rate, transitioning to a competitive international system, and creating incentives for U.S.-based intellectual property 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) Health Care Policy – Adoption of ICD-10 is key to collecting the information needed to implement health care delivery innovations that depend on accurate data to help providers improve the effectiveness of treatments. ICD-10 will provide higher quality information for measuring service quality, outcomes, safety, and efficiency, thus improving patient care through better understanding of the value of new procedures, and improved disease management. The U.S. health system should remain market-driven and not weaken the current employer-based coverage system; reforms should focus on increasing efficiencies within the system as well as improving quality outcomes and patient safety.

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

(4) Sustainability/Environmental Policy – 3M's strategies for sustainable development encompass the pursuit of customer satisfaction and commercial success within a framework of environmental, social and economic values. 3M continues to make significant investments to reduce the environmental footprint of our operations, and our sustainable products help customers reduce their environmental footprint and help to meet their sustainability goals. Finally, 3M believes environmental policy and regulations should be guided by science-based decision making.

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

(6) 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.

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

(8) Cyber Security Policy – Because of 3M's commitment to protecting the privacy of personally identifiable data and ensuring business continuity, we support legislative efforts that will protect the nation from cyber threats. Recognizing no institution has the resources to respond to global threats or vulnerabilities on its own, we encourage Congress to adopt legislation to facilitate information sharing on cyber threats; such legislation should have reasonable liability and privacy protections. Data privacy legislation must recognize that business needs to maintain flexibility to compete in the global economy, and that costly and burdensome regulations will negate the effectiveness of any such legislation.

(9) 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.

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

Global Challenges

**Every day, 3M innovation
aims to tackle some of
the world's most pressing
areas of concern.**



Global Challenges

At 3M, we look at sustainability in terms of shared global needs and the future of our business. As the population grows, particularly in emerging economies, challenges like energy availability and security, raw material scarcity, human health and safety, education, and development must be addressed to ensure people across the globe can lead healthy, fulfilling lives. We recognize that the impact we make includes our own operations, the difference we make for our customers through the products we offer, and the difference we make in local communities has far greater impact.

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



Raw Materials

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

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



Education and Development

Global unemployment rates are expected to remain steady through 2017, particularly among youth. Today's job market has fewer opportunities, with most available jobs too specialized for young people and recent graduates. As a technology company, 3M recognizes the importance of well-trained science, technology, engineering and math (STEM) graduates — we need young minds to step into specialized roles and help our company solve future challenges.

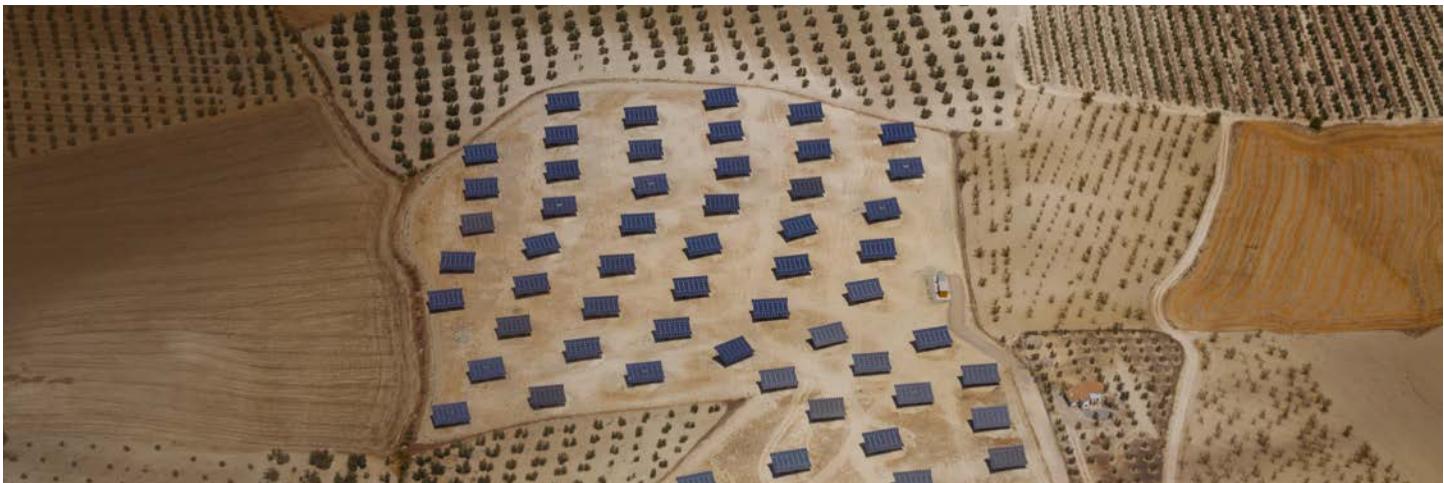


Water

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

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

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



Energy and Climate

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

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



Health and Safety

Global health and safety issues are prevalent in workplaces around the world. Food poisoning and water-borne illnesses lead to the deaths of 3 million people across the globe each year. At the same time, approximately one of every 20 hospitalized patients in low- and middle-income countries will contract an infection while under medical care. Governments, corporations and consumers are driving global demand for safety, protection, healthcare and food safety solutions. Creative innovation, technology, education and collaboration are all critical if we are to tackle the human health and workplace safety concerns.

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

"As a Product Responsibility Liaison, in every new product or for a change in an existing product, I aim to bring awareness and possibilities of sustainability concepts to the team. The sustainability thinking challenges each of us to come up with ways to have less impact on the environment and more positive impact on the people's lives using our products. It helps us to stay competitive and lean in this market."

– Misato Hajime
Product Responsibility Liaison 3M Home Care Division

Optimizing our Environmental Footprint

Optimizing our Environmental Footprint

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

Pollution Prevention Pays (3P)

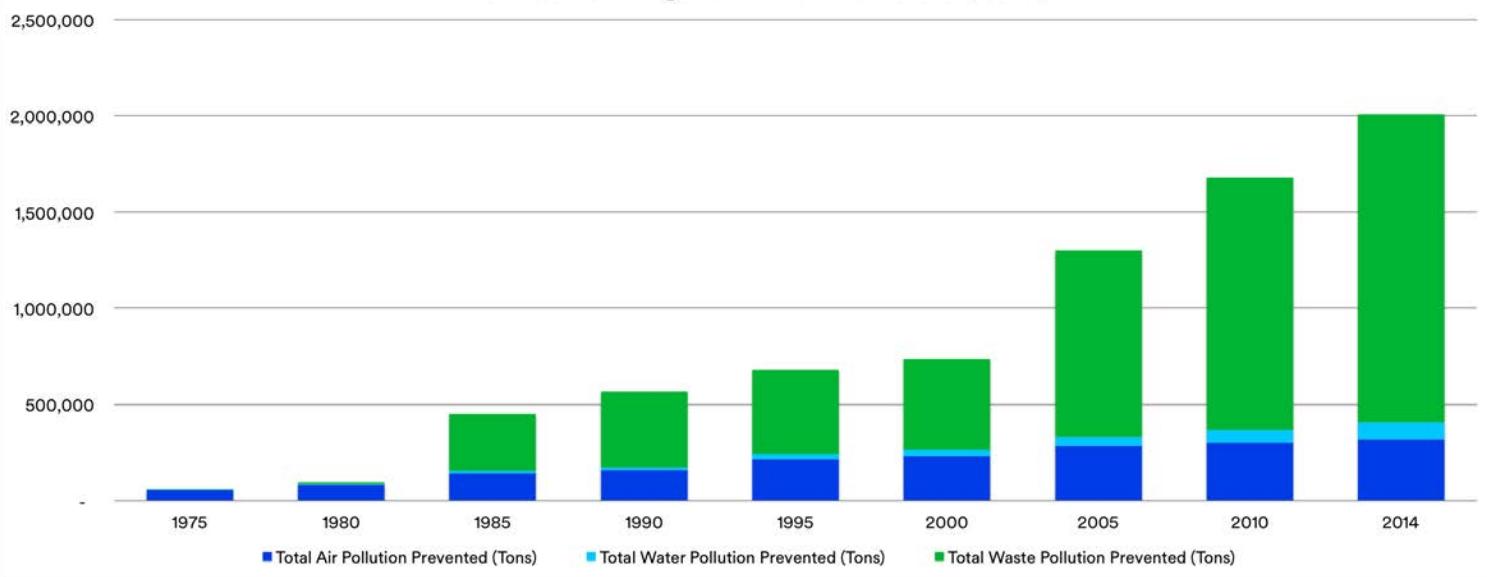
3M's Pollution Prevention Pays (3P) program celebrated its 39th anniversary in 2014. In those 39 years, the program has prevented more than 2.0 million tons of pollutants and saved nearly \$1.9 billion (USD) based on aggregated data from the first year of each 3P project. The 3P program helps prevent pollution at the source, in products and in manufacturing processes rather than removing it after it has been created. When the 3P program was launched in 1975, the concept of applying pollution prevention on a company-wide basis and documenting the results was an industry first.

Active and thriving today, the 3P program invites participation from all sectors of the Company, including research and development, manufacturing, logistics, transportation, and packaging employees. The program is a key element of our 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 and 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 are submitted and then reviewed and selected based on defined criteria by a 3P committee representing R&D; Engineering; Environmental, Health and Safety; Manufacturing; and Supply Chain organizations. Selected project teams receive recognition for their achievement.

3P GLOBAL POLLUTION ACHIEVEMENTS: 1975-2014
First Year Savings Cumulative Totals (Tons)



Environmental Management Systems and Compliance

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

Approach

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

Environmental Management Systems

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

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

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

Tracking Operational Performance

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

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

Ensuring Regulatory Compliance

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

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

Following are several key elements of the auditing program:

- 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
- Externally purchased compliance protocols, especially for international operations, to ensure local compliance obligations are understood and met
- Internal environmental compliance experts from around the company
- External environmental consultants as needed to provide additional expertise and third-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.

Tracking Environmental Incidents

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

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

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

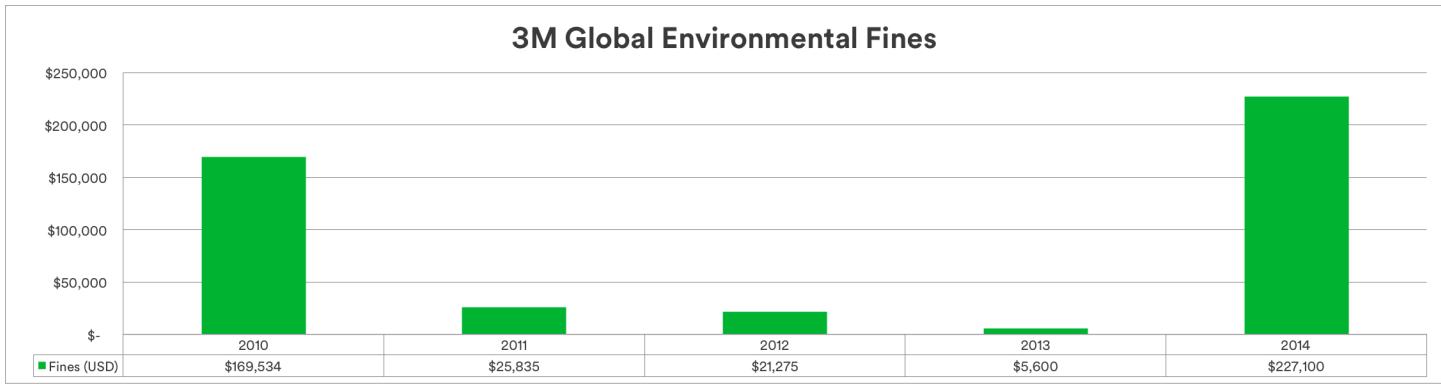
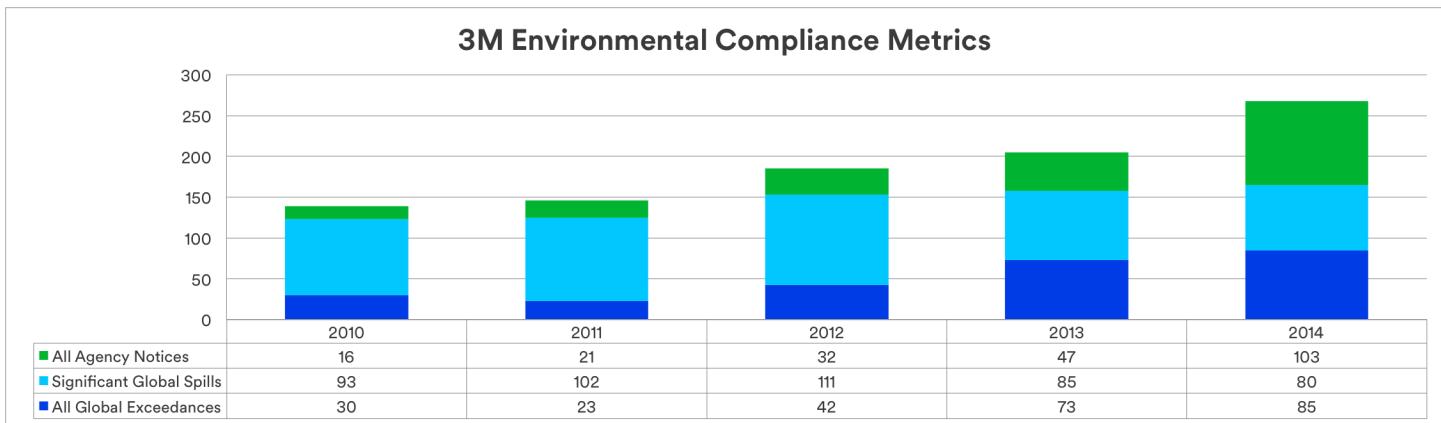
Our Footprint

EMS Implementation and Environmental Compliance

In addition to 3M's Global Environmental Management System annual self-assessment, approximately 92 percent of sales value of production (SVOP) have ISO 14001-certified (or equivalent) management systems that are reviewed by an independent third party. SVOP is defined as the Sales Value of all output of a location. This includes not only Finished Goods sold within the producing country, but also the Sales Value of products transferred out of a facility to other locations within country, or as an intercompany sale.

3M had 80 significant unplanned releases (spills) to the environment in 2014. This includes releases that have been designated with 3M severity evaluation of level 2 (significant) or level 3 (severe/most significant) based on several risk factors (including regulatory compliance, volume released and response requirements) with the 3M WIMS system. We use this data to better drive spill-prevention activities.

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



Raw Materials

See the ways we're moving
from recyclable materials
to renewable products.

Raw Materials

3M's Thermal Bonding Films and Plastic Bonding Adhesives extend the potential lifespan of mobile devices and make it easier to recycle them.

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

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

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

Cleaning supplies can make the whole world cleaner, not just the home. Take tequila, for example, made using agave. Since only the juice is used, often the rest of the plant is left to decompose in fields. 3Mers from the U.S. and France, looking to manufacture 3M™ products with more sustainable materials, partnered to create scrubbing fibers made of 50 percent agave. These fibers are the scouring muscle of a plant-based-fiber sponge that uses 23 percent recycled material. It took a lot of work to adapt the material to manufacturing processes, but thanks to their passion and persistence, they were able to create the Scotch-Brite® Greener Clean Non-Scratch Scrub Sponge.

"Our organization is built up on the idea that businesses can be a force for harmony between people and nature. With that in mind, the importance of understanding sustainable forest management, among other raw materials, and embedding that knowledge in how companies operate, is tremendous. Fortunately, we're seeing movement and collaboration with companies like 3M, and are excited about what the future will bring."

— Scott Poynton
Executive Director and founder of The Forest Trust

Overview

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

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

Maximizing Raw Material Usage

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

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

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

Waste from manufacturing sites accounts for the majority of waste in 3M's environmental footprint. We estimate an additional 6 percent of the waste we generate comes from nonmanufacturing sites, including laboratories, distribution centers and office facilities. 3M's waste metrics include 3M manufacturing operations with total output greater than 4536 metric tons per year (10,000 pounds), which represents 98 percent of SVOP.

Approach

Optimizing Efficiencies in Operational Waste and Recycling

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

3M Corporate Environmental Operations identifies and measures efficiency improvement progress toward raw material usage and waste reduction for sites within our global manufacturing footprint. The results and raw data are used to identify, quantify and prioritize projects to improve utilizing Lean Six Sigma Continuous Improvement methodology. Results are reviewed quarterly and annually within regions, businesses and divisions against goals and tracking metrics. Specialized teams within the organization work on a variety of projects and programs, ranging from basic office recycling to more complex projects such as developing and capturing intrinsic waste materials generated off a manufacturing line. Through an evaluation process, all aspects of waste reduction 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.

In addition to optimizing efficiencies in operational waste and recycling, 3M continues our long-standing commitments to efficient paper and packaging use. We have reduced designed packaging weight for seven straight years, for a cumulative reduction of ~9,000 metric tons (mT). More than half of that reduction (~5,000 mT) was in paper-based packaging. Until last year, we only gathered this information in the United States but have since expanded data collection globally.

Air Quality Management

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

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

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

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

Implementing and Maintaining Pollution Control

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

3M's Material Resource Division, a major internal supplier for many materials within 3M, created a new product design tool that mandates in its division the evaluation of new chemistries and products against the 12 principles of Green Chemistry. 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 principles can generally be grouped into four main categories: Hazard Reduction, Lower Impact Products and Processes, Resource Reduction and Conservation, and Use of Renewable Raw Materials.

The Material Resource Division engages researchers and manufacturers at every stage of development to meet or exceed 3M's 2015 Sustainability Goals waste reduction targets. Green Chemistry is now a formal part of all scale-up efforts, most notably in an assessment of new programs as they move through research to full-scale production. These assessments are documented to enable rapid implementation and broad application of Green Chemistry advancements, regardless of their origin. These efforts enable the Material Resource Division to effectively introduce alternative

sustainable options aligned with increasing regulatory trends and to minimize costs as petroleum prices continue to rise, giving 3M a considerable advantage in raw materials pricing.

Goals and Results

The increase in the total amount of waste in 2014 is largely attributed to acquisitions, however, there are some general trends that are also impacting the ability to meet our waste goal. These challenges include the following:

Our waste reduction goal is based on our total waste indexed to net sales. Roughly two-thirds of 3M's sales are made in foreign currencies but all are reported in U.S. Dollars. When the dollar strengthens, as it has been doing for the past several quarters, it has a negative impact on our reported sales. This then, negatively impacts our ability to meet our stated waste reduction goal. Our waste indexed to production volume has decreased nearly 14% since 2010.

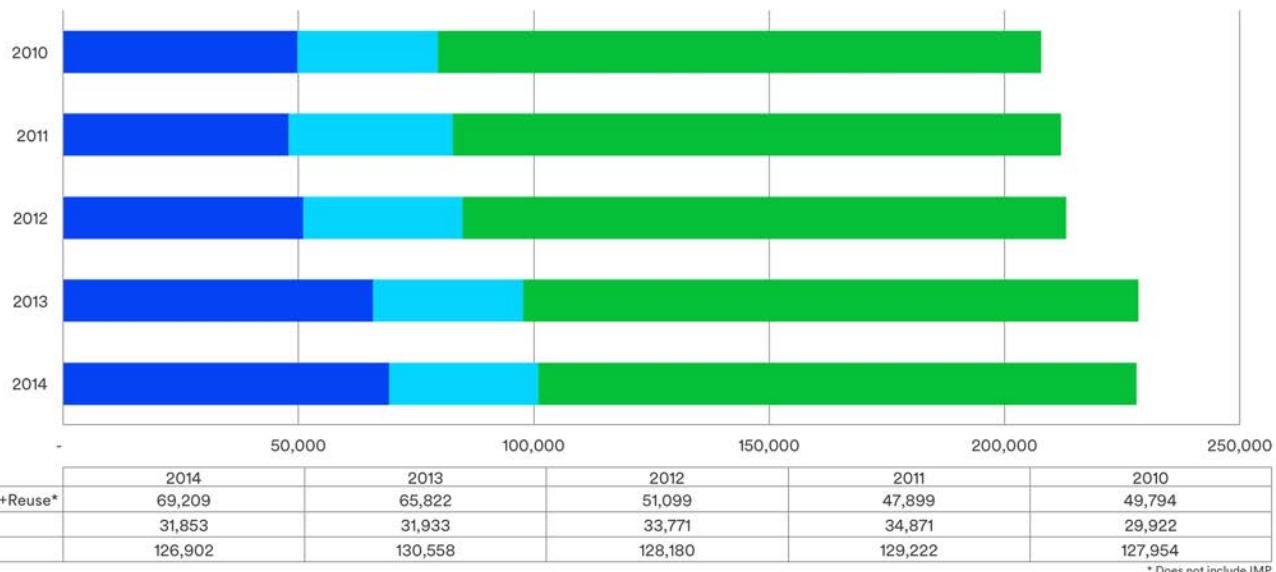
Although we continue to gain benefit by continuous improvement at our manufacturing facilities through incremental process improvements, our current and future direction for significant improvements in waste reduction are driven by product and process technology redesigns. These redesign efforts require prioritized focus, resources and collaboration within our business, sales, marketing, engineering and laboratory groups, in addition to our supply chain and manufacturing functions. 3M's increase in the production of composite materials such as multilayered films, which provide significant advantages for our customers, pose a challenge in the ability to recycle the material using current technologies. 3M continues to explore options for recyclability.

VOC Emissions

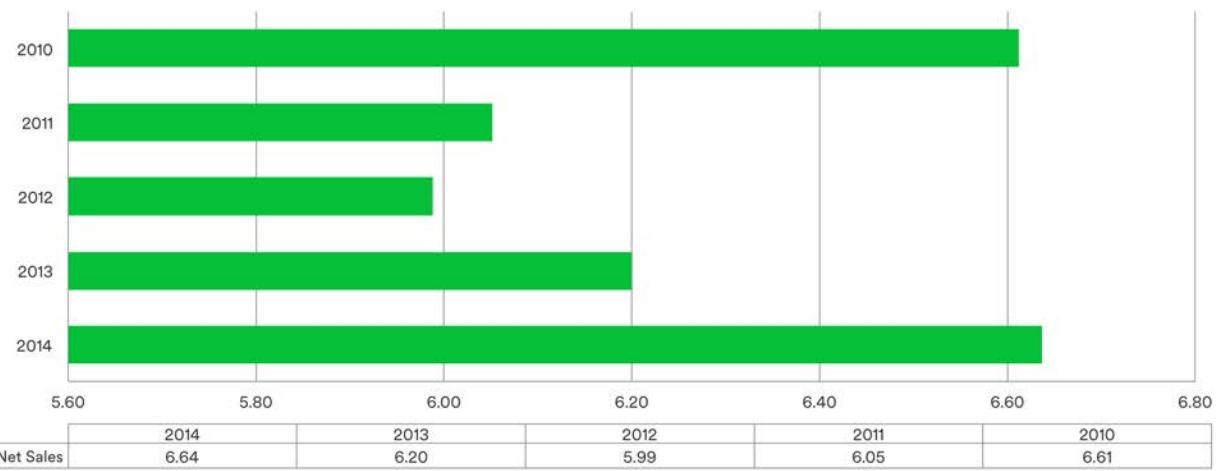
3M's commitment to managing and minimizing its VOC emissions is demonstrated with continued results. 3M has had an external VOC emission reduction goal since 1995, resulting in 98 percent reduction in VOCs emitted indexed to net sales. 3M's results have been driven by plant activities, control device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



Waste Recycling by Type (Metric Tons)



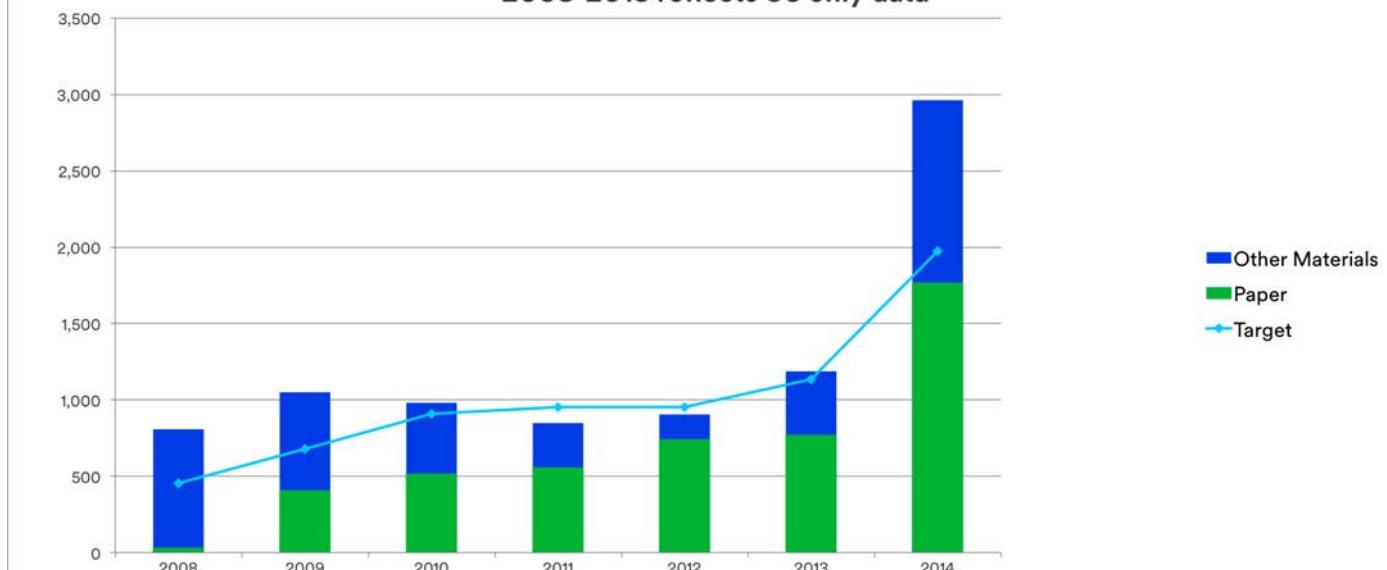
Total Waste Indexed to Net Sales (Metric Tons/Net Sales Million \$USD)



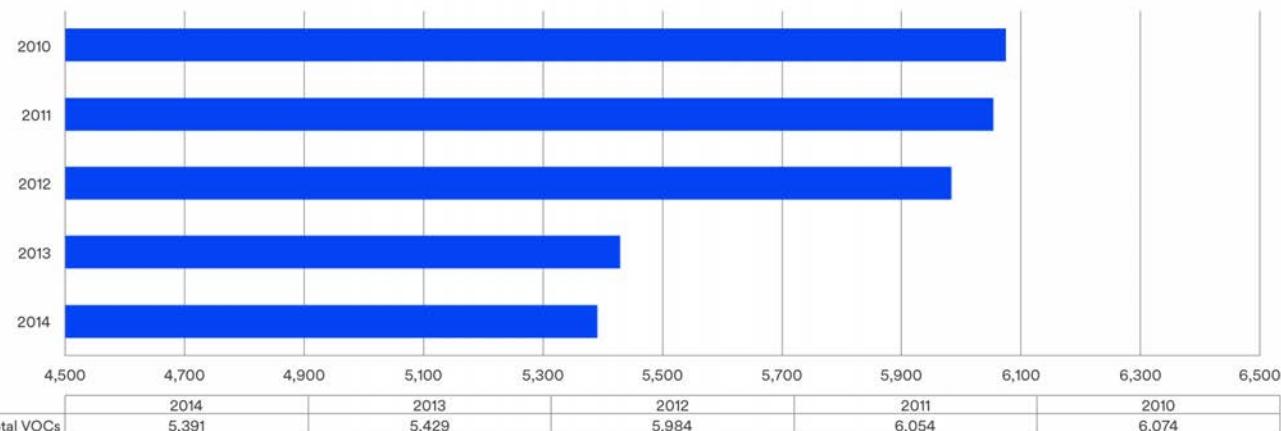
Total Waste (Absolute Hazardous and Non-Hazardous) (Metric Tons)



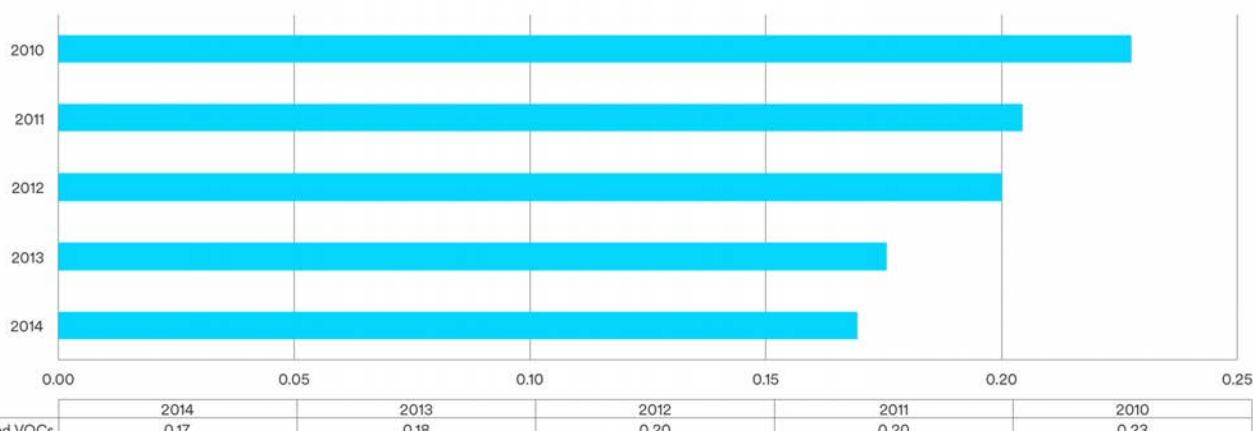
Global Package Engineering Historical Sustainability Trend
(Package Design Waste Reduction in Metric Ton)
*2008-2013 reflects US only data



Total Volatile Organic Compounds (VOCs)
Absolute: Metric Tons



Total Volatile Organic Compound Emissions Indexed to Net Sales
(Metric Tons/Million \$USD)



Stories



All of the warmth, none of the down(sides).

Chase adventure in any condition with the lightweight, high performance of 3M™ Thinsulate™ Featherless Insulation.

Humans love pushing the boundaries in cold weather. From snowboarding to mountain climbing, the icy air screams adventure for those daring enough to take on the challenge. But sometimes, the spirit of adventure can be hampered by the same cold weather that set the stage. If not dressed properly, a chill can end the day too soon.

At 3M™, we want to keep you warm so you can chase any adventure that calls. That's why we designed 3M™ Thinsulate™ Featherless Insulation.

While most winter jackets call on the benefits of down, 3M™ Thinsulate™ Featherless Insulation does it one better. It closely mimics the look and performance of natural down but surpasses down's performance when wet. It matches or outperforms in fill power, loft and performance.

Fill power specifically is retained at a higher rate than down, meaning that it has more power to keep you warm in any weather. And when you're out chasing adventure, the last thing you want is to be turned back because your jacket isn't performing.

Though 3M™ Thinsulate™ Featherless Insulation doesn't have any feathers, it was engineered by scientists to exceed expectations of warmth. It is as lightweight as natural down, highly breathable and provides extreme warmth for extreme conditions. In addition, it does not contain allergens like natural down does.

3M™ Thinsulate™ Featherless Insulation is a cost-effective alternative to natural down. It has all of the warmth you need and zero feathers, making it a no-brainer for adventure-lovers. Now you can taunt the elements with no fowl play.



Fighting food-borne illnesses faster, with less energy and greater efficiency.

3M™ Petrifilm™ Plates help ensure food quality and safety, while reducing energy use and waste.

We live in a global economy with a complex food supply chain. Food is grown, processed, packaged and transported across numerous locations before it reaches us in the grocery store. As consumers, we trust all of these steps have been completed with the highest levels of quality and safety.

To help food and beverage manufacturers ensure product quality and support the fight against food-borne illnesses, 3M developed fast, accurate microbial tests that also offer a sustainability advantage over current test methods. 3M Petrifilm Plates identify bacteria in food and beverage products that allow food producers to identify potential quality and safety issues before they become a problem.

Perhaps even more impressive are 3M Petrifilm's environmental benefits. Compared to traditional agar methods of testing, our tests use 75% less energy, 80% less water and produce 75% less greenhouse gases as a result. They also offer users a 66% reduction in waste.

This positive sustainability impact is the result of innovation and design. 3M Petrifilm Plates provide simplified and reliable microbial indicator test results. In addition to the environmental benefits, 3M Petrifilm Plate users also find an average 80% increase in technician efficiency.

Food safety is a complex effort. Our innovation makes it easier to test across the many facets of global food production so quality, safe food can be more safely and sustainably provided for all consumers.



A smooth ride for the long haul.

Keep your car balanced and on track for a long life with the lead-free 3M™ Wheel Weight System.

Purchasing a car is one of the biggest investments you will ever make. And with such a large investment, there's a lot to consider. You want a car that will give you good gas mileage, and a smooth, safe ride. Though you may not know it, a small weight on each tire can hold the key to all these benefits.

One of the most common ways that automobile manufacturers and tire retailers ensure you get a smooth, long-lasting ride is by installing wheel weights on the metal rim of each wheel. This gives your car proper balance quickly and easily.

Traditionally, these wheel weights were made of lead. But there are many concerns with the use of lead. For one, there are prevalent environmental and health concerns surrounding the handling and exposure of lead. In addition, traditional wheel weights are not customizable to the precise weight needed for spot-on balance. Finally, mechanically applied weights can result in unattractive corrosion and rust on your rims. And no one wants to watch their investment rust away.

As a response to the many concerns of lead weights, 3M has developed a wheel weight system that is made of a corrosion resistant, lead-free composite material. Not only is the material flexible, but, unlike traditional weights, it can be custom cut to the exact size and weight required for precision balanced wheels. Wheel balance means better gas mileage, a longer lasting tire and a smoother ride.

Additionally, using this more sustainable material, manufacturers and retailers can simply attach the weights to your tire rims with 3M™ Automotive Attachment Tape and be confident that your car is set for the long haul.

Problem solved.

Water

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

Water Quality and Availability

3M's Water Management Standard provides a company-wide framework, including both general and specific elements for water management.

Overview

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

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

Our Approach

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

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

“With the growing concern for water resources in water scarce and stressed areas in India, we are working on partnerships and collaboration to address water issues in local communities. Engagement with our customers, suppliers, industrial associations, local government and other stakeholders within local watersheds will be critical to share best practices on innovative technologies of water management, rain water harvesting, water auditing and accounting.”

– Sai Golla

CSP, ASQ - CMQ/OE| Manager -Engineering , Quality, EHS and Sustainability- 3M India

Goals and Results

Understanding Local Water Use and Stress

To further mitigate water risks and focus where water is scarce and/or stressed, 3M's Corporate Operating Committee endorsed a water conservation goal as part of the Company's 2015 Sustainability Goals. The goal is focused on water conservation planning, as well as reduction efforts where water scarcity and stress exists for 3M operations.

3M uses the definitions and tools established by the World Business Council for Sustainable Development (WBCSD) to screen the Company's various site locations and their affiliated water use with validated WBCSD water availability, population and biodiversity information both on a country and watershed basis. 3M has identified 27 sites located in water-stressed areas as defined by the Mean Annual Relative Water Stress Index (WBCSD-Global Water Tool) based on use of water for sanitary and process operations that is equal to or greater than 1,000 cubic meters annually.

Each of the 27 3M sites in water stressed areas is expected to understand its water use, associated business risks and impacts and to work with local water resources to understand potential impacts on the surrounding area. Identified sites are also requested to develop a water conservation plan outlining current and future water conservation efforts. Annual stress-level screening evaluations are conducted for global operations using available updates from the WBCSD Global Water Tool, an analysis of site operations and water usage and local conditions.

Water conservation planning is a continuous improvement process. In 2014, a majority of the identified sites had water conservation plans in place and water efficiency improvement projects in progress. We continue to work with remaining sites to develop plans and understand potential local impacts.

Future Water Goals

With an eye on our footprint and the strength of our technologies and collaboration, we acknowledge we can continue to make a difference in water availability and quality around the world. In that light, we have included water as a key part of our 2025 Goals.

Our Footprint

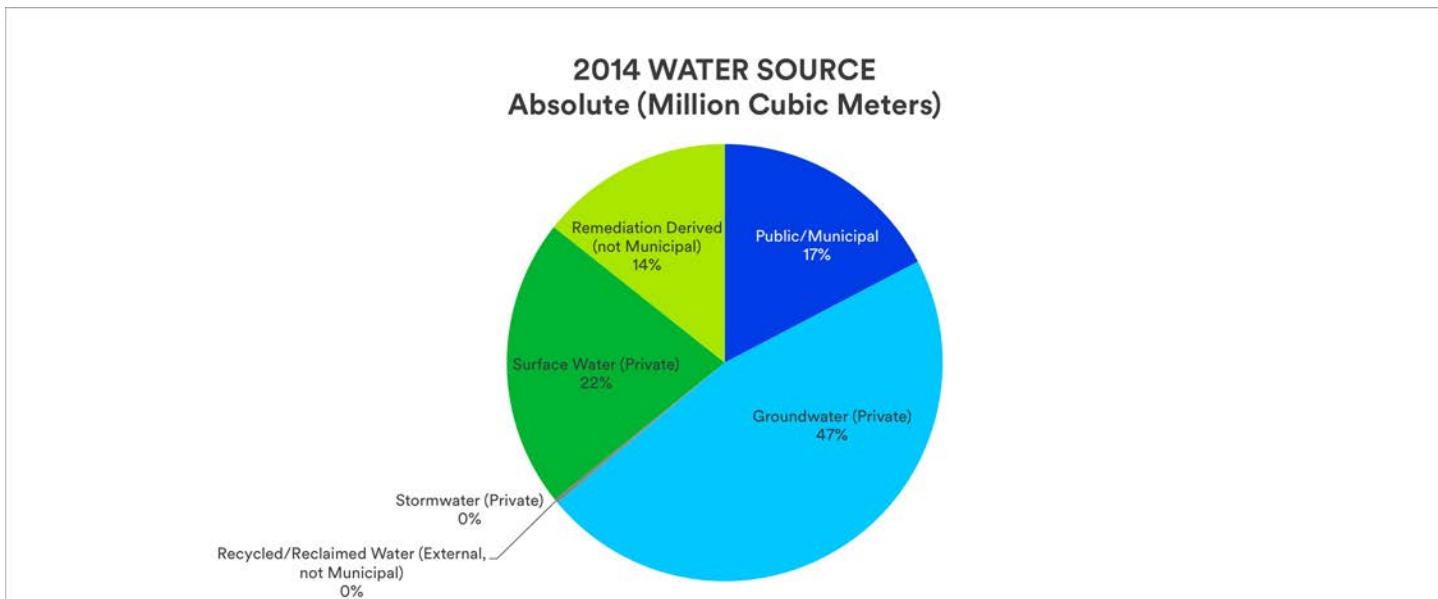
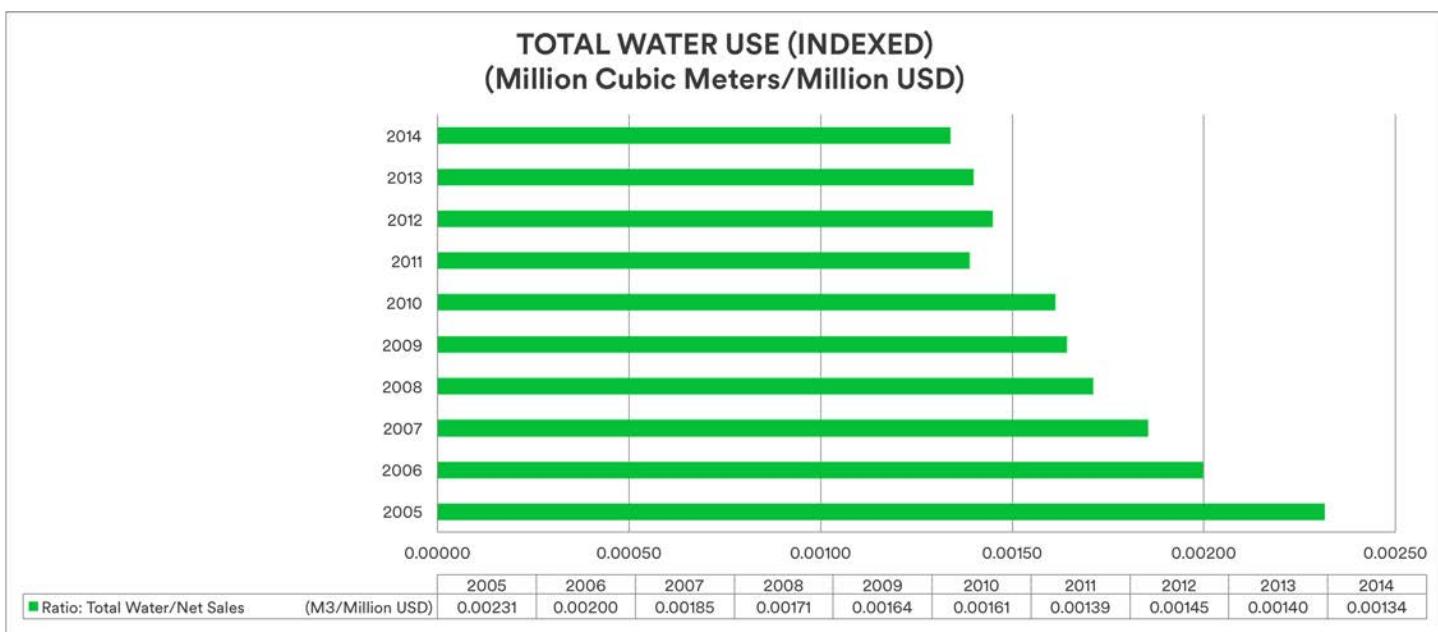
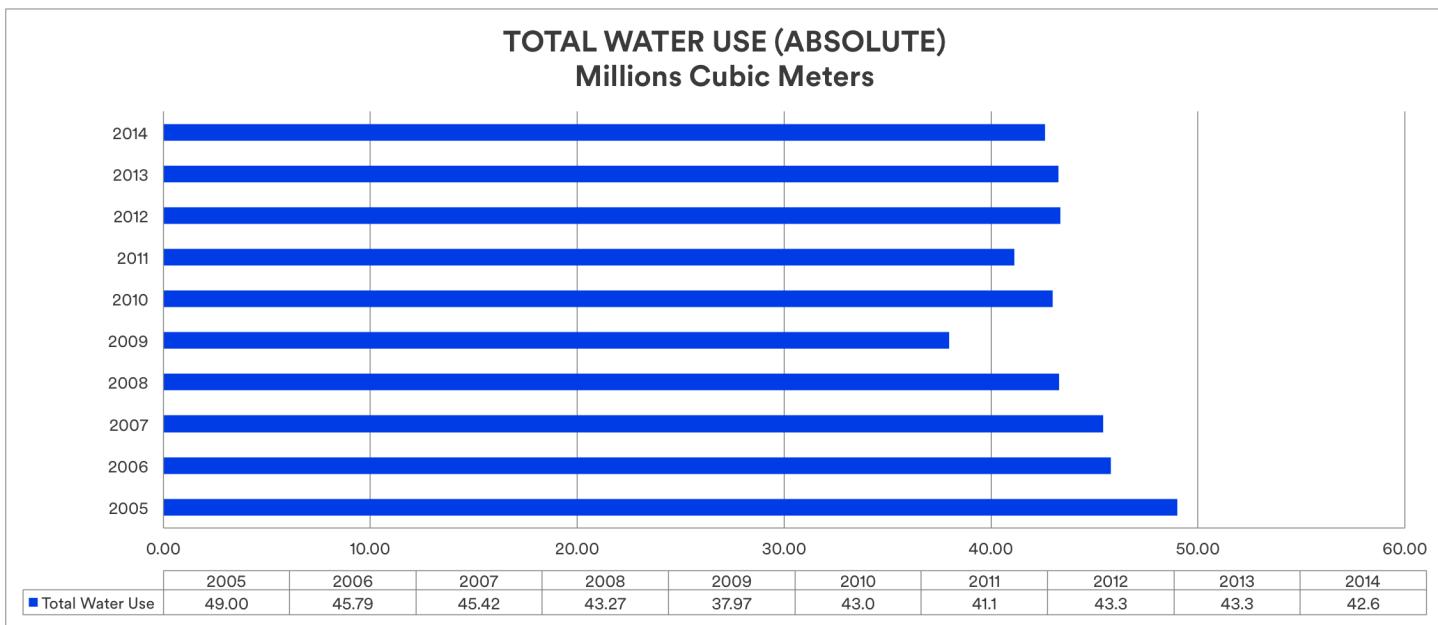
Understanding our full supply chain water footprint is important. We know that today, 3M manufacturing sites account for a majority of 3M's Environmental Operational Footprint. 3M estimates an additional 4 percent of water use from nonmanufacturing sites, including laboratories, distribution centers and office facilities. The water data provided below includes manufacturing sites that produce more than 4.50 metric tons (10,000 lbs) of product (98 percent of SVOP).

As our business continues to grow, conservation efforts indicate an actual use reduction of 13 percent. Indexed to net sales, there was a 42.1 percent decrease in water use globally from 2005 to 2014.

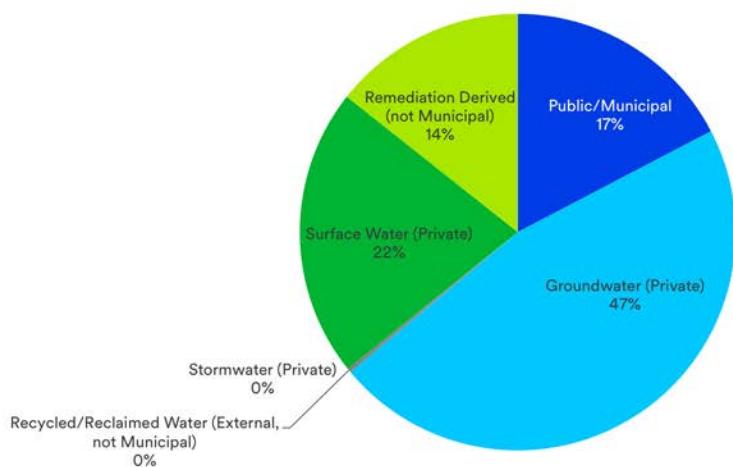
Further understanding of where water is originally sourced for use in our operations provides insight into our potential impacts within local watersheds. In 2014, based on 3M's detailed water assessment and survey across sites, results indicate that 17 percent of water is sourced from public/municipal sources, 47 percent is sourced from private groundwater sources, 21 percent is sourced from private surface water sources, and the remaining is from stormwater, remediation activity and externally recycled sources. Results also indicate a majority of 3M water use in operations is for processing products in manufacturing and heating or cooling of those processes and associated operations. We estimate that approximately 26 percent of the total water used is also recycled or reused for secondary use within operations in 2014. We believe this data is extremely conservative given our operations; therefore, we continue to improve our data accuracy through monitoring and measurement.

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

For more information about 3M's Water Management Standard, visit www.3M.com/Sustainability.



2014 WATER SOURCE
Absolute (Million Cubic Meters)



Stories



Treating water the way it deserves to be treated.

New sustainability standards for water treatment products were developed by 3M and partners to help keep your water clean and clear.

You expect the water that comes out of your faucet to be safe to drink. And you should. But have you ever thought about the products responsible for keeping your water clean? Most people don't give a second thought to what is behind the clear liquid that is so vital to their lives. Luckily you don't need to, because 3M has already taken care of it.

As a leader in the water filtration industry, 3M knows that having clean water is only half the battle. It is just as important that drinking water treatment products are made sustainably to ensure that our water will be safe long into the future. In partnership with the Water Quality Association and other industry manufacturers, 3M and other task force members helped develop a new suite of sustainability standards for these products.

These sustainability standards were created to give consumers and other stakeholders more information about their water filtration products. They examine social responsibility, environmental policies and supplier performance. They also focus on the raw material sourcing, manufacturing and end-of-life management of these treatment products. By taking the entire product lifecycle into account, these standards ensure that sustainable practices are used throughout.

After these sustainability standards were created, in 2013 3M products were the first in the industry to be certified. This included six 3M™, 3M™ Aqua-Pure™ and 3M™ Water Factory Systems™ Water Filtration Products.

We are committed to being a leader in environmental sustainability and helping lift overall industry practices. Now you can drink up without worrying one drop.



Clean water. Pure and simple.

We're cleaning up contaminated water in China with 3M™ filtration technology to keep locals healthy and hydrated.

Water is the most essential resource in the world. Plants, animals and humans require clean, safe water to live. But millions of people around the world lack access to this essential resource.

Many homes in China faced this exact issue. They needed a way to get clean drinking water without fear of getting sick. That's where 3M's China Purification Residential Water team stepped in to take on the challenge.

To start, the team worked on understanding local water filtration needs and what types of contaminants were common in the area. They then tailored a residential water purification product portfolio to meet the exact needs of the area.

The unique 3M™ filtration technology behind these products removed a wide range of local contaminants—while improving the taste and quality of the water. Besides a filter for clean drinking water, the team also developed water softeners, shower filters and water heaters specifically created with local needs in mind.

To date, hundreds of thousands of households in China have been positively affected by this project. Those people can now enjoy the world's most precious resource without having to fret about any resulting illnesses. It is 3M's goal to support human health and safety across the world, and it all starts with the one resource that no one can live without: water.

Energy and Climate

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

Energy and Climate

3M has a history of proactive leadership in addressing both the challenges and opportunities presented by climate change and energy conservation.

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

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

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

“Climate change is one of the most significant environmental threat to conservation and public health around the world. With nearly 2/3 of carbon emissions in the United States coming from the private sector, we can’t begin to address the climate crisis without leadership from America’s largest companies.”

– Marty Spitzer

Director, U.S. Climate and Renewable Energy Policy, WWF

Our Approach

Guiding Principles

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

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

Executive-Level Commitment

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

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

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

- Develop and maintain an inventory of our Scope 1 and 2 GHG emissions.
- Continue to improve energy efficiency in manufacturing and administrative operations, including all aspects of direct and indirect use of fossil fuels
- Manage emissions of our GHG to optimize reductions and cost benefits
- As part of our 2025 Goals, Increase renewable energy to 25% of total electricity use.
- Increase the use of energy efficiency products within 3M operations and encourage their use by 3M suppliers and customers
- Incorporate an evaluation of environmental and energy impacts throughout the full product life cycle (from raw material acquisition through manufacturing, use and disposal) as part of the Company's Life Cycle Management assessment process
- Invest in research and development to create new products and technology that will reduce the generation and emissions of GHG
- Develop partnerships and participate in a positive dialogue with governmental agencies and other organizations engaged in tackling climate change

Risk-Mitigation Planning

Severe weather and long-term trends could affect 3M's operations and supply chain. To address these and other risks, 3M has developed and maintains a systematic Business Continuity and Planning Process and Crisis Management Program. To implement this process and respond to specific incidents, 3M's Corporate Crisis Management Program coordinates efforts of local crisis management teams maintained at each 3M facility and international subsidiary. Corporate and local plans take into account natural disaster, infectious disease, employee safety, protection of assets, customer service and other business continuity requirements that may impact specific facilities and businesses. Every year, each local crisis management team must review and update its plan to reflect current conditions. It also performs a tabletop or actual crisis response exercise. 3M Corporate Auditing and Corporate Security monitor facility compliance with the Corporate Crisis Management Program.

3M mitigates supply chain risks through a variety of management practices, including 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.

Reducing Our GHG Emissions

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

Public Policy Engagement

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

In 2013, NCC made great advancements through engagement with U.S. EPA, many state environmental agencies, the Bipartisan Policy Center (BPC) and Resources for the Future (RFF). This work has accelerated in 2014.

Improving Our Energy Efficiency

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

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

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

Innovative GHG-Reducing Products for Our Customers

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

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

One of the challenges in this area is the wide range of potential approaches and assumptions being used for such calculations. To address these issues, 3M supports further development of common metrics and is working with the World Resource Institute and World Business Council for Sustainable Development (WRI/WBCSD), peer companies, governments and environmental organizations. The goal of these efforts is to enable 3M and others to provide cost-effective, accurate and useful information to customers and other stakeholders. Using product carbon footprint information, 3M has offset GHG emissions from certain products through the purchase of carbon offsets. To consistently manage carbon offsets, 3M adopted a Product Carbon Footprint Offsets Standard. This standard addresses the requirements for the calculation of product carbon footprints and the management of product carbon offsets.

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

Goals and Results

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

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

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

Industry-Leading Goals and Achievements

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

To put this in perspective, the value the Company has provided to society throughout that time period is equivalent to any of the following:

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

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

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

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

The total GHG Inventory encompasses the Company's diversity and complexity. A total of approximately 600 facilities, including R&D, manufacturing, distribution centers and administrative support offices within 3M's operational control, are accounted for in the current inventory. 3M's GHG Scope 1 and 2 Inventory account for all Kyoto Protocol Gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃) and additional GHGs that are not addressed in the Kyoto Protocol. Both Scope 1 (direct) and Scope 2 (indirect) emissions as categorized by WRI are included. 3M uses calculation methodology identified in the Intergovernmental Panel on Climate Change Fifth Assessment Report (IPCC AR5) to calculate global warming potentials (GWPs) for emissions occurring within the inventory boundaries. 3M determines the boundaries of the Scope 1 and 2 GHG Inventory according to the operation control approach as outlined in the WRI/WBCSD GHG Protocol Corporate GHG Accounting and Reporting Standard. 3M tracks and reports both absolute and indexed to net sales emissions data.

GHG emission data for 2012 - 2014 cannot be directly compared to years before because the WRI-based GHG accounting rules 3M has historically used were modified for 2012 – 2014 to comply and be consistent with the requirements of the U.S. EPA Mandatory Greenhouse Gas Reporting Rule (EPA GHG-MRR). In addition, use of the U.S. EPA GHG-MRR resulted in the re-categorization of some chemical emissions from Non-Kyoto to Kyoto gas and vice versa, which resulted in a significant change to 3M's Kyoto/Non-Kyoto GHG emissions distribution as compared to the time period prior to 2012. Accordingly, the 2012 inventory methodology serves as a new framework for future GHG reporting by 3M and other companies subject to the EPA GHG-MRR. 3M has recalculated our 2002 emissions inventory due to the 2012-2014 emission factor changes. This recalculated 2002 emissions inventory now serves as the new baseline to compare our emission reduction in future years.

Better Tracking of GHG Emissions From Our Suppliers and Customers

3M has been developing our Scope 3 GHG emissions inventory since the publishing of the WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard in October 2011. 3M places a high value on sound science and decision-making, so data reported is in accordance to the Standard. When the complexity of the supply chain does not allow for direct calculation, an input/output model calculation method is used. In 2013, a third-party audit of the input/output model was conducted in accordance with the WRI/WBCSD Corporate Value Chain (Scope 3) standard to verify and determine the quality of the data reported and reliability of the calculation method. The model has not materially changed since that audit.

3M has expanded our Scope 3 inventory this year by adding emission estimates for Categories 3, 4, 5 and 13 (see table). Categories 9, 10, 11, and 12 (related to emissions associated with sold products) remain very challenging for us, due to the number and complexity of products we sell, and the diversity of their uses by businesses and consumers across the globe. Many of our products are “intermediates” with many potential downstream applications, each with a different GHG emissions profile, making it impossible to reasonably estimate the downstream emissions associated with the various end uses of our intermediate products. However, we do offer many products that reduce GHG emissions for our customers – these are detailed in our Climate Change Solutions Catalog. In 2014 alone, about 15 million metric tons of CO₂ equivalents were avoided for our customers through use of various 3M product platforms calculated in accordance with the WRI/WBCSD GHG Protocol. We are in the process of estimating GHG emission reductions for other Climate Change Solution products, as well as evaluating the emissions impact for the few 3M products that use energy.

Future GHG Reduction Goals

As noted above, the early and rapid success the Company achieved presents a unique challenge when considering additional GHG reduction goals. The Company, in essence, has already set and achieved multiple GHG reduction goals in an accelerated time period (e.g. a 57 percent absolute reduction between 2002 and 2013 has already been achieved). The Company evaluated potential future goals in 2014 to further strengthen and demonstrate our commitment to help address climate change. Four new climate change related goals were agreed to internally in December 2014 and are being communicated publicly in May 2015 as part of a broader set of new 2025 Sustainability Goals. The following objectives played an important role as we evaluated and selected these new goals:

- Continuing our leadership demonstrated through early and significant actions taken in the early 2000's to reduce our own greenhouse gas emissions
- Driving the development and use of 3M products to help our customers reduce their greenhouse gas emissions
- Effectively balancing the above two considerations (that is, balancing our commitment to reduce our own greenhouse emissions while still developing and selling products that help our customers decrease their greenhouse gas emissions)
- Achieving new heights in our efforts to expand our use of renewable energy, thereby decreasing our dependence on fossil fuels
- Building on our long-standing practice of driving energy conservation practices through our operations

Setting Energy Performance Goals and Evaluating Progress

As previously noted, 3M has a long history in setting and achieving energy conservation goals. In 2010 as part of our 2015 Sustainability Goals, 3M set a global goal to increase energy efficiency by 25 percent in 2015 from a 2005 base year. That goal was achieved in 2010, so we established a new internal goal to improve by an additional 15 percent for a total increase of 40 percent in energy efficiency. We are presently on track to meet our new goal. Finally, energy efficiency and increasing our renewable energy use are key parts of our 2025 Sustainability Goals.

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

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

Total Energy Use

3M's commitment to improving energy efficiency is evident in the figures and goals summary that follows. From 2000 through 2014, 3M reduced energy usage by over 50% indexed to net sales. Having exceeded its energy-reduction goal ahead of schedule, 3M set an internal target to improve energy use per unit of product an additional 3 percent annually (2010–2015). Achieving these goals would help prevent an additional 1.3 million metric tons of related CO₂ emissions.

All manufacturing locations and other locations greater than 30,000 square feet (2,787 square meters) report energy use and energy costs monthly into an electronic reporting system monthly. Data is analyzed at the facility, division, business unit and corporate levels quarterly for 3M's major business as part of 3M's EHS Management System Scorecard previously described.

Investing in Renewable Energy

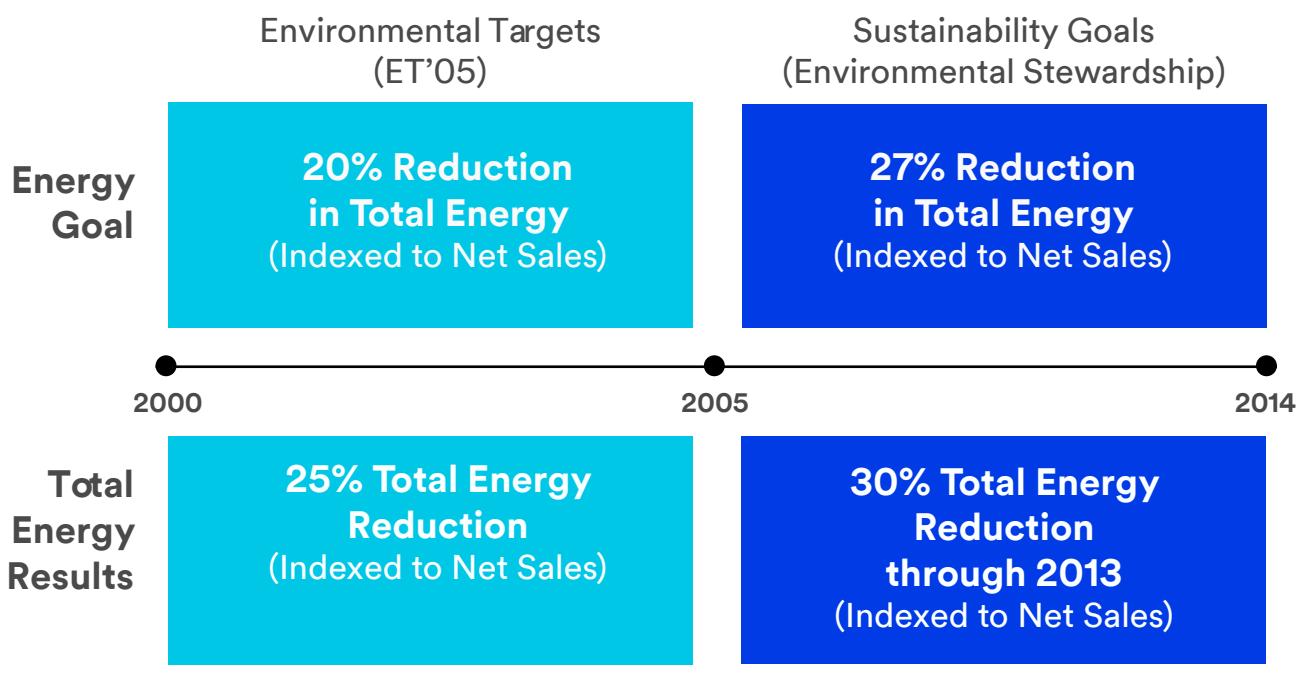
3M continues to evaluate, invest in and incorporate on-site renewable energy sources within our own operations where feasible while continuing to expand and collaborate with external partners. We estimate that approximately 1 percent of 3M energy used today is from renewable sources generated on-site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

Energy Highlights

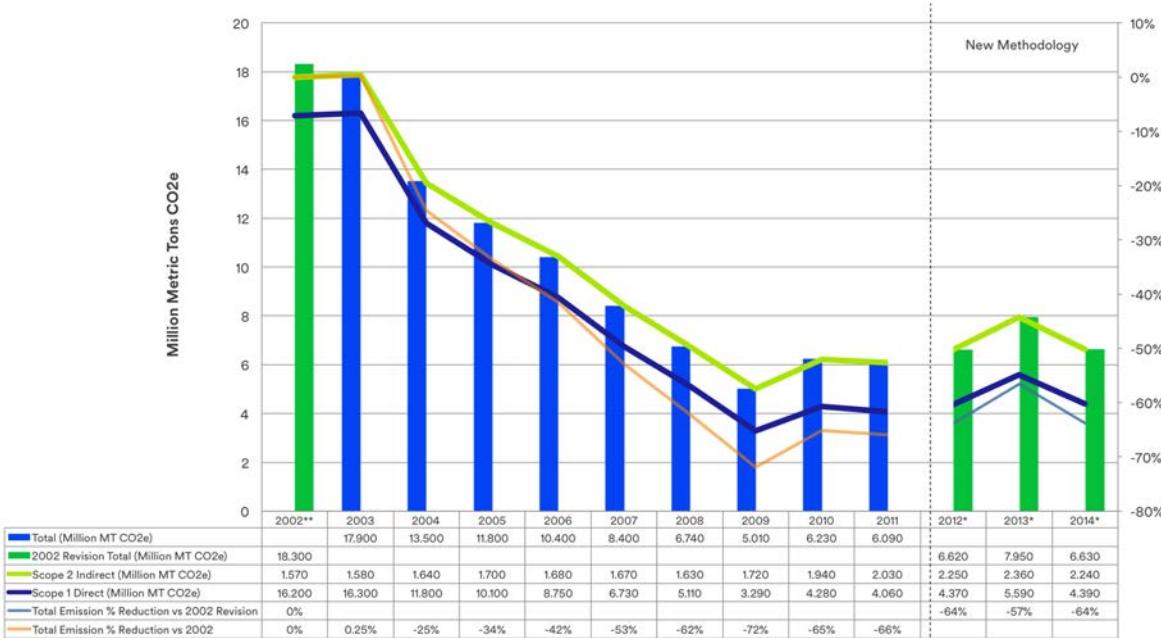
3M implemented over 400 energy efficiency projects globally in 2014.

- We formed partnership to develop novel solutions for transportation, IT and electronics.
- We leveraged grants to advance CO₂ recycling, fuel system, battery and solar technologies.
- We maintained the Global Energy Data Validation and Utility Review to identify savings within facilities, emphasizing the importance of engaging with supporting utilities to understand and verify data accuracy.
- We achieved ISO 50001 certification at 11 sites, and nine more sites are pursuing certification.

Energy Goals History and Results



2002-2014 Reductions in Absolute GHG Emissions

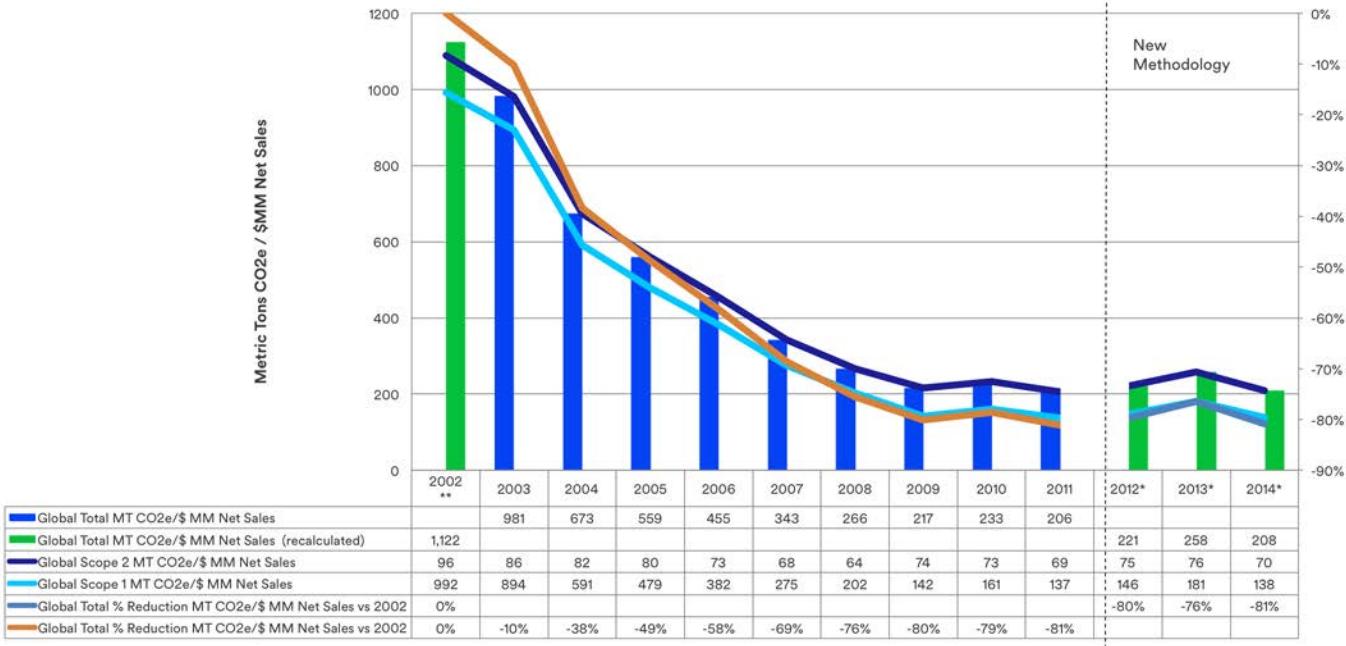


*2012-2013 US EPA GHG-MRR/IPCC AR5 based inventory accounting is not directly comparable to 2002-2011 WRI/IPCC TAR,AR4 based GHG accounting.

**Under US EPA GHG-MRR/IPCC AR5 methodology, >95% of total reported emissions are from Kyoto gases

**2002 Inventory recalculated according to US EPA GHG-MRR/IPCC AR5 methodology (2.7% Increase in absolute emissions over original reported value)

2002-2014 Reductions Indexed to Net Sales



*2012-2013 US EPA GHG-MRR/IPCC AR5 based inventory accounting is not directly comparable to 2002-2011 WRI/IPCC TAR,AR4 based GHG accounting.

**Under US EPA GHG-MRR/IPCC AR5 methodology, >95% of total reported emissions are from Kyoto gases

**2002 Inventory recalculated according to US EPA GHG-MRR/IPCC AR5 methodology (2.7% Increase in absolute emissions over original reported value)

3M Scope 3 - Greenhouse Gas Emissions

Scope 3 Category	Metric Tons of CO2e				Boundary	Comments
	2011	2012	2013	2014		
UPSTREAM EMISSIONS						
1	Purchased Goods and Services	7,620,000	8,155,000	8,357,000	8,329,000	3M Operational Control From Climate Earth using Input/Output Model based on 3M spend
2	Capital Goods	498,000	584,000	647,000	812,000	3M Operational Control From Climate Earth using Input/Output Model based on 3M spend
3	Fuel and Energy Related Activities (not including scope 1 or scope 2 emissions)	Partially included in Scope 1 and Scope 2 emissions reporting			551,000	3M Operational Control Emissions from transmission and distribution losses (Category 3c) are included in Scope 2 inventory.
4	Upstream transportation and distribution	Not Evaluated	1,510,000	1,230,000	995,000	3M Operational Control Emissions disclosed in previous years were miscategorized as Category 9. Data does not include emissions from transportation of raw materials from suppliers.
5	Waste generated in operations	29,000	Estimated <1% of Total Upstream Emissions	Under Evaluation	Insufficient data	3M Operational Control Plan in place to calculate for 2015
6	Business Travel	Not Evaluated	58,600	57,000	61,100	3M Operational Control Environmental Lab calculated from 3M primary data on business travel
7	Employee commuting	Not Evaluated	352,437	353,000	358,000	3M Operational Control From Climate Earth using Input/Output Model based on 3M employee population
8	Upstream, leased Assets	0	0	0	0	3M Operational Control These emissions are included in Scope 1 & 2, because they are all under 3M Operational Control
	TOTAL UPSTREAM	8,147,000	9,150,000	9,414,000	11,106,000	Net GHG emissions based on the categories evaluated
DOWNTREAM EMISSIONS						
9	Downstream transportation and distribution	Not Evaluated - see comments				Most of 3M's 60,000+ products are intermediates with many potential end uses. According to the GHG Protocol Scope 3 Calculation Guidance, a company that produces intermediate products with many potential downstream applications, each with a potentially different GHG emissions profile, cannot reasonably estimate the downstream emissions associated with the various end uses of the intermediate products.
10	Processing of sold products					
11	Use of sold products					
12	End of life treatment of sold products					
13	Downstream leased assets	Not Evaluated	Included in Scope 1 or Scope 2 emissions reporting			3M Operational Control 3M reports facilities leased to 3rd parties under Scope 1 and 2. Additional properties leased account for <1,000 metric tons CO2e.
14	Franchises	Not Evaluated	0	0	0	3M Financial Control No franchises under 3M financial control
15	Investments	Not Evaluated	0	0	0	3M Financial Control No investments under 3M financial control
	TOTAL DOWNSTREAM	-	-	-	N/A	All downstream categories either don't apply or are de minimis

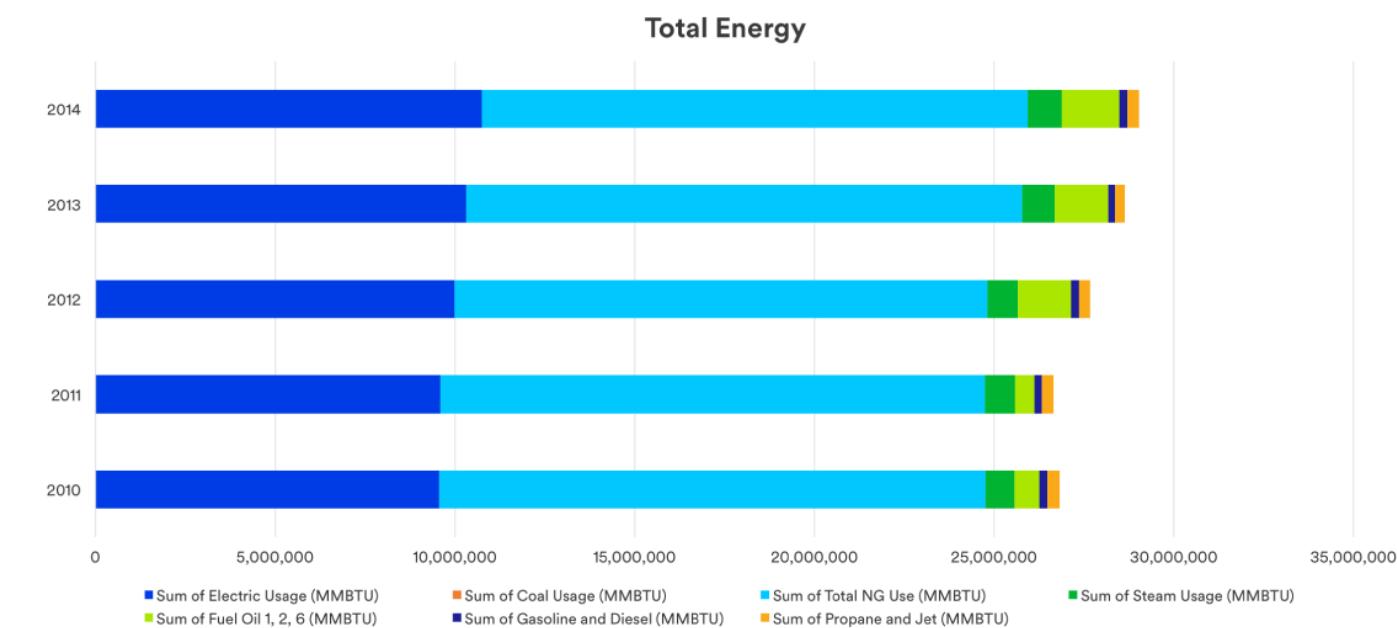
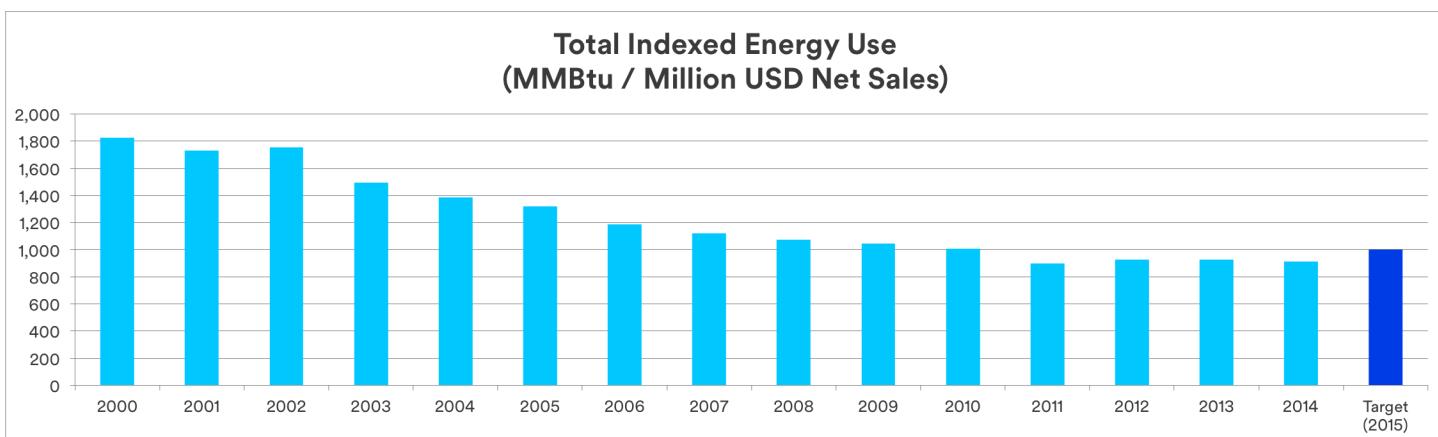
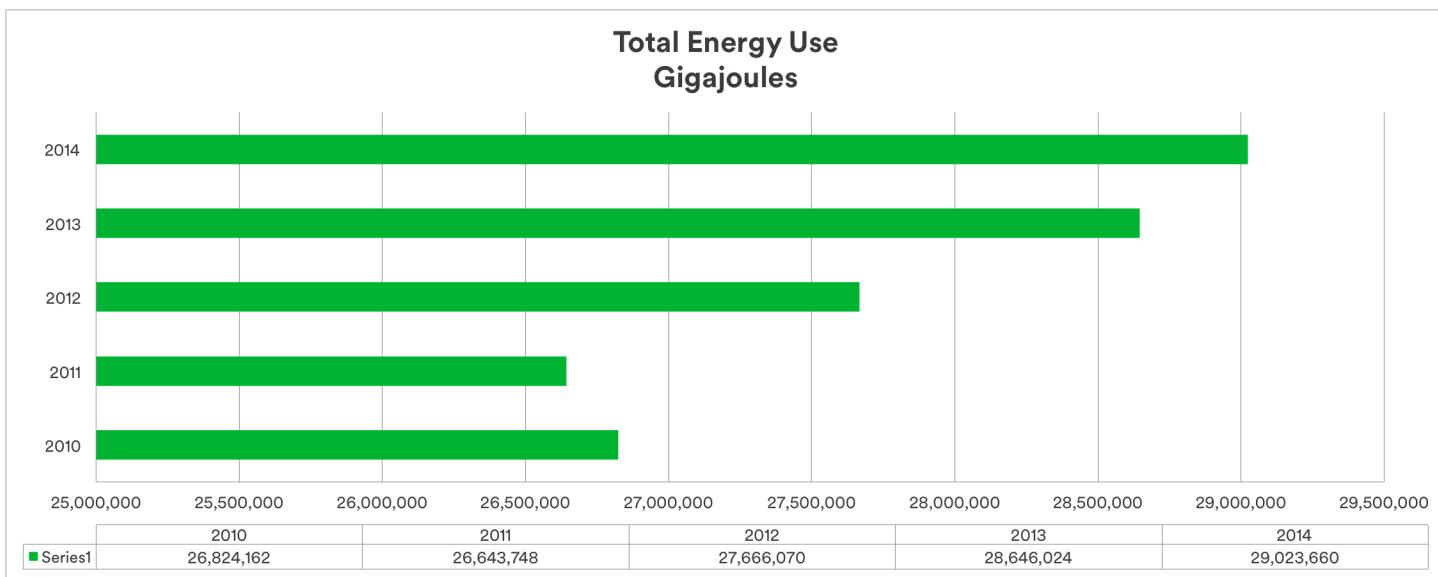
NOTES

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

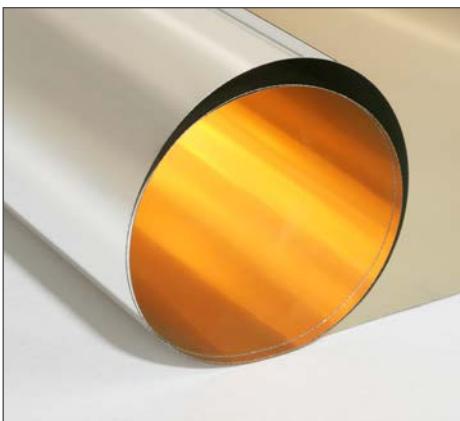
2 An input/output model calculation methodology based on spend by commodity was used in collaboration with Climate Earth for categories 1 and 2, and based on employee headcount by country for category 7.

3 A third party audit of the input/output model data in accordance to the WRI/WBCSD Corporate Value Chain (Scope 3) standard was conducted in 2013 to determine the quality of the data reported and the reliability of the calculation method. The model hasn't materially changed since this audit.

4 Estimated Scope 3 data uncertainty is ±50% (WRI/WBCSD, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011)



Stories



3M's ESR films, some of the most highly reflective, help your screen leverage light.

Mobile devices with dazzling displays using 3M reflector films are thinner, lighter and more sustainable

Our world is growing evermore connected. You can communicate with just about anyone, anywhere, anytime on your mobile device. These amazingly powerful tools have become an indispensable aspect of daily life around the planet.

And when that much of our time is spent on our mobile devices, it is essential their displays are as vivid as the world around us. 3M™ Enhanced Specular Reflector (ESR) Films allow designers to bring us more attractive mobile displays and sustainable design.

3M™ ESR is some of the most reflective mirror film available on the market today. It's also paper-thin. These qualities help extract the most from a mobile display's supply of light. This means that day or night, a mobile screen can maximize display vibrancy. 3M™ ESR film also enables designers to design screens and hardware that are thinner and lighter, resulting in less materials used.

All of which means your device can be made to use less energy. Which translates into using smaller batteries. And as a result, the impact of battery material consumption and disposal is reduced.

3M ESR films derive their efficiency from the advanced way they reflect recycled light rays back towards the user. With the widespread global adoption of mobile devices, the use of this display film creates a tremendous opportunity for widespread sustainable impact.



Harnessing the power of the sun—and our employees—to make an impact.

3M provided employees with resources to bring more sustainable solar energy into their homes.

Our employees love making a difference—especially when they can apply science and innovation to change lives. We're proud of their efforts and have committed to helping them change their world outside of work.

Because 3M is dedicated to reducing greenhouse gas emissions, we wanted to empower our employees to do the same. And what better way than harnessing the power of the sun?

By partnering with the World Wildlife Fund and four other companies, 3M negotiated a significant discount for employees on services and materials to create solar-powered homes. The program gave them the resources they needed to make a sustainable change to the way they live and the impact they have on the environment. It offered installation services, equipment and financing options. Best of all, it was available to family and friends, as well.

In addition, the solar PV systems available to our employees could be requested with 3M components such as 3M™ Scotchshield™ Backsheet Film, 3M™ Solar Encapsulant Film, 3M™ Solar Tapes and 3M™ Anti-Reflection Coating. So whether at work or at home, they know that 3M is dedicated to bettering their lives.

After the first seven months of this program, more than 70 employees had solar PV systems installed in their homes and 443 more were registered to have their homes evaluated.

We think that's a great start—and the sign of a very powerful future.

Health and Safety

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

Health and Safety

For decades, 3M has had entire business divisions focused on creating products and services focused on creating human health, protection, security and safety.

Health and safety issues are prevalent, and concerns are growing to ensure safe and healthy workplaces around the world. Governments, corporations and consumers are driving global demand for safety, protection, healthcare and food safety solutions. Food poisoning and water-borne illnesses lead to the deaths of 3 million people across the globe each year. At the same time, approximately one of every 20 hospitalized patients in low- and middle-income countries will contract an infection while under medical care.

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

“Respirators can be an important component in the fight against Ebola. The recent outbreak of the Ebola virus has proven to be the most deadly in recent history. 3M is dedicated to offering its resources to this worldwide, humanitarian effort.”

– Oyebode A. Taiwo

M.D., M.P.H. Global Medical Director at 3M

Overview

Protecting our most important asset, 3Mers. Our innovations are only possible with the minds, talent and commitment of all of our employees worldwide. So, we put a lot of thought and effort into keeping them safe and healthy. Our robust Safety and Health Policy applies to all 3M operations worldwide, including new acquisitions. It is based on our core business values and stems from our Environmental, Health and Safety (EHS) vision for “Safe and Healthy People, Products and Planet.” It holds anyone working at or visiting a 3M location to strict safety and health requirements.

Approach

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

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

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

A five-year objective to achieve risk reduction related to high-hazard activities was launched in 2014. The goal for Safety and Health in 3M is for all sites to achieve 100 percent conformance to six critical GSHP standards related to risk management of high-hazard activities:

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

Risk Assessment and Prioritization (RAP)

Risk Assessment and Prioritization or RAP is a practical new approach to risk management that has been incorporated into existing facility risk management systems since 2013. In most situations it supplements rather than replaces existing hazard management tools. 3M has participated with member companies in ORCHSE Strategies, LLC's Occupational Safety and Health Group Network, in a multiyear project that analyzed years of injury and illness data and conducted research into human performance. Individuals and teams of knowledgeable professionals identified the effective elements companies must have in place to reduce the incidence of FSIs.

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



Measuring Risk Reduction Impact

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

Approximately 14,000 risk assessments were completed in the Worldwide Incident Management System (WIMS) database in 2014. Approximately six percent of these assessments had risk levels that required action to achieve acceptable risk reduction. The data has proven itself invaluable due to our ability to track risk reduction in terms of real numbers. The WIMS database provides measures of how timely the risk reductions are being implemented. 3M locations set goals for themselves not only for conducting targeted numbers of risk assessments but also for reaching timely closure of implemented improvement actions.

Operational Risk Management

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

Risk Assessment Matrix

Choose most appropriate factor for each column

P-Probability of control	F - Frequency of exposure	C - Consequence severity	Risk Level Score PxFxC
Highly effective	Very rare	Very minor/near miss	Level I
Effective	Rare	Minor	Level II
Somewhat effective	Unusual	Moderate	Level III
Somewhat ineffective	Occasional	Serious	Level IV
Ineffective	Daily	Severe	Level V
Highly ineffective	Repetitive	Catastrophic	Level V

Process Hazard Risk Management

Process Hazard Management (PHM) is a systematic approach for prevention of process-related fires, explosions and sudden release of toxic materials. 3M PHM employs accepted industry practices and regulations. 3M PHM allows facilities to identify, control and verify that process hazards are understood and managed. The framework for PHM consists of:

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

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

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

Comprehensive Chemical and Noise Exposure Risk Assessment and Management

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

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

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

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

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

Ergonomics Risk Management

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

3M's vision for ergonomics is to eliminate the existence of unacceptable levels of WMSD risk exposure as defined by the Ergo Job Analyzer (EJA)©. A long-term EHS Scorecard Metric since 2008, approved by the EHS Committee, is to drive progress toward achieving this goal. While the goal is to reduce WMSD risks to the lowest level feasible, focus is

first given to the potential higher-risk operations, processes or tasks.

Auditing and Compliance

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

Safety and Health Committees

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

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

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

Formal Safety and Health Committees are the most active and visible way that this is demonstrated within 3M. In fact, this aspect is represented by its own standard of performance in the GSHP that requires locations to establish and maintain active safety and health committees. They are defined specifically as an organized group of employees from all levels of the facility whose function is to support the safety and health management system by identifying preventive and corrective measures needed to eliminate or control recognized safety and health hazards. In 2014, 97% of 3M manufacturing facilities worldwide have active employee safety committees.

Goals and Results

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

Our Footprint

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

3M follows the U.S. Occupational Safety and Health (OSHA) recordkeeping rules and formulas to record and measure injury and illness rates worldwide. All 3M employees and contingent employees, regardless of facility type but within 3M's operational control, are covered by our injury and illness recordkeeping rules. In addition, contractors are asked

to submit notification to 3M of worker hours and any injuries occurring while performing work in accordance with a 3M contract.

Fatal Incidents

3M experienced zero fatalities in 2014 for employees and contractors.

The risk management of high hazard activities has become an ongoing and systematic approach across the company and will continue to be used to determine the effectiveness of hazard controls in the workplace.

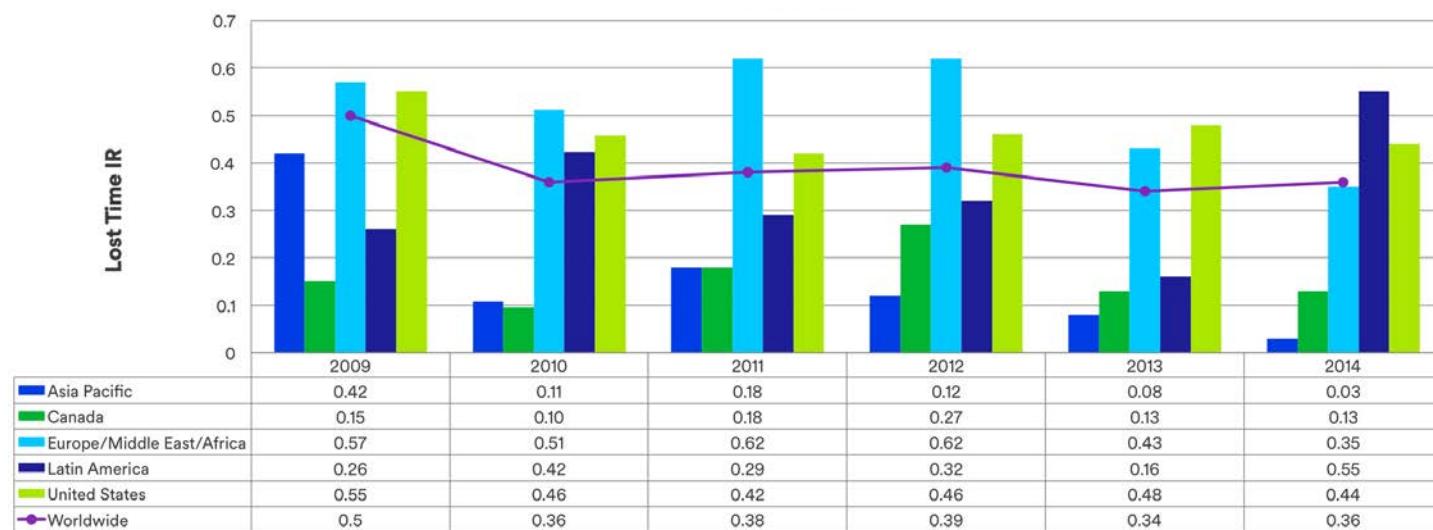
Fatalities	2010	2011	2012	2013	2014
Total Employees (work-related fatalities)	1	0	1	1	0
Total Contractors (work-related fatalities)	0	1	1	1	0

Injury and Illness Rates

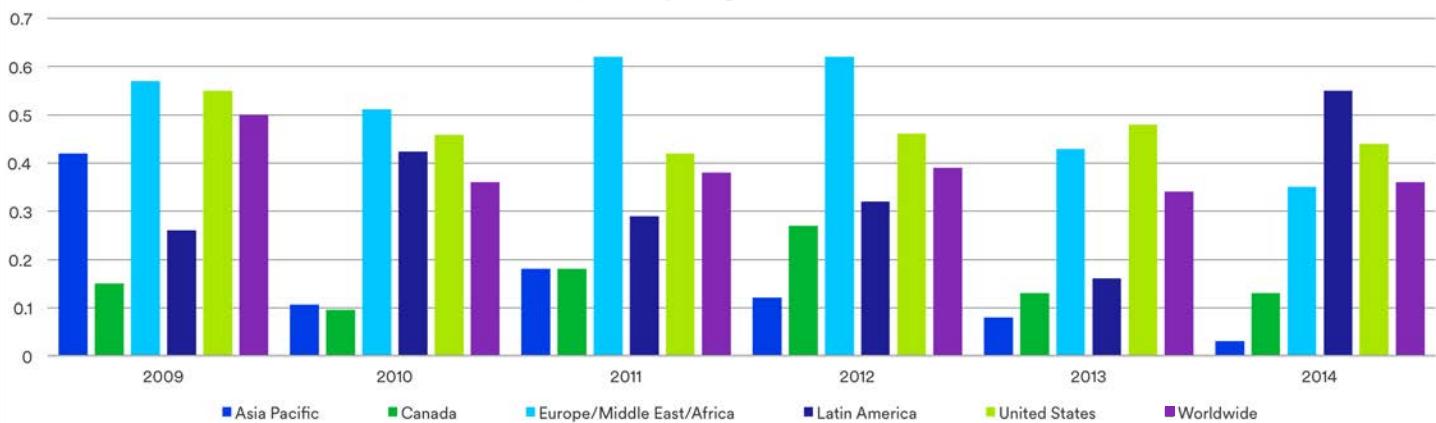
Global incident rates for injuries and illnesses with days away from work have declined 39% since 2006. The most frequent cause of injuries is from contact with objects or equipment.

The implementation of the new risk management process is primarily designed to prevent fatal and serious injury events related to certain activities at 3M that have resulted in more frequent injuries than others.

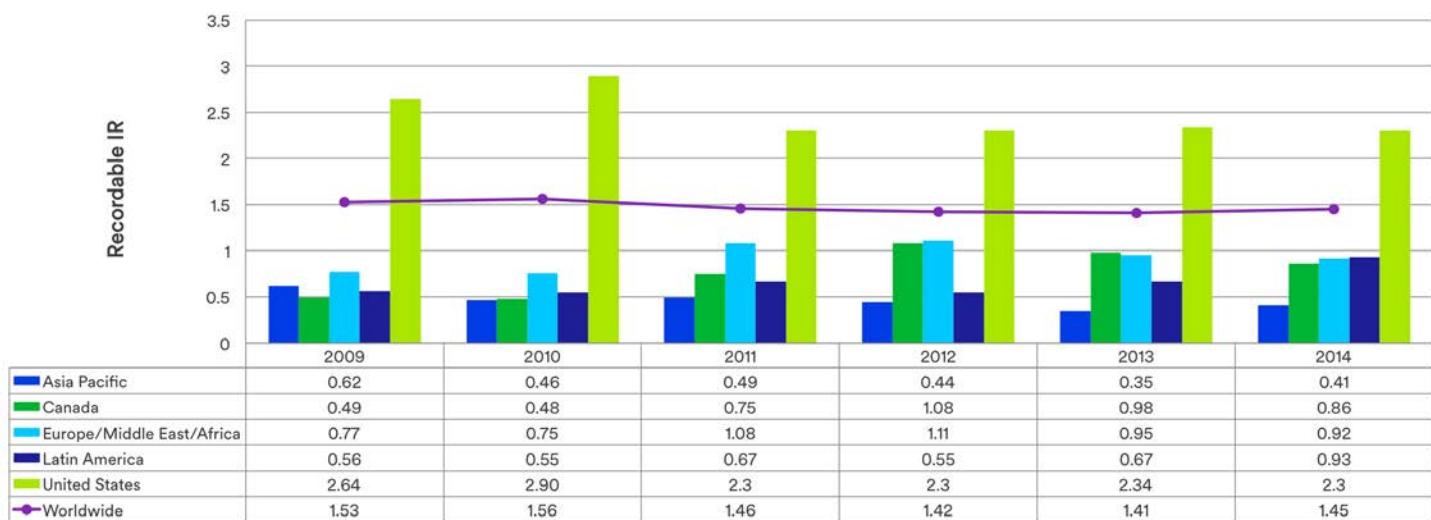
3M Worldwide - By Region - Lost Time Trends



3M Worldwide- By Region: Lost Time Trends



3M Worldwide - By Region - Recordable Trends



Global Safety and Health Objectives

2014 Sustainability Metrics Objectives & Results - Health

OBJECTIVES	YEAR END	RESULTS
Implement Air and Noise Monitoring Certification program to enhance protection and performance	2014	An updated Air & Noise Certification training program including proficiency testing was completed in 2012. Implementation began in late 2012 with a total of 27 percent of sites globally having an assigned certified resource.
<ul style="list-style-type: none"> • Develop Air and Noise Monitoring Certification program • Certify an Air and Noise Monitoring resource for each site where monitoring is conducted 		Hands on training sessions resulted in 90% of all facilities achieving an Air and Noise Certified resource against the 2012 base target.
Develop and Implement new medical surveillance applicability analysis system	2017	In progress.
<ul style="list-style-type: none"> • Integrate new medical surveillance applicability analysis module into the global exposure assessment system. • Develop and deliver training on new module for all global users. !		A new medical surveillance applicability analysis system was successfully implemented globally in Q4 of 2014.
Job tasks associated with targeted high hazard activities are evaluated for adequate control using the 3M Risk Assessment & Prioritization (RAP) tool.	2018	In progress
<ul style="list-style-type: none"> • Affected sites meet 95 to 100% of requirements for: <ul style="list-style-type: none"> - Work performed near mechanical hazards; - Work performed at height; - Operation of mobile equipment or vehicles; 		23% (50 of 222) of affected facilities have met the 2018 objective.
Process Hazard levels are determined for every process in the covered facility using the Hazardous Process Evaluation Tool (HazPET)	2018	In progress
<ul style="list-style-type: none"> • 95 to 100% of affected facilities meet the objective for HazPET reporting requirements 		87% of affected facilities have met the 2018 objective for HazPET reporting requirements.
E-A-Rfit system implemented for all high priority sites	2018	In progress
<ul style="list-style-type: none"> • Develop and deliver training for effective implementation of E-A-Rfit system. • Implement E-A-Rfit across all sites with large hearing conservation programs. 		EARfit systems are now located at regional support locations covering all regions in the world. Training and implementation guides are now available globally.
Validate protection factor for first tier priority operations with required respirator use.	2018	In progress
<ul style="list-style-type: none"> • Build reports to efficiently identify all first tier priority operations and relevant air sampling data for applicable respirator tasks. • Complete validation of all respirator assessments for first tier priority operations. 		A process for accessing and analyzing exposure assessment data globally has been identified.

Stories



Donating nearly one million respirators to help stop the spread of Ebola.

3M is helping contain the deadly Ebola virus by sending respiratory protection to those who need it most.

Many types of workers, including health care workers play a key role in the successful containment of outbreaks of infectious diseases like Ebola. These brave individuals require effective protection that helps them remain healthy throughout an outbreak.

Many healthcare workers have found a crucial piece of protection in the fight against Ebola to be respiratory protection. And 3M has been an industry-leader in disposable particulate respirators since 1972. The World

Health Organization recommends the use of respiratory protection during certain medical and lab procedures involving suspected or confirmed cases of Ebola virus.

3M particulate respirators are relied upon worldwide to help filter bacteria and viruses and help protect people from harmful airborne dust. In West Africa, particulate respirators are helping to provide the protection workers need to do their jobs effectively.

That's why 3M donated nearly one million respirators to help aid workers fight the spread of Ebola. Project HOPE, MAP International and Direct Relief International distributed N95 3M disposable respirators to workers in Sierra Leone and surrounding areas. We hope those in affected areas can breathe a bit easier knowing they have protective help.



Sticking with our patients.

3M™ Single Patient Tape Rolls are preventing the spread of disease and eliminating waste, one roll at a time.

Nurses are busy. They're constantly moving from patient to patient and room to room. This constant hustle requires tools and solutions that are safe, effective and easy to use.

One of those tools is medical tape. In the past, nurses carried large rolls of tape with them between rooms. But when it was discovered that pathogens,

including antibiotic-resistant bacteria, could be found on partially used rolls of tape, the federal government and the Centers for Disease Control and Prevention (CDC) stepped in. To combat the potential for cross contamination, guidelines were published instructing healthcare providers that tape rolls must be dedicated to a single patient, or disposed of after use.

Their goal? To prevent the rise of antibiotic-resistant bacteria.

While this addressed the issue of traveling pathogens, it didn't take into account the rapid increase in waste and cost that hospitals would incur. Through our field research, we found that hospitals discarded 70 – 90% of a roll.

In response to the rise in waste, 3M™ designed Single Patient Use Rolls of our most popular tapes for hospitals. The length of the roll has been decreased from 10 yards to 1.5-2 yards—reducing the problem of waste and addressing health safety concerns in hospitals.

If nurses in the US were to use our rolls for just half of the patients discharged from hospitals, it would eliminate 63,624 miles of landfill material. Now that's good for the Earth and for all the people living on it.

Education and Development

3M works hard to create a better world for everyone, and our sustainability approach revolves around education and development within global communities and our workforce.



Globally Diverse Workforce

Overview

We apply science in collaborative ways to improve lives daily. Our science not only impacts our customers around the world, but also makes a difference in the way we work. At 3M, we are a collaborative, diverse group of people whose ideas transform the future. We continuously build and enhance our inclusive culture, creating an environment where our people feel safe, engaged and free to create.

Our science not only impacts our customers around the world, but also makes a difference in the way we work.

“Thanks to 3M, nearly 200,000 students in all 50 states have received the classroom materials they need to build a solid foundation in the STEM fields,”

— **Charles Best**
founder of DonorsChoose.org

Approach

Having a diverse global workforce and an inherently collaborative culture helps us generate more ideas, which yield more innovative solutions. As global markets expand and more than 60 percent of 3M's sales occur outside the United States, we rely increasingly on employees who understand the needs of our global customers. Valuing and leveraging the different perspectives of our employees help us maintain our competitive edge. With operations in more than 70 countries, we want our employees to be representative of all the markets and customers we serve. This ensures that different values, backgrounds and cultures are represented in all that we create. Our goal is to reflect the diversity of our global presence and grow by encouraging each employee's unique abilities.

Recruiting and Retaining Diverse Talent

3M is committed to creating a culture that champions diversity and inclusion. We are intentional about attracting and retaining the right talent and helping our employees advance in their careers.

In prioritized countries, we participate in recruiting fairs at top colleges and universities, and we attend many additional recruiting events that attract thousands of talented, diverse candidates. During 2014, in the U.S. alone, we attended several of these events, including:

- American Indian Sciences and Engineering Society
- Asian MBA
- Martin Luther King Jr. Day Career Fair
- National Black MBA Association
- National Organization for the Professional Advancement of Black Chemists and Chemical Engineers
- National Society of Black Engineers
- National Society of Hispanic MBAs
- Reaching Out LGBT MBAs

- Saudi Arabia Cultural Mission
- Society of Hispanic Professional Engineers
- Society of Women Engineers (two events)
- South by Southwest
- The Consortium for Graduate Study in Management
- University of Saint Thomas Multicultural Forum Career Fair

Creating an Inclusive Culture

3M fosters an inclusive work environment where employees thrive and are engaged. We want all employees to feel free to create and innovate — because innovation drives growth. Inclusiveness has become an integral part of our Leadership Behaviors, which we expect all employees to demonstrate.

To encourage this, we have created a global development program that will reach more than 20,000 employees in 2014. The main topic, “uncovering unconscious bias,” is woven in to different courses such as Cultural Competence and Global Mindset, Engaging Diverse Perspectives, and Women in Leadership. Since we believe that every single person at 3M is accountable for creating an inclusive environment, we recently launched a new inclusion initiative called “I’m in” in 50 countries. It focuses on strengthening our corporate culture where all employees feel valued, engaged, free to be themselves – and where they can thrive.

3M also encourages and supports Employee Resource Networks (ERNs). 3M ERNs give employees an opportunity to network and enhance their leadership skills while also providing the company with exceptional diverse talent. 3M’s ERNs also work with 3M businesses to provide relevant customer insights, and they sponsor innovative educational opportunities that advance all employees. These networks include:

- A3CTION (Asians and Asian-Americans Coming Together for Innovation and Opportunity Network)
- African American Network
- disAbility Awareness Network
- GLBT+ Network
- Latino Resource Network
- Military Support Network
- Native American Network
- New Employee Opportunity Network
- Team Austin (a collaboration of our Employee Resource Networks on our Austin campus)
- Women’s Leadership Forum

ERNs partner with 3M businesses to tackle specific business challenges, often with impressive results. Many of our ERNs are able to identify significant market potential in specific customer segments – some of which include millions of current or potential customers. For example:

- GLBT+ has been instrumental in driving changes to our policies and benefits offerings. As a result, we were recognized as a Best Place to Work for LGBT Equality with a rating of 100 percent for the fourth year in a row.
- Our businesses are leveraging ERNs to accelerate growth in emerging markets. For example, the Industrial and Transportation Business partnered with the Latino Resource Network to understand how to engage and sell to diverse customers using a multicultural business development process.
- 3M’s Women’s Leadership Forum is a global effort to attract and develop leaders at all levels of the organization. Its mission is to accelerate the inclusion and advancement of women worldwide. The Women’s Leadership Forum works in partnership with other organizations and has three strategies: developing the individual, influencing the culture, and supporting the visibility and advancement of women. Chapters start at the grass-roots level and include all women and men, and are now established in more than 40 countries and locations.

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

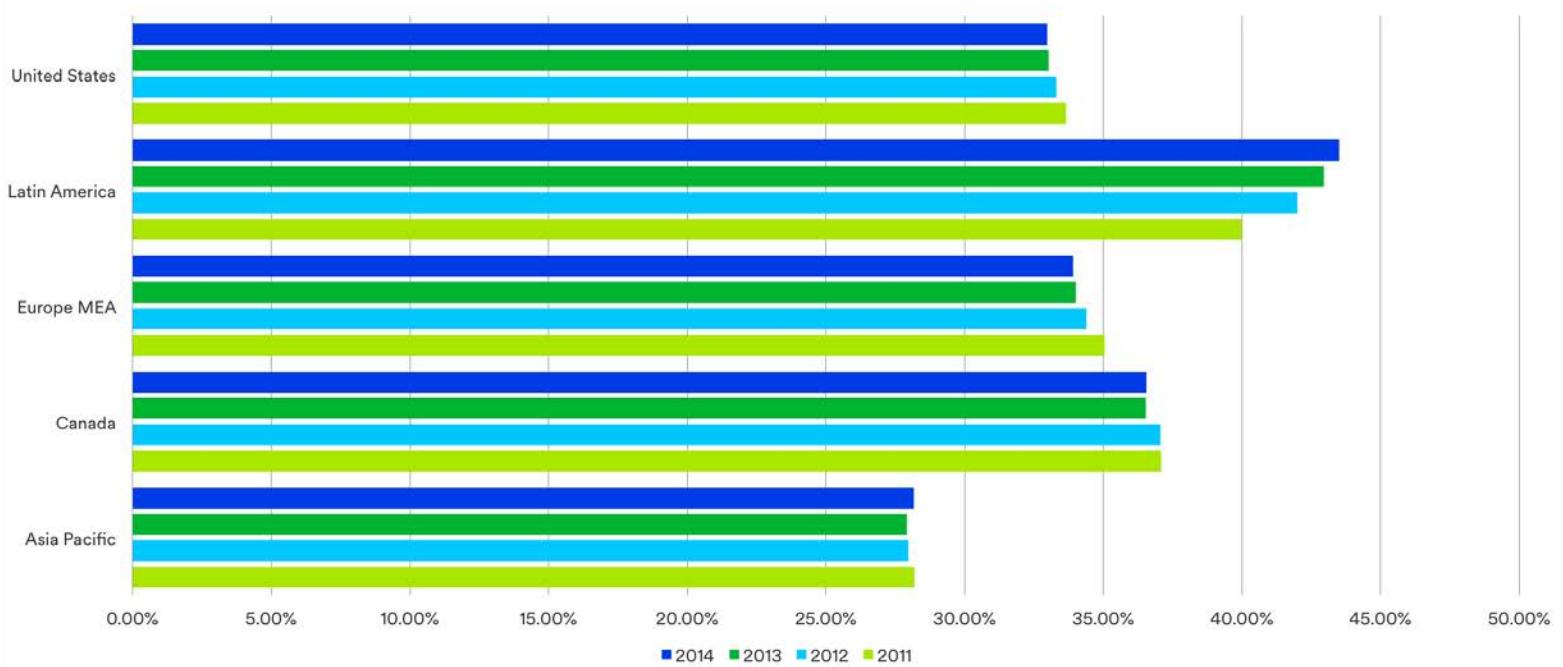
Our Footprint

The employee metrics below are reflective of employee headcount (total number of 3M full-time and part-time employees) not 3M full-time equivalent (FTE) employees. 3M's Annual Report (PDF) reports employee FTE for all 3M legal owned entities at year end 2014. Due to acquisition integration schedules onto 3M's human resources systems, detailed employee information below may differ from employee totals in 3M financial reports.

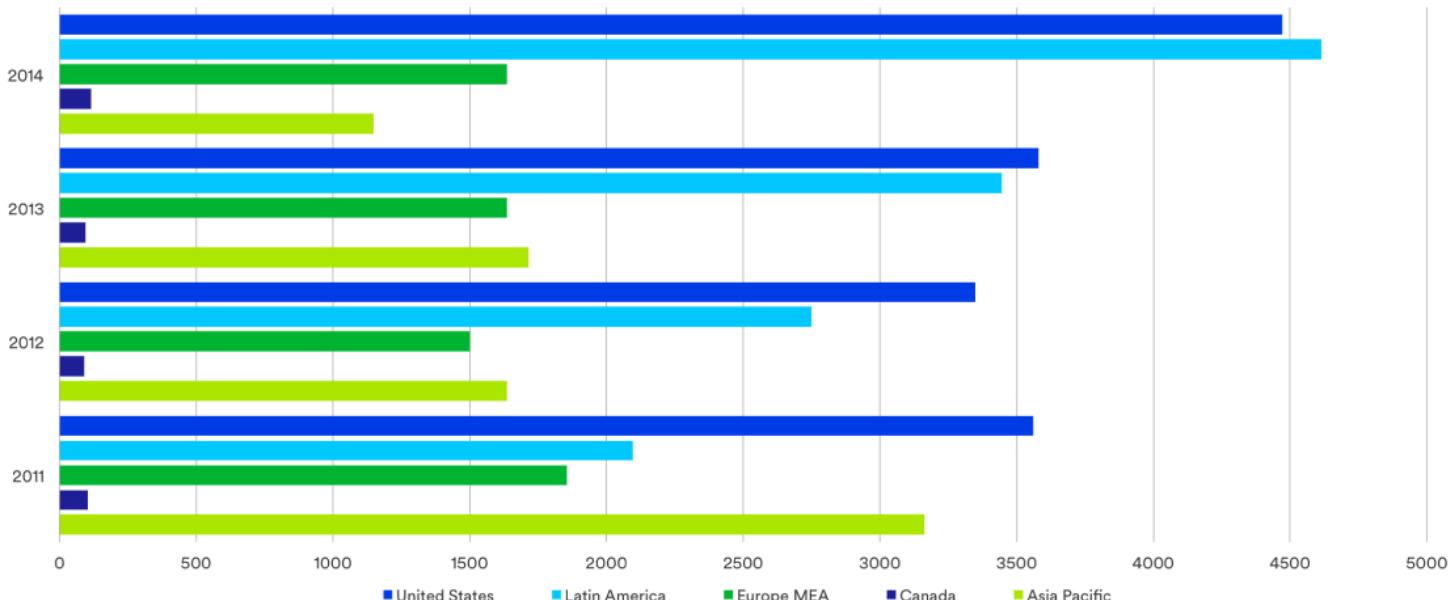
Total 3M Employees
Includes both full-time and part-time employees



Female Employee Headcount
(As a percentage of total)



Employees Hired



Females Hired (As a percentage of new hires)

	2010	2011	2012	2013	2014
United States	32%	36%	34%	37%	36%
Latin America	45%	50%	51%	55%	53%
Asia Pacific	24%	27%	26%	31%	35%
Europe/Middle East/Africa	38%	35%	37%	34%	33%
Canada	40%	38%	40%	42%	42%

Percentage of Female Employees in Management (Globally)

2010	2011	2012	2013	2014
23%	24%	25%	25%	26%

Percentage of Total 3M Employees Per Year

	2010	2011	2012	2013	2014
BABY BOOMERS (1943-1960)	26.60%	24.20%	22.00%	20.10%	18.20%
Asia Pacific	1.70%	1.50%	1.20%	1.20%	1.10%
Canada	0.80%	0.70%	0.60%	0.50%	0.50%
Europe/Middle East/Africa	5.50%	5.00%	5.00%	4.40%	4.00%
Latin America	1.20%	1.10%	1.00%	0.80%	0.80%
United States	17.50%	15.80%	14.20%	13.10%	11.80%
GENERATION X (1961-1981)	60.20%	59.90%	60.10%	59.30%	58.50%
Asia Pacific	14.40%	14.80%	14.10%	13.40%	12.60%
Canada	1.50%	1.50%	1.40%	1.40%	1.30%
Europe/Middle East/Africa	14.70%	14.70%	15.20%	15.00%	14.70%
Latin America	8.70%	8.50%	8.50%	8.50%	8.40%
United States	20.80%	20.50%	20.90%	21.00%	21.50%
GENERATION Y (>1981)	13.20%	15.90%	17.90%	20.60%	22.80%
Asia Pacific	3.90%	5.20%	5.40%	6.00%	6.00%
Canada	0.10%	0.10%	0.10%	0.20%	0.20%
Europe/Middle East/Africa	2.60%	3.10%	3.60%	4.10%	4.40%
Latin America	3.30%	3.80%	4.50%	5.30%	6.00%
United States	3.30%	3.70%	4.30%	4.90%	6.20%

Investing in our People

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

Total Rewards

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

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

Approach

Comprehensive Benefits

3M is committed to providing competitive market pay and comprehensive benefits. In addition to providing a professional work environment that promotes innovation and rewards performance, 3M's total compensation for employees includes a variety of components for sustainable employment and the ability to build a strong financial future. 3M's total compensation program includes the following for all eligible employees worldwide. All regular full-time employees in the US are eligible for these benefits – regular part time employees who work at least 20 hours/week are also eligible. Some programs and benefits may differ internationally due to local laws and regulations.

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

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

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

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

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

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

Parental Leave: (U.S. example) To allow parents enough time to bond with their new children, 3M's Family/Medical Leave Policy offers all regular full-time and part-time employees additional bonding leave for this purpose even if this means they will exceed their 12-week allotment of family/medical leave (stemming from the Family Medical Leave Act) for the year (G4-LA3). The additional bonding leave must be taken on a full-time basis and must be completed within 12 months after the birth of the child or placement in the home for adoption or foster care. 3M complies with state laws within the U.S. and with local laws and requirements for operations outside the U.S. While there can be different definitions for "parental leave," in the US during 2014, a total of 757 employees took either short term disability benefits for maternity (paid leave) and/or unpaid bonding leave (includes adoption) (female 564/male 193).

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

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

Dependent Care: 3M provides a range of resources to assist employees with dependent care, including child care and elder care. 3M offers child care and adult care consultation and referral services through the 3M Employee Assistance

Program in order to help employees locate appropriate services for their loved ones across the United States. 3M employees in the St. Paul area also have access to back-up child care, which is available when their regular day care cannot care for their child.

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

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

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

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

Additional Resources and Opportunities Offered Globally:

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

Education and Career Growth

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

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

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

develop a high-performing team.

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

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

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

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

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

Since 2012, 3M has embarked on a process to define and communicate global functional competency models which clarify expectations of leaders regarding the knowledge, skills, and abilities to be developed over a career within a specific function. Based on shared expectations, career paths are aligned with investment in training and development resources are aligned. Each function with a completed competency model, publishes a guide that provides links to relevant training opportunities, as well as development suggestions that can be discussed and agreed on with the employee's supervisor on growing the competency through on-the-job activities or social learning through a coach or mentor. Currently the competency-based resources cover approximately 83% of the non-production employee population.

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

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

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

Employee Engagement and Recognition

Overview

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

Approach

Networks and Collaboration

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

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

Intranet Knowledge Platforms Databases: 3M's intranet site structure is set up so that each employee has a Work Center as one of the quick-link tabs following login. Each Work Center is a collection of tools, systems and processes that are used routinely in daily work practices to successfully complete projects and work assignments in an employee's functional work area. Company news for employees is available on a global news site called Spark 3M News. It enables employees to share news articles, videos and links with others both internally and externally via email and social media.

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

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

Idea Sharing: Idea management is driven differently across the Company depending on organizational needs and what works best for the area of work. Some platform examples include Yammer, Wiki Enterprise, and various 3M internal and external social media channels. Systems are implemented and available globally to share best practices and ideas. Additionally, since about 1948, we've encouraged our employees to spend 15% of their working time on their own projects and sharing those ideas with colleagues.

Measurement, Feedback and Action on Employee Engagement

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

As 3M corporate policy, a standard opinion survey is administered to all employees at locations worldwide once every three years. 3M uses survey results to address employee concerns and identify opportunities for improvement.

Summaries of survey results and actions taken are circulated up the management chain to ensure visibility and accountability. 3M also conducts a more strategically-focused survey that includes engagement measures. This survey, the Vision and Strategies Alignment Survey was last conducted in October 2013.

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

Goals and Results

Survey Measurements on Employee Engagement

Results from the Standard Opinion Survey and the Vision and Strategies Alignment Survey indicate 3M's support of employee engagement is strong and continuing to get stronger. Results have improved with each administration, up to 83 percent favorable in the most recent survey, which is well above the threshold for strength (70 percent favorable).

Employee Rewards and Recognition

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

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

Examples of corporate awards include:

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

Collaborating with Our Communities

Overview

3M improves lives around the world through strategic social investments. Our goal is to create a better world for everyone, and our sustainability approach revolves around social investments within our global communities. We team with a variety of organizations to gain diverse viewpoints on social challenges and opportunities, sustainability, a better understanding of our stakeholders' needs and a mechanism to learn from the work of our peers.

Humanitarian Engagement

Since 1953, 3M has invested more than \$1.4 billion in cash and products to improve lives in communities around the world. 3M supports global educational, environmental and community initiatives. 3M's community support includes aid in disaster preparedness, relief and recovery—with relief being the highest priority.

3M's initial focus for disaster relief is on preparedness. The company works closely with humanitarian organizations,

such as the American Red Cross, to identify 3M products that will be needed in the event of a disaster. 3M then donates these products to the organizations so that they are readily available for distribution. During the relief and recovery phases, 3M is in close contact with its key partners, including the American Red Cross, CARE, Salvation Army, UNICEF, MAP International, Project HOPE, etc., to match 3M solutions with the social needs. For example, to help contain the spread of the Ebola virus, 3M donated more than one million respirators and \$1 million of Infection Prevention products, including sterile draping, stethoscopes and hand sanitizer. The diversity of 3M's product portfolio increases the company's ability to assist in relief and recovery efforts in unique and meaningful ways.

In addition to product support, the 3M Foundation assesses the situation and determines the amount of the company's cash donation. In the past those contributions have ranged from \$25,000 - \$500,000. 3M employees and retirees often engage in humanitarian efforts through matching gift programs offered by the company. 3M is also currently represented on the American Red Cross Corporate Advisory Council—offering input and guidance to help the American Red Cross solve critical business and social challenges.

Engaging Locally

The collaboration, discussions and interactions 3M has with its corporate, regional and local stakeholders strengthen the company's connection to the community, help address local challenges and build on relevant capabilities.

As part of 3M's 2015 Sustainability Goal to develop stakeholder engagement plans, work continued in 2014 to enhance the local and regional stakeholder engagement process to further align with corporate strategic focus areas. Approximately 124 prioritized manufacturing facilities around the world have completed a stakeholder engagement plan. A framework that enables continuous progress and prioritization was developed with these key features:

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

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

Improving Lives Through 3Mgives

In 2014, 3M invested more than \$80 million in cash and in-kind donations to support global educational, community and environmental initiatives. The 3Mgives Global Advisory Committee continues to inform and influence our global investment strategy, which includes driving internal coordination and collaboration, as well as leveraging cash, product contributions and volunteerism.

Key accomplishments include the following:

- Launched its inaugural Global Volunteer Day and impacted more than 300,000 lives around the world with fifteen countries participating and more than 8,400 volunteers donating more than 28,000 hours.
- Initiated innovative education partnerships with DoSomething and Donors Choose that resulted in more than 90,000 students learning about Science Technology Engineering and Math (STEM) through a "Science Sleuth" texting game. DonorsChoose directed donations earned through Science Sleuth to over 4,000 classrooms, reaching an additional 190,000 students, primarily in underserved communities.
- Recorded a record year for product donations, including 3M's response to global natural disasters.
- Contributed \$9.7million to the United Way Campaign, in addition to thousands of volunteer hours. 3M's efforts earned the company the Greater Twin Cities United Way's "Best in Show" award, which recognized 3M's year-long education and awareness activities, CEO/executive engagement, Global Volunteer Day initiatives, and employee

service leadership.

- Strengthened employee engagement and the company's support of diverse communities through the revitalization of Employee Resource Networks and Community Relations Councils.
- Executed strategic investments in the Closed Loop Fund in a landmark corporate partnership with Wal-Mart and other leading companies to help municipalities advance recycling efforts.

Approach

3M decentralizes global social investments and involvement so our teams in each country can develop and administer programs consistent with both the 3Mgives strategy and local culture and social needs. For example, in the United States, 17 Community Relations Councils develop regional strategies and direct local social investments in partnership with 3Mgives managers.

In Belgium, Spain, Italy and Brazil we maintain our own foundations, and our other international subsidiaries manage corporate investments in programs that benefit education, social services or the environment.

3M is not only a company that creates; it is a company that cares, improving lives each day. Since 1953, 3M and the 3M Foundation have invested more than \$1.4 billion in cash and products in communities around the world. These global donations were bolstered by many thousands of employee and retiree volunteers serving hundreds of thousands of hours.

Quality Education for Improving Every Life: 3Mgives investing in education from cradle to career.

“Thanks to 3M, nearly 200,000 students in all 50 states have received the classroom materials they need to build a solid foundation in the STEM fields. We’re so grateful for 3M’s commitment to helping students understand how science and math apply to their lives and future careers.”

– **Charles Best**
founder of DonorsChoose.org

3M is committed to investing in a **quality education** to improve lives. 3M continues to work with strategic partners to engage with students, parents, teachers and volunteers to increase STEM (Science, Technology, Engineering and Math) and business proficiency throughout the educational process. 3M's support of education begins with the youngest learners and continues through post-secondary education and employment.

Program support is driven by three goals:

- Drive access and academic success to ensure educational equity among underrepresented minorities and women.
- Increase primary and secondary student achievement in STEM and business curriculum.
- Invest in post-secondary programs that attract, retain and graduate students in STEM. To advance STEM and business education, 3M supports programs that make learning fun and demonstrates applications to everyday life. Some of the

company's key initiatives to introduce students to the excitements and opportunities in STEM and business include:

K-12

3M's more than 40 year partnership with the **Saint Paul Public Schools** includes investing in curricula such as Gateway to Technology for middle school students and Project Lead the Way for high school students. 3M has also donated materials and curriculum to enhance learning opportunities.

In 2013, 3M earned the **Best Commitment to Education Award** from the U.S. Chamber of Commerce for its partnership with the St. Paul Public Schools.

3M India has partnered with **Agastya International Foundation** to support a mobile science lab that will travel to more than 45 schools. The lab will expose more than 20,000 students to science models on topics ranging from Physics, Chemistry, Biology and Math.

3M is a strategic partner of the **FIRST** (For Inspiration and Recognition of Science and Technology) organization... sponsoring more than 45 FIRST Robotics teams across the country. Not only does 3M provide financial support to the organization, 3M employees donate their time to coaching teams. 3M has donated \$5.1 million of products, including custom mats to stabilize all FIRST Lego projects and build dynamic robots.

3M and **DoSomething.org** launched Science Sleuth, a mobile phone experience that demonstrated how science is applied in the life of a high school student. More than 90,000 students participated in the adventure and directed a cash donation from 3Mgives to a public classroom in need. The program funded 4,000 classroom projects bringing STEM materials, resources and experiences to 190,292 students in the U.S.

Since 2003, 3M has provided \$4.1 million in **3M Ingenuity Grants** to support classroom STEM projects which enhance learning. In 2014, 3M partnered with Donors Choose to broaden the programs reach. Today, all of 3M's U.S. locations can help invest \$500,000 in local community projects led by teachers.

3M Visiting Wizards are 3M employees and retiree volunteers who provide demonstrations and hands-on activities to get kids interested in science. Kids are able to experiment with simple machines, magnets and even create their own mini-experiments. 3M Visiting Wizards travel to schools in the St. Paul/Maplewood area to bring science to life for grades 1-6 and encourage an interest in science.

3M has been a national sponsor of MathCounts since 1999. MathCounts provides middle school students with coaching and a competitive mathematics program to promote mathematics achievement through a series of fun and engaging "bee"- style contests.

Higher Education

3M's **Frontline Sales Initiative** is an innovative, educational partnership with a small number of universities across the United States. The program was designed with the intent of increasing the amount of sales education content at universities with the goal of elevating sales as a discipline and a profession. By collaborating with universities and faculty, as well as aligning 3M sales leaders and resources, 3M ensures a number of universities develop their professional sales programs.

3M is a major financial benefactor to the **University of Minnesota**, having donated more than \$40 million to fund scholarships, fellowships, programs to encourage diversity in the sciences, and more. The U of M established the STEM Education Center in 2010 to train elementary and secondary school educators to effectively incorporate STEM disciplines into their teaching, and to grow students' interest and competencies in science, technology, engineering, and math. The 3M STEM Education Fellows Program funds graduate students to work with targeted schools to integrate STEM into their school curricula. 3M's support has allowed the U of M to partner with 200 Twin Cities metro area teachers to increase science and math learning through engineering for 15,000 students in the fourth through eighth grades. 3M also provides scholarships for students at the **University of Minnesota Carlson School of Management**.

3M sponsors a marketing academy at the **Kelley School at Indiana University**. In addition, the company has provided a number of non-tenured faculty grants to the School for business education and research in the areas of Finance, Marketing, Information Technology and Entrepreneurship.

3M will provide fellowships for PhD candidates in **Georgia Tech's College of Engineering**, specifically for the school of Electrical Engineering and Material Science Engineering.

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

3M supports the **Consortium for Graduate Study in Management**, which links students from leading MBA programs and corporate partners. The goal is to increase the representation of African Americans, Native Americans and Hispanic Americans in education and business.

Professional Development

The 3M TWIST program allows middle and high school math, science, and technology teachers to spend six weeks during the summer working closely with a 3M host on an actual 3M research project. The objective is to provide active and challenging technical experiences for teachers in an industrial setting. TWIST is based on the idea that the way to learn science is to do science – an axiom that applies as much to teachers as it does to their students.

Our Employees Care: 3M Volunteers Improving Lives Around the World

3M employees who share their time and talent represent the company's most important contribution to our communities. Volunteerism is an important part of our 3M culture, acknowledged by our 3M Vision and Leadership Behaviors, and backed by our Volunteer Pledge. As a result of the dedicated and enduring volunteer spirit of 3M employees and alumni, we are accomplishing more than ever in our communities.

Our Volunteer Pledge is to encourage, support and recognize employees' and alumni's volunteer efforts in their communities.

In 2014, 21,000 employees and alumni participated in 3M-affiliated volunteer activities. They served nearly 300,000 hours.

The positive impact of our employees is seen in communities around the world.

In 2014, 3M launched its inaugural Global Volunteer Day with a theme of mentoring students or youth, or supporting

organizations that serve them. The activities resulted in more than 300,000 lives impacted around the world. Fifteen countries participated with more than 8,400 volunteers donating more than 28,000 hours. Examples of Global Volunteer Day activities include:

3M China volunteers visited kindergarten classrooms to assist with art projects. They also painted and decorated the classrooms, and donated books to enrich students' learning.

3M Madrid hosted students at the Innovation Center where they learned about 3M technologies and road safety, and participated in volunteer-led science experiments.

3M United Kingdom volunteers built a sustainable outdoor learning center. Other volunteers assisted with a school garden project or improved visitor access to a park.

At 3M Mexico, 41 volunteers hosted a holiday event at the Santa Fe Community Center for 170 children. They led the children in educational and creative activities.

In St. Paul, the Women's Leadership Forum mentored 150 8th grade young women during a special luncheon. NEON (New Employee Opportunities Network) led 3M United Way Campaign teams in packing 3,000 healthy snacks for youth organizations.

Since its creation in 2000, 3M Volunteer Match has recognized over 25,000 U.S. employees and alumni by donating \$250 grants in their names to organizations where they volunteer 20 hours (25 hours for retirees) or more per year. Under this program, 3M Foundation grants totaling more than \$5.6 million have gone to more than 3,000 schools and non-profit organizations in every state.

3Mgives Volunteer Award annually honors 3M's 30 most outstanding volunteers. Awardees receive \$1,000 3M Foundation grants for the non-profit organizations of their choice. In 2014, the award expanded to honor excellent volunteers globally. Eight global volunteers were honored from Chile, China, Italy, Singapore, South Africa, Spain, U.K. and Vietnam.

3M's mentoring initiatives was recognized by MENTOR and was featured in a new report, Mentoring: at the crossroads of education, business and community, published by MENTOR: The National Mentoring Partnership. The report was released at the 2015 National Mentoring Summit. 3M's partnership with Saint Paul's Johnson High School was highlighted. 3M volunteers mentor, via e-mail, all juniors (over 400) each year.

Employees make a difference every day in our communities by sharing their time and talents through skills-based volunteering:

Nonprofit workshops. Seminars by 3M Human Resources, Marketing, Strategic Business Development and Finance volunteers help nonprofits with budgeting, ROI, interview and social media skills or strategic planning.

Thousands of 3Mers serve as mentors or tutors for students.

Child and student law. 3M Legal pro bono work includes partnerships with the Children's Law Center of Minnesota and Southern Minnesota Regional Legal Services. Work has led to clarification on all Minnesota students' rights.

Loving math. 3Mers across the country coach MathCounts and FIRST® Robotics teams at local schools.

Science encouragement. 3M Visiting Wizards, 3M STEP (Science Training Encouragement Program) and 3M TECH (Technical Teams Encouraging Career Horizons) motivate students with classroom science experiments, STEM career days and mentoring.

Board service. More than 200 employees and retirees serve on nonprofit boards to share leadership, financial, marketing, technical and legal skills.

Employees involved in 3M's Employee Resource Networks and Women's Leadership Forum serve as advisors that shape

funding priorities, assist with grant reviews, and also broaden the company's grant making to diverse organizations

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

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

Goals and Results

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

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

2014 Total Global Giving By Focus Area

GIVING AREA	CASH	IN-KIND	TOTAL	%	VOLUNTEER HOURS
Education	\$11,648,879	\$17,254,003	\$28,902,883	35%	97,190
Community	\$17,435,099	\$34,002,647	\$51,437,745	63%	185,271
Environment	\$1,805,093	\$51,016	\$1,856,109	2%	8,102
TOTAL	\$30,889,071	\$51,307,666	\$82,196,737	100%	290,563

2014 Total Global Giving By Region

	Charitable Corporate Cash Donations (USD)	Charitable Foundation Cash Donations (USD)	In-Kind Product Donations (USD Fair Market Value)	Total Donations (USD)
United States	\$9,856,000	\$17,648,620	\$48,356,024	\$75,860,644
Asia Pacific	\$10,000	\$692,889	\$397,732	\$1,100,621
Europe	\$204,035	\$346,975	\$257,860	\$808,870
Latin America	\$44,435	\$1,188,117		\$1,232,552
Middle East/Africa	\$30,000		\$2,024,050	\$2,054,050
Canada	\$868,000		\$272,000	\$1,140,000
Total Global Giving	\$11,012,470	\$19,876,601	\$51,307,666	\$82,196,737

Stories

Empowering communities and teaching the next generation of sustainability leaders.

3M is investing in students and communities around the world to make a real sustainability impact.

There is often a large divide between that which we know and that which we would like to know. For instance, there is a healthy appetite for sustaining our Earth, but many don't know what tangible actions to take.

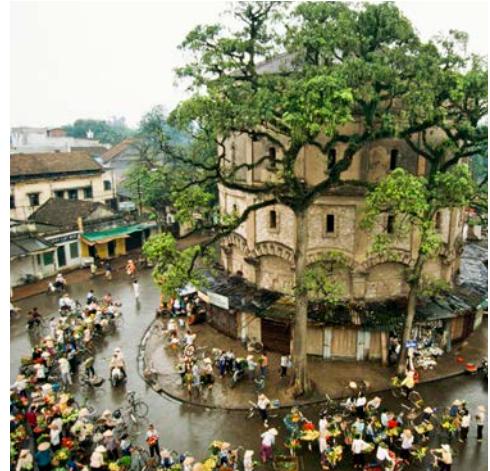
3M understands that environmental stewardship isn't exactly intrinsic knowledge. But we know we can apply our science and technology to bridge that divide.

Since 2001, 3Mgives has invested over \$25 million in environmental initiatives around the world. These efforts have lead to the preservation of more than one million acres of land and the education of countless communities globally.

The environmental projects that result from the 3Mgives programs aim to sustain ecosystems and create economic opportunities for the local communities.

In partnership with the Nature Conservancy, a community in Beran, Indonesia was recently provided land use training. This helped the locals learn how to protect their rainforests and manage the natural resources that allow them to develop green livelihoods.

Closer to home, the 3M Eco Grant program is focused on encouraging science-based environmental education. For



example, a school in Connecticut received funding to turn its playground into a science lab. They also developed a series of outdoor classes to educate the next generation of sustainability leaders. By infusing sustainability and science into everyday learning, these lucky kids become scientists, using local ecosystems as their laboratory. The importance of STEM education is very apparent to 3M, and we aim to improve this science and conservation-based education. We have provided nearly \$400,000 in grants to environmental organizations that are connecting STEM education to outdoor learning opportunities. From Indonesia to the United States, 3M is bridging the knowledge gap and empowering kids and adults alike to be environmental stewards for life.

Help for our heroes once they're home.

3M™ salutes our troops by connecting them with career opportunities once they return home.

When we think of soldiers, we often think of their bravery in battle. But what about when they return home? These brave men and women have families and loved ones that they come home to in hopes of settling down and being successful on our own soil.

Many of America's troops are returning home to an uncertain future and high unemployment rates. But it doesn't need to be that way. These veterans have specialized and highly-technical skills and training that can contribute to fields such as collision repair.

That's why we launched the 3M™ Hire Our Heroes campaign. This program aims to help veterans and their family members by training them in this specialized market, and then matching graduates of the collision repair programs with auto body shops looking for skilled, qualified employees.

Using their in-demand skills learned during their service careers, veterans are able to find rewarding and stable careers.

Not only does the 3M™ Hire our Heroes campaign raise awareness for hiring America's heroes, it also grants over \$250,000 in scholarships for collision repair training.

3M™ is also a national board member of the U.S. Chamber of Commerce Hiring Heroes program. We will continue to support the efforts of this program as long as our heroes need jobs, and hope that we can give back to them in the same selfless way that they serve us.

For more information on our Hire our Heroes campaign, please visit: <http://3mcollision.com/hire-our-heroes>



Goals and Results

We set ambitious goals for 2015. See how we are performing against these high expectations.

Accomplishments

"This was a big year for our sustainability efforts. We met—and exceeded—some of our key goals, and made great progress against some important commitments. While we are inspired by these results, we know there is more work to be done toward improving every life. Our new 2025 goals are aimed at driving us further toward that ambition."

– Jean Sweeney

Vice President, 3M Environment, Health and Safety, and Sustainability Operations

Key 2014 goals achieved include:

- Review 80% of Supplier Spend in Top 10 High Risk Countries for Alignment with 3M Supplier Policy and Standards
- Improve Energy Efficiency 25% Indexed to Net Sales by 2015 from 2005 Base Year
- Reduce Greenhouse Gas Emissions 5% Indexed to Net Sales by 2011 from 2006 Base Year

While we are inspired by these results, we know there is more work to be done to meet our goal of helping ensure all 9 billion people living on our planet in 2050 are living well.

2015 Goals and Results

Get a first-hand look at our sustainability goals and results.

2015 Sustainability Goal		Units	2010	2011	2012	2013	2014	2013-2014 ANNUAL % Change	2010-2014 % Change
Financial Performance									
Operating Results									
	Net Sales	Million \$USD	\$ 26,662	\$ 29,611	\$ 29,904	\$ 30,871	\$ 31,821	3.10%	7.50%
	Operating Income	Million \$USD	\$ 5,918	\$ 6,178	\$ 6,483	\$ 6,666	\$ 7,135	7.00%	15.50%
	Net Income attributable to 3M	Million \$USD	\$ 4,085	\$ 4,283	\$ 4,444	\$ 4,659	\$ 4,956	6.40%	15.70%
	Per share-Basic	Million \$USD	\$ 5.72	\$ 6.05	\$ 6.40	\$ 6.83	\$ 7.63	0.80%	26.10%
	Per share-Diluted	Million \$USD	\$ 5.63	\$ 5.96	\$ 6.32	\$ 6.72	\$ 7.49	0.77%	25.70%
Additional Information									
	Capital Expenditures	Million \$USD	\$ 1,091	\$ 1,379	\$ 1,484	\$ 1,665	\$ 1,493	-10.30%	8.30%
	Research, Development and Related Expenses	Million \$USD	\$ 1,434	\$ 1,570	\$ 1,634	\$ 1,715	\$ 1,770	3.20%	12.70%
	Employee Compensation and Benefits	Million \$USD	\$ 7,226	\$ 8,059	\$ 8,347	\$ 8,732	\$ 8,836	1.20%	9.60%
	Payments to providers of capital	Million \$USD	\$ 1,701	\$ 1,774	\$ 1,801	\$ 1,899	\$ 2,394	26.10%	34.90%
	Provision for Income Taxes	Million \$USD	\$ 1,592	\$ 1,674	\$ 1,840	\$ 1,841	\$ 2,028	10.20%	21.10%
Product Development									
	New Product Vitality Index (NPVI)	Percent of net sales of products introduced within the last five years as compared to total net sales	31.4%	31.7%	33.1%	33.3%	32.80%	-0.5%	1.4%

2015 Sustainability Goal		Units	2010	2011	2012	2013	2014	2013-2014 ANNUAL % Change	2010-2014 % Change
Supplier Responsibility									
Review 80% of Supplier Spend in Top 10 High Risk Countries for Alignment with 3M Supplier Policy and Standards	Supplier Spend Reviewed (Alignment with Supplier Sustainability Policy and Standards)	Percent of Supplier Spend Reviewed in Top 10 High Risk Countries	Base Year	74%	78%	80%	81%	1.25%	-
Environmental Performance									
Environmental Management Systems									
	% ISO14001 Certified Sites per Sales Value of Production (SVOP)	Percent of Global SVOP with ISO 14001 Certified Environmental Management Systems	-	-	90%	89%	92%	3%	-
Promote a Road to EHS Excellence at New 3M Sites	EHS Onboarding for Acquired Operations	Percent of acquired sites with an EHS Onboarding Plan	100%	100%	100%	100%	100%	-	-
Energy Management									
Improve Energy Efficiency 25% Indexed to Net Sales by 2015 from 2005 Base Year	Total Energy (Indexed to Net Sales)	MMBTUs per Net Sales(MM \$USD)	1010	902	931	930	912	-1.90%	-9.70%
	Total Energy Use (Absolute)	MMBTUs	26,917,031	26,703,396	27,838,414	28,714,940	29,023,660	1.08%	7.83%
	Total Natural Gas	MMBTUs	15,277,671	15,127,844	14,885,922	15,505,194	15,178,437	-2.11%	-0.65%
	Total Electrical	MMBTUs	9,573,615	9,675,104	10,098,298	10,316,441	10,761,647	4.32%	12.41%
	Total Steam	MMBTUs	807,211	832,820	839,832	901,783	940,091	4.25%	16.46%
	Total Fuel Oil #1, #2, #6	MMBTUs	686,393	549,059	1,485,352	1,495,673	1,612,110	7.78%	134.87%
	Total Gasoline and Diesel	MMBTUs	233,461	202,293	225,343	191,715	208,424	8.72%	-10.72%
	Total Propane and Jet Fuel	MMBTUs	338,680	316,276	295,203	281,177	322,951	14.86%	-4.64%
	Total Coal	MMBTUs	0	0	0	0	0	-	-

2015 Sustainability Goal		Units	2010	2011	2012	2013	2014	2013-2014 ANNUAL % Change	2010-2014 % Change
Air Emissions Management									
Reduce Greenhouse Gas Emissions 5% Indexed to Net Sales by 2011 from 2006 Base Year	Total Greenhouse Gas Emissions (Indexed to Net Sales) (1)	Million Metric Tons per Net Sales (MM \$USD)	233	206	221	258	208	-19%	-
	Total Greenhouse Gas Emissions (Absolute-Kyoto and Non-Kyoto) (1)	Million Metric Tons CO2e	6.23	6.09	6.62	7.95	6.63	-17%	-
	Scope 1 Emissions (Direct) (1)	Million Metric Tons CO2e	4.28	4.06	4.37	5.59	4.40	-21%	-
	Scope 2 Emissions (Indirect) (1)	Million Metric Tons CO2e	1.94	2.03	2.25	2.36	2.24	-5%	-
	Scope 3 Emissions (2)*	Million Metric Tons CO2e	Not Evaluated	8.15	10.66	10.64	11.11	-	-
	Upstream (2) (3)*		Not Evaluated	8.15	9.15	9.41	11.11	-	-
	Downstream (2) (4)*		Not Evaluated	Not Evaluated	1.51	1.23	-	-	-
Reduce Volatile Air Emissions 15% Indexed to Net Sales by 2015 from 2010 Base Year	Total Volatile Organic Compound Emissions (Indexed to Net Sales)	Metric Tons per Net Sales (MM \$USD)	0.23	0.20	0.20	0.18	0.17	-3.51%	-25.48%
	Total Volatile Organic Compound Emissions (Absolute)	Metric Tons	6074	6054	5984	5429	5391	-0.70%	-11.24%
Waste Management									
Reduce Waste 10% Indexed to Net Sales by 2015 from 2010 Base Year	Total Waste (Indexed to Net Sales)	Metric Tons per Net Sales (MM \$USD)	6.61	6.05	5.99	6.20	6.64	7.04%	0.37%
	Total Waste Generated (Absolute)	Metric Tons	176,541	179,133	179,055	191,582	211,037	10.15%	19.54%
	Hazardous Waste	Metric Tons	42,318	41,253	39,666	39,430	41,200	4.49%	-2.64%
	NonHazardous Waste	Metric Tons	134,223	137,880	139,389	152,152	169,837	11.62%	26.53%
	Total Waste Recycled and Reused (Absolute)	Metric Tons	207,669	211,992	213,050	228,313	227,964	-0.15%	9.77%
	Onsite Recycle & Reuse (5)	Metric Tons	49,794	47,899	51,099	65,822	69,209	5.15%	38.99%
	Offsite Reuse (5)	Metric Tons	29,922	34,871	33,771	31,933	31,853	-0.25%	6.46%
	Offsite Recycle (5)	Metric Tons	127,954	129,222	128,180	130,558	126,902	-2.80%	-0.82%

*Due to the non-reporting of Downstream Scope 3, we can't compare previous years' Scope 3 emissions.

2015 Sustainability Goal		Units	2010	2011	2012	2013	2014	2013-2014 ANNUAL % Change	2010-2014 % Change
Water Management									
	Total Water Use (Indexed to Net Sales)	Million Cubic Meters per Net Sales (MM \$USD)	0.0016	0.0014	0.0014	0.0014	0.0013	-7.14%	-18.75%
	Total Water Use (Absolute)	Million Cubic Meters	43.0	41.1	43.3	43.3	42.6	-1.53%	-0.89%
	Total Water Recycled (6)	Percent of Total Water Use	-	-	23.0%	23.5%	25.8%	9.79%	-
Develop Water Conservation Planning for 3M Sites Located in Water Stressed/Scarce Areas	Sites located in Water Stress/Scarce Areas (7)	Number of manufacturing sites in water stressed/scarce areas with water conservation planning efforts	Base Year	18	24	22	27	22.73%	-
Social Performance									
Employees									
	Total Global Employees at Year-End (Headcount)	Number of Employees	79,179	83,253	86,557	89,583	90,749	1.30%	14.61%
	% Full Time Employees	Percent of total employee headcount	97.0%	97.2%	97.2%	97.1%	97.2%	0.10%	0.21%
	% Part Time Employees	Percent of total employee headcount	3.0%	2.8%	2.8%	2.9%	2.8%	-3.45%	-6.67%
	% Female employees	Percent of total employee headcount	33.3%	33.6%	33.7%	33.7%	33.9%	0.59%	1.80%
	% Female employees in management positions	Percent of total employee headcount	22.9%	24.0%	24.6%	25.3%	26.1%	3.16%	13.97%
	Total Global Employees Hired	Number of Employees	11,067	10,775	9,322	10,471	11,983	14.44%	8.28%

2015 Sustainability Goal		Units	2010	2011	2012	2013	2014	2013-2014 ANNUAL % Change	2010-2014 % Change
Global Giving									
Total Global Giving	\$ Million USD	\$58.79	\$66.28	\$60.30	\$61.60	\$81.33	32.03%	38.34%	38.34%
Total Cash Donations	\$ Million USD	\$27.16	\$29.40	\$27.91	\$30.29	\$30.30	0.03%	11.56%	11.56%
Total In-Kind Product Donations	\$ Million USD	\$31.63	\$36.88	\$32.39	\$31.32	\$51.03	62.93%	61.33%	61.33%
Community Engagement									
Develop Community Stakeholder Engagement Plans for Select Manufacturing Sites	Local Stakeholder Engagement Plans	Number of Global Manufacturing Sites with Stakeholder Engagement Plans	Base Year	70	113	116	124	6.90%	-
Safety and Health Management									
	Global Recordable Incident Rate	Annual Recordable Incidents per 100 Employees (200,000 work hours)	1.56	1.46	1.42	1.41	1.45	2.84%	-7.05%
	Global Lost time Incident Rate	Annual Lost time incidents per 100 employees (200,000 work hours)	0.36	0.38	0.39	0.34	0.36	5.88%	0.00%
	Work Related Fatalities	Total Number		1	1	2	2	0	-100.00%
	3M Employees	Total Number		1	0	1	1	0	-100.00%
	3M Contractors	Total Number		0	1	1	1	0	-100.00%

FOOTNOTES:

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

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

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

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

(5) Historically Offsite Reuse and Onsite Recycle+Reuse data included the production of Roofing Granules, but due to the nature of their business, Industrial Mineral Products recycle and reuse number are no longer included in the total

(6) Historical data has changed as we have chosen to restate the data without including remediation derived water

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

2015 Results

**Review 80%
of Supplier Spend in
Top 10 High Risk
Countries for Alignment
with 3M Supplier Policy
and Standards**

Achieved Goal
(81% Reviewed)

Promote a Road
to EHS Excellence
at New 3M Sites

Achieved Goal
(100%)

**Improve Energy
Efficiency 25%
Indexed to Net Sales
by 2015 from
2005 Base Year**

Achieved Goal
(Improved 30%)

**Reduce Greenhouse
Gas Emissions 5%
Indexed to Net Sales
by 2011 from
2006 Base Year**

Achieved Goal
(5% Reduction)

**Reduce Volatile Air
Emissions 15% Indexed
to Net Sales by 2015
from 2010 Base Year**

Achieved Goal
(25% Reduction)

**Reduce Waste 10%
Indexed to Net Sales
by 2015 from
2010 Base Year**

Goal Not Achieved*
(0.37% Increase)

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

Achieved Goal
(27 Sites Engaged)

**Develop Community
Stakeholder Engagement
Plans for Select
Manufacturing Sites**

Achieved Goal
(124 Plans Created)

*Our waste indexed to production volume has decreased 14% since 2010. Go to page 43 for more information.

2025 Goals

**Learn about how we approach our
future sustainability goals and strategy.**

Goals and Progress

Setting goals to drive Sustainability progress is nothing new at 3M. We have been setting global environmental goals since 1990. A strong part of our company history, these goals have helped dramatically reduce our own environmental footprint and established us as a leader in environmental stewardship.

Moving forward, we are proud to expand beyond our own operations by focusing more on supporting the Sustainability goals and needs of our customers and our communities. While we recognize the importance of what we do in our own operations, and will continue to improve accordingly, we see that far greater impact can be realized when we partner to understand and overcome the challenges we face in partnership with others.

We approach our Sustainability goals and strategy by:

- **delivering excellence in operations** and across our supply chain;
- **innovating to improve lives** with our customers and partners; and,
- **enriching our communities** where we live and work.

When we think about our customers, partners, and communities, and our mutual challenges and needs, we see a shared opportunity. In addition to environmental challenges, we recognize the connectedness of social challenges we face in pursuing a better world.

Our ambition, working collaboratively, is to realize a world where every life is improved [3M.com/EveryLife]—where natural resources are reliably available, people everywhere have access to education and opportunity, and communities are safe, healthy, connected and thriving.

We have framed our goals and plans for the next 10 years around shared global challenges, toward realizing that world in the future. Recognizing the interconnections and overlap of the commitments we're making and their impact on multiple challenges, we have organized our efforts by the primary challenge each goal is working to overcome. Unless otherwise noted, all goals are global, have a 2015 baseline, and a 2025 end date.

We invite you to learn more and to join us on this journey toward improving every life.

“Organizations must set big goals—like a drastic reduction in carbon emissions globally, or operating within local water-availability limits—based on what science is telling us... To make the Big Pivot, we must create value through radical efficiency, reduced risk, heretical innovation, and stronger brands. That’s the direction we should go. But it is only through science that we know how fast we must go.”

— **Andrew Winston**
founder, Winston Eco-Strategies, from his book The Big Pivot

Raw Materials

Respect our planet's resources and reimagine waste as a nutrient to ensure we have abundance for future generations.

- Goal: Invest to develop more sustainable materials and products to help our customers reach their environmental goals.** We recognize some of our greatest positive impact can be realized by helping our customers improve their environmental footprint. For that reason, an increased focus on delivering more sustainable materials and components is core to our innovation and Sustainability strategy.



- Goal: Reduce manufacturing waste by an additional 10%, indexed to sales.** We'll continue to drive 'zero waste' thinking with our product designs and process technologies, as well as waste reduction work at our manufacturing operations. Now in its 40th year, our Pollution Prevention Pays program has prevented over 2.0 million tons of waste and saved \$1.9 billion since 1975, and will continue to play a significant role in our operations in the future."

- Goal: Achieve "zero landfill" status at more than 30% of manufacturing sites.** In addition to our waste reduction goal, we plan to increase repurposing, reusing and recycling of potential waste materials to divert from landfill disposal.

- Goal: Drive supply chain Sustainability through targeted raw material traceability and supplier performance assurance.** To continue to advance important environmental and social expectations of our suppliers, we'll use a

Water

Promote clean water for everyone, everywhere so that every person, business and community has the water they need to thrive.

- Goal: Reduce global water use by an additional 10%, indexed to sales.** Building upon our previous 42% reduction in water usage between 2005 and 2014, we will continue to improve in managing and conserving water across our global manufacturing footprint by driving water reduction and conservation process and technology changes within our operations.



- Goal: Engage 100% of water-stressed/scarce communities where 3M manufactures on community-wide approaches to water management.** Partner with local communities to advance water recycling and conservation. Ultimately, we aim to help these communities build and manage their own efforts toward access to clean water into the future.

Energy and Climate

Transform the way the world uses energy because it impacts the climate, and the climate impacts everyone

- **Goal: Improve energy efficiency indexed to net sales by 30%.**

Energy efficiency improvements will address rising energy use, costs and climate impacts. Building on our 50% improvement in energy efficiency between 2000 and 2014, a 30% energy efficiency improvement will keep our global energy use nearly flat over the next 10 years, as the Company grows.



- **Goal: Increase renewable energy to 25% of total electricity use.**

Nearly 800,000 MWh of renewable energy use will be added globally. The primary sources of renewable energy will be wind and solar.

- **Goal: Ensure GHG emissions at least 50% below our 2002 baseline,**

while growing our business. 3M is in a leadership position due to our early actions to reduce our greenhouse gas emissions more than 10 years ago. Between 2002 and 2013, we voluntarily achieved a 57% absolute reduction in greenhouse gas emissions. We are committed to continuing that leadership for another 10 years, even as we grow the company, and to increase product offerings that help our customers address the issue of climate change.

Goal: Help our customers reduce their GHGs by 250 million tons of CO₂ equivalent emissions through use of 3M products. While 3M has made significant GHG emission reductions across our global operations, we realize we can make far greater contributions by helping our customers reduce their GHG emissions through the use of our products. In 2014 alone, about 15 million metric tons of CO₂ were avoided for our customers through use of 3M product platforms. This is equivalent to the annual emissions of more than 3.1 million cars

Health and Safety

Improve the health and safety of people worldwide so we can all focus on what matters most to us.

- **Goal: Provide training to 5 million people globally on worker and patient safety.**

Proper use of health and safety products is critical to infection prevention, personal safety and overall health. Building on our existing customer education program, we seek to help educate individuals on worker and patient safety in both healthcare and industrial settings.



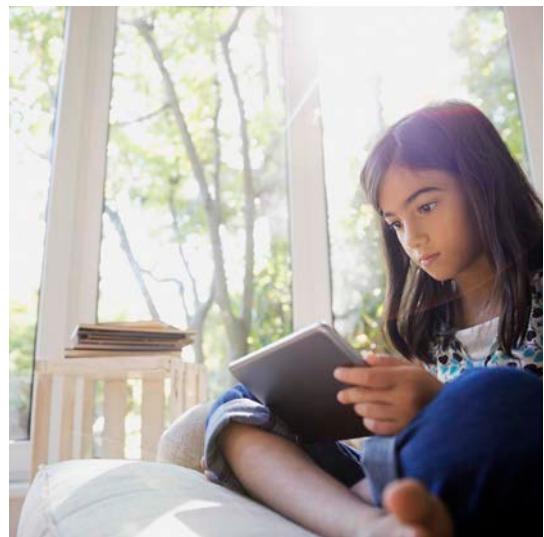
Education and Development:

Support empowerment and enrichment to provide people everywhere the opportunity to live life to its fullest.

Goal: Invest cash and products for education, community and environmental programs. We will continue to invest in increasing access for people worldwide to science, technology, engineering, math and business skills, and to improving lives through investments in environment, health and safety programs. Cash, in-kind donations, sponsorships, and volunteerism will remain core to our 3Mgives strategy. Since 1953, we have invested \$1.4 billion in cash and product donations in 3M communities.

- **Goal: 100% participation in employee development programs to advance individual and organizational capabilities.** Our employees are encouraged and supported to pursue areas of interest and develop career paths and opportunities aligned with those interests. Moving forward, we seek to formalize an individual development plan with every employee.

- **Goal: Double the pipeline of diverse talent in management to build a diverse workforce.** Increasing women and diversity in every region in which we operate is a core part of our Sustainability strategy. We recognize that doubling our diverse talent in management will help build a diverse pipeline for executive leadership as well.



Corporate Profile

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



About 3M™

At 3M™ we collaborate and apply science in powerful ways to improve lives daily. We are a \$32 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 bring together combinations of 3M's 46 unique technology platforms to produce over 55,000 products, driving innovation and providing for efficient sharing of business resources.

Global Operations

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

As of December 31, 2014, the Company employed 90,743 people (Total Employee Headcount; Full-Time and Part-Time Employees).

For further information regarding changes in 3M's size, structure or ownership see 2014 Annual Report (p. 61).

Our Products

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

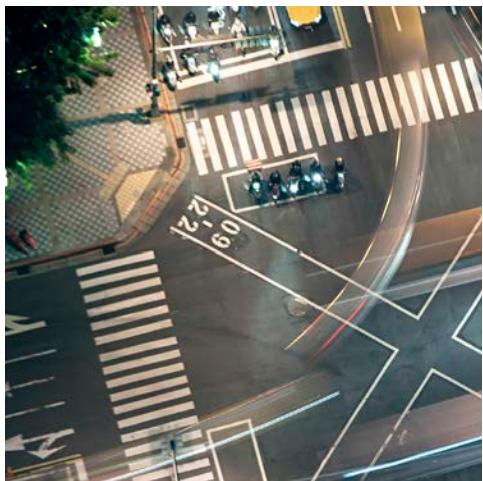
Industrial Business

The Industrial segment serves a broad range of markets, such as automotive original equipment manufacturer (OEM) and automotive aftermarket (auto body shops and retail), electronics, appliance, paper and printing, packaging, food and beverage, and construction. Industrial products include tapes, a wide variety of coated, non-woven and bonded abrasives, adhesives, advanced ceramics, sealants, specialty materials, water and filtration products, closure systems for personal hygiene products, acoustic systems products, and components and products that are used in the manufacture, repair and maintenance of automotive, marine, aircraft and specialty vehicles. 3M is also a leading global supplier of precision grinding technology serving customers in the area of hard-to-grind precision applications in industrial, automotive, aircraft and cutting tools. In the fourth quarter of 2012, 3M acquired Ceradyne, Inc., which develops and produces advanced technical ceramics for demanding applications in the automotive, oil and gas, solar, industrial, electronics and defense industries.



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

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



Safety and Graphics Business

The Safety and Graphics segment serves a broad range of markets that increase the safety, security and productivity of people, facilities and systems. Major product offerings include personal protection products; traffic safety and security products, including border and civil security solutions; commercial solutions, including commercial graphics sheeting and systems, architectural surface and lighting solutions, and cleaning and protection products for commercial establishments; and roofing granules for asphalt shingles.

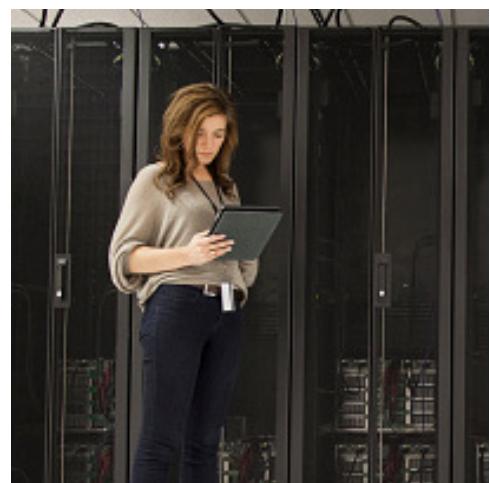
This segment's products include personal protection products, such as certain maintenance-free and reusable respirators, personal protective equipment, head and face protection, body protection, hearing protection and protective eyewear. In traffic safety and security, 3M provides reflective sheeting used on highway signs, vehicle license plates,

construction work-zone devices, trucks and other vehicles, and also provides pavement marking systems, in addition to electronic surveillance products, films that protect against counterfeiting, and reflective materials that are widely used on apparel, footwear and accessories, enhancing visibility in low-light situations. Traffic safety and security also provides finger, palm, face and iris biometric systems for governments, law enforcement agencies, and commercial enterprises, in addition to remote people-monitoring technologies used for offender-monitoring applications. Major commercial graphics products include films, inks, digital signage systems and related products used to produce graphics for vehicles, signs and interior surfaces. Other products include spill-control sorbents; nonwoven abrasive materials for floor maintenance and commercial cleaning; floor matting; and natural and color-coated mineral granules for asphalt shingles.

Electronics and Energy Business

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

This segment's electronics solutions include the display materials and systems business, which provides films that serve numerous market segments of the electronic display industry. 3M provides distinct products for five market segments, including products for: 1) LCD computer monitors 2) LCD televisions 3) handheld devices such as cellular phones and tablets 4) notebook PCs and 5) automotive displays. This segment also provides



desktop and notebook computer screen filters that address display light control, privacy, and glare reduction needs. Major electronics products also include packaging and interconnection devices; high performance fluids and abrasives used in the manufacture of computer chips, and for cooling electronics and lubricating computer hard disk drives; and high-temperature and display tapes. Flexible circuits use electronic packaging and interconnection technology, providing more connections in less space, and are used in ink-jet printer cartridges, cell phones and electronic devices. This segment also includes the touch systems products, including touch screens, touch monitors, and touch sensor components.

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



Health Care Business

The Health Care segment serves markets that include medical clinics and hospitals, pharmaceuticals, dental and orthodontic practitioners, health information systems, and food manufacturing and testing. Products and services provided to these and other markets include medical and surgical supplies, skin health and infection prevention products, inhalation and transdermal drug delivery systems, dental and orthodontic products (oral care), health information systems, and food safety products. In April 2014, 3M (Health Care Business) purchased all of the outstanding equity interests of Treo Solutions LLC, headquartered in Troy, New York. Treo Solutions LLC is a provider of data analytics and business intelligence to healthcare payers and providers.

In the medical and surgical areas, 3M is a supplier of medical tapes, dressings, wound closure products, orthopedic casting materials,

electrodes and stethoscopes. In infection prevention, 3M markets a variety of surgical drapes, masks and preps, Littman Stethoscopes, as well as sterilization assurance equipment and patient warming solutions designed to prevent hypothermia in surgical settings. Other products include drug delivery systems, such as metered-dose inhalers, transdermal skin patches and related components. Dental and orthodontic products include restoratives, adhesives, finishing and polishing products, crowns, impression materials, preventive sealants, professional tooth whiteners, prophylaxis and orthodontic appliances, as well as digital workflow solutions to transform traditional impression and analog processes.

Consumer Business

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

Major consumer products include Scotch® brand products, such as Scotch® Magic™ Tape, Scotch® Glue Stick and Scotch® Cushioned Mailer; Post-it® Products, such as Post-it® Flags, Post-it® Note Pads, Post-it® Labeling & Cover-up Tape, and Post-it® Pop-up Notes and Dispensers; construction and home improvement products, including surface-preparation and wood-finishing materials, Command™ Adhesive Products and Filtrete™ Filters for furnaces and air

conditioners; home care products, including Scotch-Brite® Scour Pads, Scotch-Brite® Scrub Sponges, Scotch-Brite™ Microfiber Cloth products, O-Cel-O™ Sponges; protective material products, such as Scotchgard™ Fabric Protectors; certain maintenance-free respirators; certain consumer retail personal safety products, including safety glasses, hearing protectors, and 3M™ Thinsulate™ Insulation, which is used in jackets, pants, gloves,



3M Values

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

Our guiding values include:

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

Who We Are

Improving lives since **1902**



15% culture

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



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



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

90,000

(Note: that's every employee.)

\$1.4 billion

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

A member of the Dow Jones Sustainability Indices in collaboration with RobecoSAM. And listed on the DJSI

15 times

(every year since its inception).

300,000+

hours volunteered by 3Mers in 2013 alone



Provided

\$21 million+

To help our partners restore and protect 1 million+ acres of land across the globe.



Prevented over

2 million tons

of air, water and waste pollution through visionary 3P program.



Operations in over

70 Countries

and serving customers in nearly

200 Countries

Corporate Governance

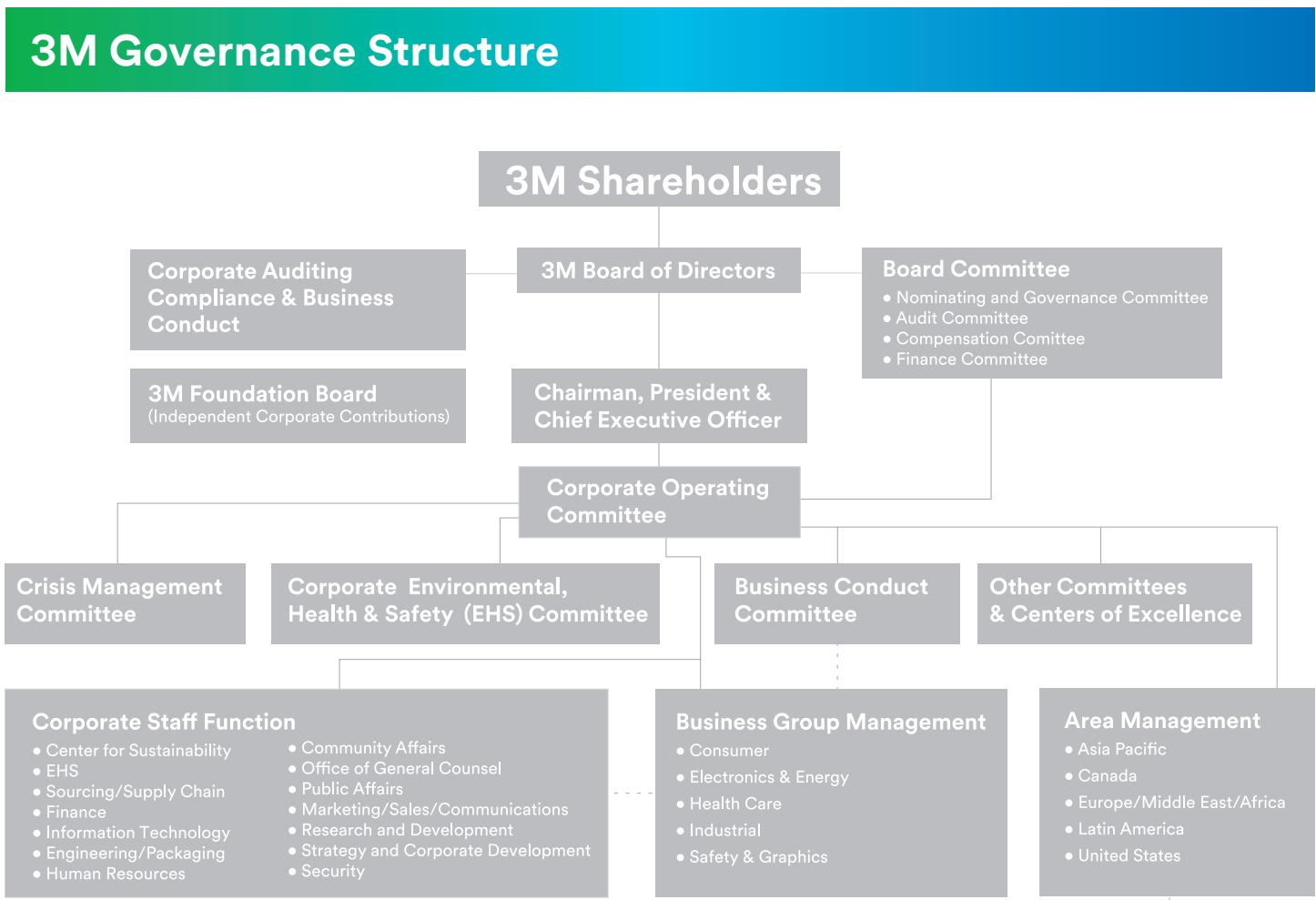
See the Board's leadership structure and responsibilities, the Board's role in risk oversight, and the process for stakeholder input.

Corporate Governance

The Company believes that good corporate governance practices serve the long-term interests of stockholders, strengthen the Board and management, and further enhance the public trust 3M™ has earned from more than a century of operating with honesty and integrity.

For further information regarding 3M's governance practices, see 2015 Proxy Statement and 2014 Annual Report.

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



Corporate Governance Highlights

- Board size: 12 directors (11 independent directors)
- Annual election of all directors
- Majority voting for directors in uncontested elections
- Lead Independent Director
- Independent directors regularly meet in Board and Committee executive sessions without management
- Annual Board and Committee self-evaluations
- Annual independent directors' evaluation of Chairman and CEO
- Annual equity grant to non-employee directors
- Board orientation/education program

- Seven Board meetings in 2013 (overall attendance at Board and Committee meetings was 98 percent)
- Code of Business Conduct and Ethics for directors
- Code of Conduct for all employees, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer
- Risk oversight by the Board and Committees
- Disclosure Committee for financial reporting
- Annual advisory approval of executive compensation with 96 percent of the votes cast in favor of the company's executive compensation program in 2013
- Stockholder ability to call a special meeting (25 percent threshold)
- No supermajority voting provisions
- No stockholders' rights plan (also known as a "poison pill")
- Disclosure of public policy engagement, on our Investor Relations website, including political contributions and membership in key trade associations
- Long-standing commitment to the environment and sustainability
- Executive compensation best practices:
 - Strong pay-for-performance philosophy
 - Incentive compensation subject to clawback policy
 - Robust stock ownership guidelines for executive officers and stock retention policy for directors
 - Prohibition of hedging or pledging 3M stock by directors and executive officers

Sustainability Governance

The CEO has been granted, by the Board of Directors, final responsibility for delegating the authority for economic, environmental and social topics from the highest governance body to senior executives and other employees. The authority is spelled out in our Management Guide . The CEO has been delegated authority in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts. As a practical matter, issues may initially be raised through a variety of sources (functions, Board, external stakeholders) that might prompt changes in these specific areas, and that may be accomplished through standing functional, business or strategic planning processes. Changes in the company's values, mission, or strategies are routinely reviewed with the company's board of directors.

The company routinely reviews economic, environmental and social topics with the Board of Directors, or committees of the Board to inform or seek their guidance on major topics. The composition of the Board itself also reflects expertise and experience across a broad variety of economic, environmental or social topics. The board takes an active interest in managing all economic, environmental and social impacts risks. Some are addressed at a full board level while many others are addressed routinely as part of Board committee activities. The company, through several different functional groups, maintains ongoing consultations with a variety of prospective stakeholders on a diversity of matters, and with the aid of 3rd party external experts has reviewed the company's position on impacts, risks and opportunities. These risk topics are covered as part of the company's Enterprise Risk Management initiative and are routinely reviewed either with one of the Board's committees or, most recently, with the full Board of Directors. Elements of these subjects are covered at each of the five yearly board meetings.

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

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

- Senior Vice President of Corporate Supply Chain Operations
- Senior Vice President of Research and Development and Chief Technology Officer
- Vice President of EHS and Sustainability Operations
- Vice President of Public Affairs
- Vice President of Corporate Research Laboratory and International Technical Operations
- Vice President and Medical

- Vice President of Compliance and Business Conduct
- Vice President and General Manager of Materials Resource Division
- Technical Director of the Materials Resource Division
- Associate General Counsel, EHS and Supply Chain

3M's Sustainability Center of Excellence collaborates with various other global staff organizations and business units to develop the corporate Sustainability strategy and goals. In addition, 3M's corporate staff groups provide technical expertise to assist business groups and area management in implementing and meeting the corporate Sustainability strategy, policies and goals.

The Sustainability Center of Excellence is led by two Vice Presidents. One, reporting primarily into Research and Development and secondarily into Marketing and Sales, focuses on integrating Sustainability into business strategies, engaging key stakeholders, and developing and commercializing products, which help our customers solve their Sustainability challenges (Global Sustainability), and the other, reporting into Supply Chain, ensures sustainability within 3M operations and supply chain (Sustainability Operations). Each Vice President reports directly to a Senior Vice President. The Senior Vice Presidents are members of the Corporate Operating Committee, and report directly to the CEO. The formation of the Sustainability Center of Excellence in 2013 demonstrates the corporation's commitment to integrate innovation and Sustainability for the benefit of our operations and customers. The primary role of the Center of Excellence is to develop strategy, set significant goals to advance and track progress and to drive sustainable actions throughout 3M and in collaboration with customers, partners and communities.

Corporate Governance Guidelines

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

Executive Sessions

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

Board's Leadership Structure

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

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

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

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

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

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

Lead Director

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

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

Communication With Directors (Stockholder 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.

Director Independence

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

Board Membership Criteria

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

- (i) Roles and contributions valuable to the business community
- (ii) Personal qualities of leadership, character, judgment, and whether the candidate possesses and maintains throughout service on the Board a reputation in the community at large of integrity, trust, respect, competence and adherence to the highest ethical standards
- (iii) Relevant knowledge and diversity of background and experience in business, manufacturing, technology, finance and accounting, marketing, international business, government, and the like
- (iv) Whether the candidate is free of conflicts and has the time required for preparation, participation and attendance at all meetings

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

Diversity

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

Board Skills and Responsibilities

For more information on the roles and responsibilities of Lead Independent Director and each of the Board Committees, refer to 3M's 2015 Proxy Statement and 2014 Annual Report.

Board Compensation

Information to pertaining to compensation rules and figures for board members.

Stock Ownership Guidelines

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

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

Prohibition of Hedging and Pledging

To prevent speculation or hedging of interests in our equity by our executive officers, the Company prohibits short sales of 3M stock or the purchase or sale by these executive officers of financial instruments, including options, puts, calls, equity swaps, collars, or other derivative instruments that are directly linked to 3M stock. In addition, the Company also prohibits the use of standing orders, margin accounts, and pledging of securities by its executive officers.

Policy on Reimbursement of Incentive Payments ("Clawback")

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

Factors Creating Alignment Between Pay and Performance and Balancing Risk

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

- A large portion of each executive's Total Direct Compensation (cash plus long-term incentives) is performance-based, varying from 90 percent for Chief Executive Officer Inge Thulin to a range of 73-89 percent for the other Named Executive Officers;
- The incentive compensation opportunities provided to the Company's executives are based on multiple performance-based metrics, which are focused primarily on growth in revenue and earnings, increase in 3M's stock price, and the efficient use of capital; and
- Stock ownership guidelines that require covered executives to own amounts of Company stock having a value exceeding a specified multiple of their base salary.

Compensation Best Practices

3M's executive compensation program incorporates and is administered according to the following best practices:

- The program is controlled by a Compensation Committee comprised of experienced and independent individuals, assisted by an independent compensation consultant who provides no other services to the Company or 3M management besides independent advisory support to the Nominating and Governance Committee on the compensation of the Company's nonemployee directors.
- The Committee annually reviews the pay-for-performance alignment of the executives' incentive compensation with the financial results of the Company and their respective businesses, as compared to the companies in its executive compensation peer group.
- The Board of Directors has adopted a comprehensive clawback policy that enables the Company to recover overpayments of incentive compensation if it is required to make a material restatement of its financial statements.
- The Company has robust stock ownership guidelines that apply to all executive officers of the Company.
- The Company does not have employment, severance, or change in control agreements or arrangements with any of its senior executives, including its Chief Executive Officer.
- The Company does not have arrangements providing for the payment of excise tax gross-ups in the event of a change in control of the Company.
- 3M limits the number and amount of executive perquisites, and does not provide tax gross-ups on any of these perquisites.
- Equity awards granted under the Long-Term Incentive Plan since 2010 have a "double trigger" accelerated vesting provision in the event of a change in control of the Company, meaning that vesting is accelerated only if an individual's employment is terminated in a qualifying termination within 18 months following the change in control.
- 3M prohibits the hedging or pledging of 3M common stock by its executive officers.

Benefits and Perquisites

3M's executive compensation program incorporates and is administered according to the following best practices:

- The program is controlled by a Compensation Committee comprised of experienced and independent individuals, assisted by an independent compensation consultant who provides no other services to the Company or 3M management besides independent advisory support to the Nominating and Governance Committee on the compensation of the Company's nonemployee directors.
- The Committee annually reviews the pay-for-performance alignment of the executives' incentive compensation with the financial results of the Company and their respective businesses, as compared to the companies in its executive compensation peer group.
- The Board of Directors has adopted a comprehensive clawback policy that enables the Company to recover overpayments of incentive compensation if it is required to make a material restatement of its financial statements.
- The Company has robust stock ownership guidelines that apply to all executive officers of the Company.
- The Company does not have employment, severance, or change in control agreements or arrangements with any of its senior executives, including its Chief Executive Officer.

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- 3M prohibits the hedging or pledging of 3M common stock by its executive officers.

Benchmarking

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

In addition, Aon Hewitt and Frederic W. Cook & Co., Inc. provide pay data and information on the executive compensation practices at the companies in 3M’s executive compensation peer group. This pay data is used by the Committee to assess the reasonableness of the benchmarking results for each executive position benchmarked, helping to ensure that the Company’s compensation objectives are being met. 3M’s executive compensation peer group consists of the following 19 companies (which remain the same as in the previous year), as recommended by the Committee’s independent compensation consultant and approved by the Committee:

Caterpillar Inc.	Illinois Tool Works Inc.
Corning Incorporated	Johnson & Johnson
Covidien plc	Kimberly-Clark Corporation
Danaher Corporation	Medtronic, Inc.
Deere & Company	Parker-Hannifin Corporation
Dow Chemical Company	The Procter & Gamble Company
Eaton Corporation plc	TE Connectivity Ltd.
E. I. du Pont de Nemours and Company	Tyco International plc
Emerson Electric Co.	United Technologies Corporation
Honeywell International Inc.	

The companies in this executive compensation peer group were selected because (1) their performance is monitored regularly by the same market analysts who monitor the performance of 3M (investment peers), and/or (2) they meet criteria based on similarity of their business and pay models, market capitalization (based on an eight-quarter rolling average), and annual revenues.

Use of Benchmarking Information

The Compensation Committee considers the pay data from the Benchmarking Groups when determining each executive’s Total Direct Compensation. For executives whose performance meets the Company’s expectations, the Committee aims to provide them with target Total Cash Compensation that is at or very close to the median of the corresponding target compensation paid to executives in the Benchmarking Groups, and with long-term incentive compensation delivered through annual grants having values that are within a range of 80 to 120 percent of the median of the corresponding compensation values provided to executives in the Benchmarking Groups. Executives whose performance consistently exceeds the Company’s expectations may receive Total Cash Compensation of 120 to 125

percent of the median of the corresponding compensation paid to executives in the Benchmarking Groups. Executives whose performance far exceeds the Company's expectations may also receive annual longterm incentive compensation grants having values that are within a range of 125 to 160 percent of the median of the corresponding compensation values provided to executives in the Benchmarking Groups.

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

Role of the Compensation Committee and its Advisors

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

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

During 2014, the Committee was assisted by its independent compensation consultant, George B. Paulin of Frederic W. Cook & Co., Inc. In addition to participating in the meetings of the Committee, Mr. Paulin provides the Committee with advice regarding the Company's executive salary structure, annual and long-term incentive compensation plans, compensation-related risks, and other executive pay policies. He also provides expert knowledge of marketplace trends and best practices relating to executive compensation practices and competitive pay levels. Mr. Paulin and his firm provide no other services to the Company or 3M management, with the exception of independent advisory support to the Nominating and Governance Committee on the compensation of 3M's nonemployee directors so that valuation methodologies and peer groups are consistent with those used for executives and other employees. During the year the Committee conducted an evaluation of the independence of Mr. Paulin and his firm considering the relevant regulations of the Securities and Exchange Commission and the listing standards of the New York Stock Exchange, and it concluded that the services performed by Mr. Paulin and his firm raised no conflicts of interest.

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

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

Compensation Program Elements

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

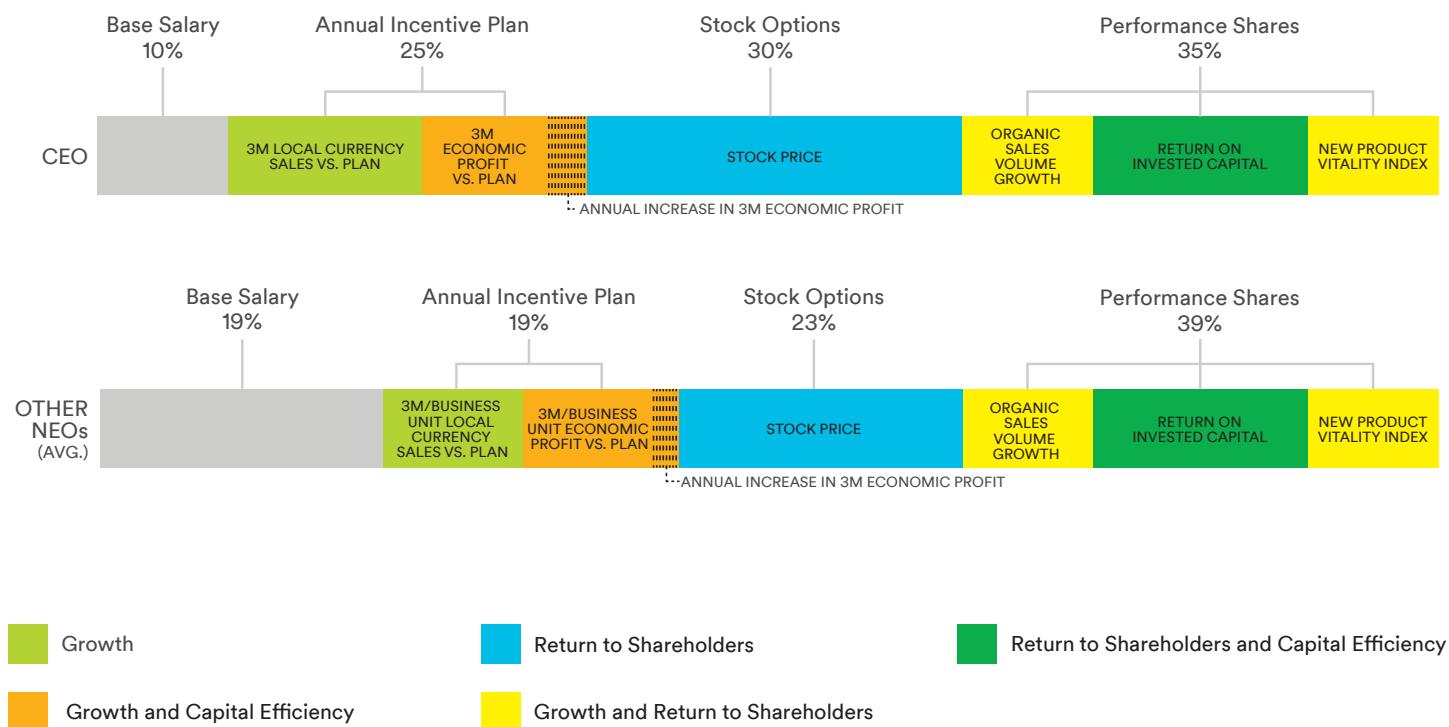
- base salary;

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

3M's executives also participate in various benefit plans made available to most of 3M's U.S. employees, are eligible to participate in three deferred compensation plans (which enable them to save for retirement or other financial planning purposes), and receive certain other benefits, each of which is described in the All Other Compensation Table. The entire program applied to approximately 110 executives during 2014, including all of the Named Executive Officers.

The following table shows how the 2014 Total Direct Compensation of the Named Executive Officers was apportioned among these elements, and how these elements relate to the strategic business goals of the Company. This table also reflects the relative balance among the elements as well as the alignment of their compensation with the goal of creating long-term value for the Company and its stockholders.

Elements of 2014 Direct Compensation



Base Salary

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

Annual Incentive

3M provides its executives with annual incentive compensation through plans that are designed to align a significant portion of their Total Cash Compensation with the financial performance of the Company and its business units. Each executive is assigned a target amount of annual incentive compensation as part of his or her Total Cash Compensation, but the amount of annual incentive compensation actually paid depends on the performance of 3M and its relevant business units as well as their individual performance. For Mr. Thulin, annual incentive compensation represented 61 percent of his target Total Cash Compensation for 2014. For 3M's other Named Executive Officers, annual incentive compensation represented from 43 percent to 50 percent of their target Total Cash Compensation for 2014.

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

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

The amount actually paid to an eligible employee for a particular year may range from 0 percent to 300 percent (reduced to 200 percent, effective for 2015) of the employee's target amount for that year, although the Committee has established a practice whereby any portion of an employee's annual incentive compensation payout that exceeds 200 percent of the employee's target amount is paid in the form of 3M restricted stock units that vest three years following the end of the year in which the compensation was earned, assuming continued employment. The amount of annual incentive compensation actually paid to an eligible employee may be increased by up to 30 percent or be reduced by up to 100 percent based on the employee's individual performance during that year. Individual performance takes into account both quantitative (financial results, for example) and qualitative (market and economic circumstances, for example) factors. In no event, however, may the total amount paid to an eligible employee exceed 300 percent (reduced to 200 percent, effective for 2015) of the employee's target amount for the year.

While the annual incentive compensation earned by most 3M executives is determined under the AIP, the annual incentive compensation earned by 3M's Named Executive Officers, as well as the other senior executives whose compensation is decided by the Committee, is determined under the Executive Plan approved by 3M's stockholders at the 2007 Annual Meeting. A total of 20 3M senior executives participated in this Executive Plan during 2014. This Executive Plan, which is intended to provide compensation that is exempt from the \$1 million annual deduction limit of Section 162(m) of the Internal Revenue Code, provides performance-based compensation for which the performance goal is the Company's Adjusted Net Income.

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

In determining the amount of annual incentive compensation paid to a covered executive, the executive's individual performance is considered based upon the annual performance evaluation that Mr. Thulin, assisted by 3M's Senior Vice President, Human Resources, does for each covered executive (other than himself) and the annual performance evaluation that the Compensation Committee acting through its Chairman does for Mr. Thulin. These performance evaluations are done according to 3M's overall performance assessment and management processes, which involve setting annual financial and non-financial goals and objectives for each individual and then assessing the individual's overall performance against these goals and objectives at the end of the year.

Long-term Incentives

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

Say on Pay Advisory Approval of Executive Compensation

As required by Section 14A of the Securities Exchange Act, in 2014 the Company conducted an annual advisory vote of stockholders with respect to the compensation of its Named Executive Officers.

At the Company's Annual Meeting of Stockholders held on May 13, 2014, approximately 97 percent of the shares that were voted on this item approved the compensation of the Company's Named Executive Officers as disclosed in the 2014 Proxy Statement. While the approval was advisory in nature, the Committee has taken note of this very strong stockholder support and views the outcome as confirmation that stockholders generally believe that the pay of the Named Executive Officers is appropriately aligned with their performance and the performance of the Company as well as the interests of 3M's stockholders. As a consequence, the results of this vote have not caused the Committee to make any changes in either the executive compensation program or the compensation of any Named Executive Officer.

3M™ Board of Directors

These are the individuals who comprise our 2015 Board of Directors.



3M Board of Directors



Inge G. Thulin, 61, *Chairman of the Board, President and Chief Executive Officer of 3M Company*. Mr. Thulin served as President and Chief Executive Officer of 3M Company from February 24, 2012, to May 8, 2012. Mr. Thulin served as the Company's Executive Vice President and Chief Operating Officer from May 2011 to February 2012, with responsibility for all of 3M's business segments and International Operations. Prior to that, he was Executive Vice President of International Operations from 2004 to 2011. Mr. Thulin also has held numerous leadership positions in Asia Pacific, Europe and Middle East, and across multiple businesses.

Director since: 2012

Other current directorships: Chevron Corporation

Other directorships in the past five years: The Toro Company

Mr. Thulin's degrees in Marketing and Economics from Gothenburg University, his distinguished 3M career spanning more than three decades with leadership roles across multiple geographies and businesses, his in-depth understanding of 3M's global businesses, his expertise and knowledge of managing a large global corporation across multiple industries and markets, his skills in business and financial matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M.

Linda G. Alvarado, 63, *President and Chief Executive Officer, Alvarado Construction, Inc., a Denver-based commercial general contractor, construction management and development company*. In 1976, Ms. Alvarado founded Alvarado Construction, Inc. and has overseen the growth of that enterprise as a commercial general contracting and design/build development firm conducting business across the United States and internationally.

Director since: 2000

Other current directorships: Pitney Bowes, Inc.



Ms. Alvarado's leadership role and experiences in establishing and building successful businesses, including founding and serving as President and Chief Executive Officer of Alvarado Construction, Inc., President of Palo Alto, Inc., which owns and operates numerous YUM! Brands restaurants in several states, and co-owner of the Colorado Rockies Major League Baseball Club, her skills in operations, financial and audit matters, and her experiences as a director at the public companies listed above, qualify her to serve as a director of 3M. Ms. Alvarado is a member of the Audit and Nominating and Governance Committees.



Sondra L. Barbour, 52, *Executive Vice President, Information Systems and Global Solutions, Lockheed Martin Corporation, a high technology aerospace and defense company*. Since joining Lockheed Martin in 1986, Ms. Barbour has served in various leadership capacities and has extensive technology experience, notably in the design and development of large-scale information systems. In 2013 she was appointed Executive Vice President, Information Systems & Global Solutions. From 2008 to 2013 she served as Senior Vice President, Enterprise Business Services and Chief Information Officer, heading all of the corporation's internal information technology operations, including protecting the company's infrastructure and information from cyber threats. Prior to that role she served as Vice President, Corporate Shared Services from 2007 to 2008 and Vice President, Corporate Internal Audit from 2006 to 2007 providing oversight of supply chain activities, internal controls, and risk management.

Director since: 2014

Ms. Barbour's degree in Computer Science and Accounting from Temple University, her leadership roles and experiences in Information Systems and Global Solutions at Lockheed Martin, her skills in information technology.

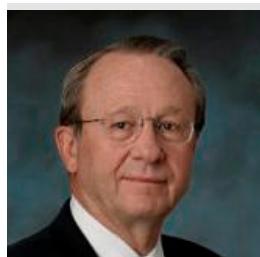
Thomas "Tony" K. Brown, 59, *Retired Group Vice President, Global Purchasing, Ford Motor Company, a global automotive industry leader.* Mr. Brown served in various leadership capacities in global purchasing since joining Ford in 1999. In 2008, he became Ford's Group Vice President, Global Purchasing, with responsibility for approximately \$90 billion of production and non-production procurement for Ford operations worldwide. He retired from Ford on August 1, 2013. From 1997 to 1999 he served in leadership positions at United Technologies Corporation, including its Vice President, Supply Management. From 1991 to 1997 he served as Executive Director, Purchasing and Transportation at QMS Inc. From 1976 to 1991 he served in various managerial roles at Digital Equipment Corporation.



Director since: 2013

Other current directorships: ConAgra Foods, Inc. and Tower International, Inc.

Mr. Brown's Bachelor of Business Administration from American International College in Springfield, Massachusetts, his leadership roles, and his knowledge of and extensive experiences in global purchasing, management, and supply chain at Ford Motor Company and other companies, qualify him to serve as a director of 3M. Mr. Brown is a member of the



Vance D. Coffman, 70, *Retired Chairman of the Board and Chief Executive Officer, Lockheed Martin Corporation, a high technology aerospace and defense company.* Dr. Coffman served in various executive capacities at Lockheed Martin Corporation before becoming Chairman and Chief Executive Officer in 1998. He retired as Chief Executive Officer in 2004 and as Chairman of the Board in 2005.

Director since: 2002

Other current directorships: Amgen Inc. (lead director) and Deere & Company

Dr. Coffman's Bachelor of Science degree in Aerospace Engineering from Iowa State University, his Masters and Doctoral degrees in Aeronautics and Astronautics from Stanford University and his various leadership roles and experiences at Lockheed Martin, including serving as Chairman of the Board and Chief Executive Officer, his role in the integration of Lockheed and Martin Marietta Corporations, his understanding of the challenges of managing a complex global organization, the breadth of his experiences and skills in business and financial matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M. Dr. Coffman

Michael L. Eskew, 65, *Retired Chairman of the Board and Chief Executive Officer, United Parcel Service, Inc., a provider of specialized transportation and logistics services.* Mr. Eskew was appointed Executive Vice President in 1999 and Vice Chairman in 2000 before becoming Chairman and Chief Executive Officer of UPS in January 2002. He retired as Chairman of the Board and Chief Executive Officer at the end of 2007 but remained as a director of UPS until December 31, 2014.



Director since: 2003 Other current directorships: The Allstate Corporation, International Business Machines Corporation (presiding director), and Eli Lilly and Company

Other directorships in the past five years: United Parcel Service, Inc.

Mr. Eskew's degree in Industrial Engineering from Purdue University, his leadership roles and experiences at United Parcel Service, including serving as Chairman of the Board and Chief Executive Officer, his knowledge of and extensive experiences in global logistics, his skills in financial and audit matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M. Mr. Eskew is Lead Director, Chair of the Compensation Committee, and member of the Nominating and Governance Committee.



Herbert L. Henkel, 66, *Retired Chairman and Chief Executive Officer, Ingersoll-Rand plc, a manufacturer of industrial products and components.* Mr. Henkel retired as Ingersoll-Rand's Chief Executive Officer, a position he held since October 1999, on February 4, 2010, and retired as Chairman of the Board on June 3, 2010. Mr. Henkel served as President and Chief Operating Officer of Ingersoll-Rand from April 1999 to October 1999. Mr. Henkel served in various leadership roles at Textron, Inc., including its President and Chief Operating Officer from 1998-1999.

Director since: 2007 **Other current directorships:** The Allstate Corporation and C. R. Bard, Inc.
Other directorships in the past five years: Visteon Corporation

Mr. Henkel's Bachelor's and Master's degrees in Engineering from Polytechnic University of New York and Masters of Business Administration from the Lubin School at Pace University, his leadership roles and experiences at Textron, Inc. and Ingersoll-Rand, including serving as Chairman of the Board and Chief Executive Officer, his knowledge of and extensive experiences in engineering, manufacturing, management, sales and marketing in a variety of industries, his skills in financial and audit matters, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M. Mr. Henkel is Chair of the Audit Committee and member of the Finance Committee.

Muhtar Kent, 62, *Chairman of the Board and Chief Executive Officer, The Coca-Cola Company, the world's largest beverage company.* Mr. Kent has held the position of Chairman of the Board of The Coca-Cola Company since April 23, 2009, and the position of Chief Executive Officer since July 1, 2008. From December 2006 through June 2008, Mr. Kent served as President and Chief Operating Officer of The Coca-Cola Company. From January 2006 through December 2006, Mr. Kent served as President of Coca-Cola International and was elected Executive Vice President of The Coca-Cola Company in February 2006. From May 2005 through January 2006, he was President and Chief Operating Officer of The Coca-Cola Company's North Asia, Eurasia and Middle East Group, an organization serving a broad and diverse region that included China, Japan, and Russia. Mr. Kent is a board member of The Consumer Goods Forum, a fellow of the Foreign Policy Association, a member of the Business Roundtable, a past Chairman of the U.S.- China Business Council, and Chairman Emeritus of the U.S. ASEAN Business Council. He was also appointed as a member of the Eminent Persons Group for ASEAN by President Obama and former Secretary of State Clinton.



Director since: 2013

Mr. Kent's Bachelor of Science in Economics from Hull University, England, and Master of Science in Administrative Sciences from City University London, his extensive leadership roles and experiences at The Coca-Cola Company across multiple geographies, and his extensive international experience not only at The Coca-Cola Company but also in the organizations mentioned above, qualify him to serve as a director of 3M. Mr. Kent is a member of the Audit and Finance Committees.



Edward M. Liddy, 69, *Partner, Clayton, Dubilier & Rice, LLC, a private equity investment firm.* Mr. Liddy served as a partner of Clayton, Dubilier & Rice, LLC from April to September 2008 and rejoined the firm in January 2010. At the request of the Secretary of the U.S. Department of the Treasury, Mr. Liddy served as Interim Chairman and Chief Executive Officer of American International Group, Inc. (AIG), a global insurance and financial services holding company, from September 2008 until August 2009. Mr. Liddy served as Chairman of the Board of The Allstate Corporation, a personal lines insurer, from January 1999 to April 2008 and as its Chief Executive Officer from January 1999 to December 2006.

Director since: 2000
Other current directorships: Abbott Laboratories, AbbVie, Inc., and The Boeing Company

Mr. Liddy's undergraduate degree from Catholic University and his Masters of Business Administration from George Washington University, his leadership roles and experiences at Sears, Roebuck and Co. as Chief Financial Officer from 1992-1994 and at Allstate as Chairman of the Board and Chief Executive Officer, his knowledge of and extensive experiences in insurance and risk management, his expertise and knowledge of financial and audit matters and corporate governance, and his experiences as a director at the public companies listed above, qualify him to serve as a director of 3M. Mr. Liddy is Chair of the Nominating and Governance Committee and member of the Compensation Committee.

Robert J. Ulrich, 71, *Retired Chairman of the Board and Chief Executive Officer of Target Corporation, an operator of large-format general merchandise and food discount stores.* Mr. Ulrich began his retailing career as a merchandising trainee in Target's department store division (Dayton Hudson) in 1967 and advanced through various management positions. He became Chairman and Chief Executive Officer of Target Stores in 1987 and was elected Chairman and Chief Executive Officer of Target Corporation in 1994. Mr. Ulrich retired as Target's Chief Executive Officer on May 1, 2008, and retired as Chairman of the Board on January 31, 2009.



Director since: 2008

Mr. Ulrich's Bachelor of Arts degree from the University of Minnesota, his leadership roles and experiences at Dayton Hudson and Target Corporation, his knowledge of and extensive experiences in retailing and in building Target into the second-largest retailer in the United States, and his skills in business and financial matters, qualify him to serve as a director of 3M. Mr. Ulrich is a member of the Compensation and Nominating and Governance Committees.

Corporate Code of Conduct

See how 3M™ maintains a high standard of corporate conduct for all employees.



3M™ believes what the Company stands for is as important as what we sell. Over the past 112 years, 3M has built a reputation for integrity and doing business the right way. 3M expects all employees to act ethically and to sustain and advance 3M's global reputation.

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

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

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

Compliance Program Enhancements in 2014

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

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

Global Code of Conduct

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

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

3M developed a communication and awareness program for the Code and Handbook deployment to ensure that each of 3M's more than 90,000 employees received a copy of the Handbook. That program included the following:

- A hard copy of the Code of Conduct Global Handbook was provided to all employees globally. To quickly and efficiently distribute the Handbook, using the innovative spirit of 3M, the team developed a method for storing printable versions online, where 3M subsidiaries could obtain the content in the language of their choice and print it through their local printer.
- The Code of Conduct Global Handbook was translated into 19 languages.
- The Code and Principles is available on 3M's internal and external websites.
- Every employee with a 3M email account received weekly emails for eight weeks, including an introductory email from CEO and Chairman of the Board Inge Thulin. The videos featured senior leaders discussing the six "fundamental expectations" in our Code (Be Good, Be Honest, Be Fair and Impartial, Be Loyal, Be Accurate, and Be Respectful).

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

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

Business Conduct Committee

The 3M Business Conduct Committee is composed of several senior executives and is chaired by 3M's CCO. The Committee has oversight for 3M's various compliance efforts. The Business Conduct Committee reports jointly to the Audit Committee of the 3M Board of Directors and to the Corporate Operating Committee. Corruption risk is part of the normal, quarterly discussions with the board.

Compliance Training and Education

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

Commitment to Anti-Corruption

As a member of the United Nations Global Compact, 3M is committed to support Principle 10 on Anti-Corruption and is working against corruption in all forms. Our commitment to Principle 10 and involvement in working groups associated with Principle 10 provides opportunity to benchmark and learn best practices from other peer companies and participate in relevant working group opportunities. We conduct additional benchmarking with similarly situated companies and take the opportunity to participate in the education of other professionals working on anti-corruption through our CCO's and other Compliance and Business Conduct Department professionals' participation in anti-corruption conferences and organizations.

3M's Anti-Bribery Principle requires compliance with all applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and all applicable local laws where 3M operates. The Anti-Bribery Principle applies to 3M employees, as well as to our business partners who act on 3M's behalf. In addition to anti-corruption policies and procedures have been communicated to all employees, "Global Bribery and Corruption Awareness" training is required of employees in higher-risk roles, including those in Legal, Audit, Sales, Marketing, Export and Global Trading. 3M's Anti-Bribery Principle and 3M-provided training are designed to educate our employees and business partners on recognizing the many forms in which bribes can appear and how to avoid them, even at the risk of losing business opportunities. Furthermore, employee awareness of corruption risk is reinforced through specific Anti-Bribery certification that is included in the Annual Code of Conduct Annual certification process. Furthermore, the Audit Committee of the Board receives updates from the CCO and the Business Conduct Committee on the Code Principles and compliance activities.

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

The Compliance and Business Conduct Department also collaborates with 3M Legal Affairs on pre- and post-acquisition due diligence processes in the merger and acquisition setting. These processes help identify and assess risks in the target company before acquisition. The pre-acquisition efforts also accelerates our efforts to identify compliance gaps and integrate the acquired company's employees to 3M's compliance program and culture. The Compliance & Business Conduct Department is charged to undertake specific, risk-based assessment and if necessary, remediation activities upon the closing of every acquisition, using an established protocol and expert staff.

Reporting Systems

Upholding 3M's Code of Conduct and values is the responsibility of everyone acting on 3M's behalf. 3M recognizes that reporting suspected misconduct or even asking a compliance question can take courage, but we believe it is the right thing to do. Our employees are encouraged to raise questions or report misconduct or potential misconduct to management, 3M Legal Counsel, the Compliance and Business Conduct Department, or to their Human Resources Manager.

In addition, a 24-hour confidential and anonymous helpline is available internally and externally through EthicsPoint, an independent third-party vendor. Reports are made through this system telephonically or online and are promptly investigated and responded to by the Compliance and Business Conduct Department or other responsible staff departments. EthicsPoint does not trace phone calls or use caller identification, nor does EthicsPoint generate or maintain internal connection logs containing Internet Protocol (IP) addresses. Web-based reports are made through a secure Internet portal, which does not trace or show user screen names. 3M's Employee Obligations and Reporting Principle prohibits retaliation against anyone who raises a business conduct concern in good faith or cooperates in a company investigation. Below is a graph illustrating four-year metrics for business conduct related reports raised using our reporting tools found at 3M-Ethics.com.

The Compliance and Business Conduct Department has the responsibility to review every business conduct concern that is reported to EthicsPoint, as well as reports that are made to management or functional employees and reported to EthicsPoint by them. The Department determines which reports require investigation and if investigation is needed, assigns the investigation resource. For concerns that are substantiated, disciplinary action is taken. Discipline comes in a range of forms, from warnings, to suspensions, to termination, consistent with similar past violations. As indicated in the graph above, disciplinary actions may include one or more persons associated with a single substantiated violation.

Allegations and Disciplinaction Actions



Maintaining Business Conduct Compliance

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

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

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

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

For additional information on our Corporate Code of Conduct, visit the 3M Business Conduct Website at solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/.

Managing Enterprise Risks and Opportunities

View how 3M™ evaluates potential risks facing the company.

Enterprise Risks and Opportunities

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

Managing Enterprise Risks

Enterprise Risk Categories	Inherent Aspects		
	Environmental	Social	Economic
		●	●
		●	●
			●
	●		●
Hazard	●	●	

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 state of future, qualified candidates for key management positions. The Auditor also actively and routinely seeks input from executive Committees with expertise in specific risks. For example, the EHS Committee provides input on risks with environmental or social impacts.

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

The Board also believes its oversight of risk is enhanced by its current leadership structure (discussed above) because the CEO, who is ultimately responsible for the Company's risk management, also chairs regular Board meetings, and with his in-depth knowledge and understanding of the Company, he is best able to bring key business issues and risks to the Board's attention.

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

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

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

A close-up photograph of a young boy with blonde hair, wearing a grey t-shirt, looking upwards with a curious expression. He is positioned in front of a wooden structure, possibly a treehouse or birdhouse, with green leaves and a purple flower in the foreground.

Respecting Human Rights

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

Leading With High Integrity and Values

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

Our Approach and Values

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

3M values our people and considers them a key contributing factor to our continued success and growth for 113 years. We work hard to foster an environment where all employees are treated with respect and allowed to develop their skills and talents and to always act with integrity. We not only comply with laws and regulations, but we are rooted in going above and beyond to do the right thing.

Human Rights Elements

Safe and Healthy Workplace

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

Respectful Workplace

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

Working Hours and Compensation

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

Freedom of Association and Collective Bargaining

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

Child Labor/Minimum Hiring Age

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

Forced and Compulsory Labor or Human Trafficking

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

Human Rights Remediation/Grievance Resolution

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

Human Rights Awareness and Training

To ensure that employees are aware of 3M policies related to human rights, 3M provides regular training to employees regarding our Business Conduct Policies, including 3M's Respectful Workplace Principle. Employee training regarding our Respectful Workplace Principle includes training on 3M's Human Rights Policy and 3M's commitment to human rights. Current training includes direction on how employees can raise issues for investigation and response. All 3M locations also post information on how employees can report any concerns. The enhanced training will be rolled out to all employees globally, except for production employees outside the U.S. because of translation barriers. 3M will work toward providing training to that population as well in the future. Finally, 3M's website also has information on corporate policies, as well as links and additional information on how to report any concerns.

Human Rights Performance and Assessment

3M's employee relations staff conducts site self-assessments of workplace practices on a biannual basis, which include review of practices related to 3M's Human Rights Policy to ensure that practices are consistent with and reinforce that policy. Various data is tracked through the process to identify potential gaps and opportunities for improvement. To date, approximately 70% of sites have been assessed including self-assessments implemented in 3M operations in the United States, Canada, Latin America, Asia and Europe.

In addition, corporate audits are conducted of site workplace and human resource practices. Assessment and auditing of suppliers is also conducted to assure compliance with 3M's expectations related to labor practices (see the Engaging Our Suppliers section of this report for more details). To the best of our knowledge, there were no incidents related to the rights of indigenous people in 2014.

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

- 3M Global Human Rights Policy Statement at <http://multimedia.3m.com/mws/media/1029705O/human-rights-policy-statement.pdf>
- 3M Equal Opportunity Employment at <http://multimedia.3m.com/mws/media/1029705O/human-rights-policy-statement.pdf>
- 3M Respectful Workplace Principle at http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/policy/principles/berespectful/respectful/



About Report

Report Scope and Boundaries

Report Schedule and Period

Current Issue: May 11, 2015

Next Issue: Scheduled for May 2016

Previous Issue: May 23, 2014

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

This report provides a summary of the activities in fiscal year 2014 (January 1, 2013, to December 31, 2014).

Organizational Boundaries

This report covers 3M's owned manufacturing facilities and leased facilities worldwide, including joint ventures (if greater than 50 percent 3M ownership) and partially owned subsidiaries (if greater than 50 percent 3M ownership) where 3M has full operational control. Acquisitions are included in data sets once legally owned and fully integrated onto 3M systems (including the purchase of the remaining 25% of Sumitomo subsidiary and Treo Solutions). All data included in the report is global data unless otherwise specified. Any significant organization changes are identified in 3M's Proxy Statement.

Data Collection, Adjustments and Verification

The data provided in this report through facts and figures is based on activities during 3M's fiscal year 2014. For some performance indicators, the previous year's data is provided to allow for annual comparisons.

Report Data Collection

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

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

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

Base Year and Other Adjustments

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

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

greenhouse gas emissions base-year data in the case of business acquisitions and divestitures.

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

In 2014, 3M identified and corrected data entry errors regarding female employment numbers. In the internal data verification process an error was detected and thereby fixed for this reporting cycle.

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

Data Verification

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

- Accuracy and completeness of data
- Reliability of systems used to measure and record data
- Reliability of ratios compiled from underlying data
- Adherence to the GRI G4 Reporting Guidelines
- Implementation of internal policies and related management systems as reported
- Presentation of a complete and fair picture in the report as a whole

Third-Party Verification: ISOS Group [“Assurance Provider”] provided independent third-party assurance for this report covering activities January 1, 2014, to December 31, 2014. ISOS group verified environmental and social metrics. See Appendix A of this report for its assurance statement.

Global Principles and Guidelines

Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that includes representatives from business, government, labor, third-party advocacy groups and academia. The GRI organization has developed a framework for sustainability reporting. Following the GRI Sustainability framework advances two important objectives: transparency and the ability to compare results from one organization to another. 3M has developed this report using GRI G4 Guidelines. The following GRI index outlines where specific GRI reporting elements and indicators are addressed in the report or other reporting sources including 3M's Annual Report (10K) (AR), 2015 3M Proxy Statement (PR) or other noted sources. [Link to http://investors.3m.com/files/doc_financials/2014/ar/2015-3M-Company-Proxy.pdf]

Our material Aspects are identified in the GRI Index . 3M self-declares the 2015 report as “In Accordance-Core.”

United Nations Global Compact Communication on Progress

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. 3M committed to the UN Global Compact principles in early 2014. This report includes an index of our Communication on Progress implementing the 10 principles within the content of this 2015 Sustainability Report.

Contact 3M

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

Indices: GRI and the UN Global Compact

Global Reporting Initiative Reporting Guidelines

3M has developed this report using the Global Reporting Initiatives' G4 Guidelines. The following table outlines where specific GRI reporting elements and indicators are addressed in the report.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

UN Global Compact Principles

3M committed to the UN Global Compact principles in February 2014. Below is an index cross-linking progress elements related to the 10 principles within the content of this 2015 Sustainability Report.

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

- 3M Practices (pages 158-160)
- Supplier Expectations (page 22, 27-28)
- In our Communities (page 46)

- Principle 2: make sure that they are not complicit in human rights abuses.

- 3M Practices (pages 158-160)
- Supplier Expectations (page 22, 27-28)

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

- Principle 4: the elimination of all forms of forced and compulsory labour;

- Principle 5: the effective abolition of child labour; and

- 3M Practices (pages 158-160)
- Supplier Expectations (page 22, 27-28)

- Principle 6: the elimination of discrimination in respect of employment and occupation.

- 3M Practices (pages 97-101)

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;

- Principle 8: undertake initiatives to promote greater environmental responsibility; and

- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

- 3M Practices (pages 56-85)
- Supplier Expectations (page 22-26)

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

- 3M Practices (pages 148-153)

Strategy and Analysis

G4-1

Page 3
Statement from the CEO
ISOS Assurance

G4-2

Page 155
Key impacts, risks, and
opportunities.
ISOS Assurance

Organizational Profile

G4-3

Page 126
Name of Organization.
ISOS Assurance

G4-4

Page 126
Primary brands, products,
and services.
ISOS Assurance

G4-5

Page 126
Location of the
organization's
headquarters.
ISOS Assurance

G4-6

Page 126
Number of countries where
the organization operates.
ISOS Assurance

G4-7

Page 126
Nature of ownership and
legal form.
ISOS Assurance

G4-8

Page 126
Markets served.
ISOS Assurance

G4-9

Page 126
Scale of the organization.
ISOS Assurance

G4-10

Page 126
Employment data.
ISOS Assurance

G4-11

Page 159
Percentage of total
employees covered by
collective bargaining
agreements.
ISOS Assurance

G4-12

Page 22
The organization's supply
chain.
ISOS Assurance

G4-13

Page 162
Significant changes during
the reporting period
regarding the organization's
size, structure, ownership,
or its supply chain.
ISOS Assurance

G4-14

Page 6
Whether and how the
precautionary approach or
principle is addressed by the
organization.
ISOS Assurance

G4-15

Page 41
Externally developed
economic, environmental
and social charters,
principles, or other
initiatives to which the
organization subscribes or
which it endorses.
ISOS Assurance

G4-16

Page 41
Membership of
organizations.
ISOS Assurance

Identified Material Aspects/ Boundaries

G4-17	G4-18	G4-19	G4-20
Page 30 Entities included in the organization's consolidated financial statements or equivalent documents.	Page 11 Process for defining the report content and the Aspect Boundaries. ISOS Assurance	Page 10 Material Aspects identified in the process for defining report content. ISOS Assurance	Page 11 Aspect Boundary within the organization ISOS Assurance
G4-21	G4-22	G4-23	
Page 11 Aspect Boundary outside the organization. ISOS Assurance	Page 162 Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Page 162 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	

Stakeholder Engagement

G4-24	G4-25	G4-26	G4-27
Page 40 List of stakeholder groups engaged by the organization. ISOS Assurance	Page 40 The basis for identification and selection of stakeholders with whom to engage. ISOS Assurance	Page 40 The organization's approach to stakeholder engagement. ISOS Assurance	Page 42 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns. ISOS Assurance

Report Profile

G4-28	G4-29	G4-30	G4-31
Page 162 Reporting period (such as fiscal or calendar year) for information provided.	Page 162 Date of most recent previous report.	Page 162 Reporting cycle.	Page 163 Contact point for questions regarding the report or its contents.

G4-32

Page 163

'In accordance' option the organization has chosen.

G4-33

Page 165

Assurance for the report.

Governance

G4-34

Page 131

The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.

G4-35

Page 132

The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.

G4-36

Page 132

Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.

G4-37

Page 42

Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.

G4-38

Page 144

Composition of the highest governance body and its committees.

G4-39

Page 133

Whether the Chair of the highest governance body is also an executive officer.

G4-40

Page 135

Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.

G4-41

Page 135

Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.

G4-42

Page 133

The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.

G4-43

Page 133

The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.

G4-45

Page 133

The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.

G4-46

Page 133

The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.

G4-47	G4-49	G4-51	G4-52
Page 155 The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities. ISOS Assurance	Page 135 The process for communicating critical concerns to the highest governance body. ISOS Assurance	Page 136 The remuneration policies for the highest governance body and senior executives. ISOS Assurance	Page 136 The process for determining remuneration. ISOS Assurance
G4-53			
Page 139 How stakeholders' views are sought and taken into account regarding remuneration. ISOS Assurance			

Ethics and Integrity

G4-56	G4-57	G4-58
Page 149 The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics. ISOS Assurance	Page 152 The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity. ISOS Assurance	Page 152 The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity. ISOS Assurance

Aspect: Economic Performance

G4-DMA	G4-EC1	G4-EC3
Page 30 Generic Disclosures on Management Approach. ISOS Assurance	Page 31 Direct economic value generated and distributed	Page 32 Coverage of the organization's defined benefit plan obligations. Lucideon

Aspect: Energy

G4-DMA	G4-EN3
Page 76 Generic Disclosures on Management Approach. ISOS Assurance per GRI Technical Requirements	Page 84 Energy consumption within the organization. ISOS Assurance

Aspect: Water

G4-DMA	G4-EN8	G4-EN11
Page 71 Generic Disclosures on Management Approach. ISOS Assurance	Page 72 Total water withdrawal by source. Principle 7,8 ISOS Assurance	Page 72 Percentage and total volume of water recycled and reused. Principle 8 ISOS Assurance

Aspect: Emissions

G4-DMA	G4-EN15	G4-EN16	G4-EN18
Page 76 Generic Disclosures on Management Approach. ISOS Assurance	Page 83 Direct greenhouse gas (GHG) emissions. (Scope 1) Principle 7,8 Lucideon Assurance	Page 83 Other indirect greenhouse gas (GHG) emissions. (Scope 3) Principle 8 Lucideon Assurance	Page 82 Greenhouse gas (GHG) emissions intensity. Principle 8 Lucideon Assurance
G4-EN19	G4-EN20		
Page 79 Reduction of greenhouse gas (GHG) emissions. Principle 8,9 Lucideon Assurance	Page 64 NOx, SOx, and other significant air emissions. Principle 7,8 ISOS Assurance		

Aspect: Effluents and Waste

Principle 8

G4-DMA	G4-EN23	G4-EN24
Page 61 Generic Disclosures on Management Approach. ISOS Assurance	Page 64 Total weight of waste by type and disposal method. ISOS Assurance	Page 59 Total number and volume of significant spills. Principle 8 Omissions: We have not disclosed the volume of spills, but will seek to do so in the future. ISOS attests to the validity of the omission

Aspect: Environmental Compliance

G4-DMA

Page 57
Generic Disclosures on Management Approach.
ISOS Assurance per GRI Technical Requirements

G4-EN29

Page 59
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
Principle 8
Omissions: We have not disclosed cases brought through dispute resolution mechanisms.
ISOS attests to the validity of this omission

Aspect: Employment

G4-DMA

Page 97
Generic Disclosures on Management Approach.
ISOS Assurance per GRI Technical Requirements

G4-LA1

Page 100
Total number and rates of new employee hires and employee turnover by age group, gender and region.
Principle 6
ISOS Assurance

G4-LA2

Page 101
Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.
ISOS Assurance

Aspect: Occupational Health and Safety

G4-DMA

Page 87
Generic Disclosures on Management Approach.

G4-LA5

Page 91
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.
ISOS Assurance

G4-LA6

Page 92
Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.
ISOS Assurance

Aspect: Training and Education

G4-DMA	G4-LA10	G4-LA11
Page 102 Generic Disclosures on Management Approach ISOS Assurance per GRI Technical Requirements. Data fell out of scope	Page 103 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Page 104 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category. Principle 6

Aspect: Freedom of Association and Collective Bargaining

G4-DMA	G4-HR4
Page 158 Generic Disclosures on Management Approach. ISOS Assurance	Page 159 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights. Principle 3 ISOS Assurance

Aspect: Child Labor

G4-DMA	G4-HR5
Page 158 Generic Disclosures on Management Approach ISOS Assurance	Page 159 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor Principle 5 ISOS Assurance

Aspect: Forced or Compulsory Labor

G4-DMA	G4-HR6
Page 27 Generic Disclosures on Management Approach ISOS Assurance	Page 27 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor Principle 4 ISOS Assurance

Aspect: Assessment

G4-DMA	G4-HR9
Page 158 Generic Disclosures on Management Approach ISOS Assurance	Page 158 Total number and percentage of operations that have been subject to human rights reviews or impact assessments Principle 1 ISOS Assurance

Aspect: Local Communities

G4-DMA	G4-SO1
Page 45 Generic Disclosures on Management Approach	Page 46 Percentage of operations with implemented local community engagement, impact assessments, and development programs Principle 1 ISOS Assurance

Aspect: Anti-Corruption

G4-DMA	G4-SO4
Page 149 Generic Disclosures on Management Approach ISOS Assurance per GRI Technical Requirements	Page 151 Communication and training on anti-corruption policies and procedures Principle 10 ISOS Assurance

Aspect: Customer Health and Safety

G4-DMA	G4-PR1
Page 16 Generic Disclosures on Management Approach ISOS Assurance	Page 16 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement ISOS Assurance

Aspect: Product and Service Labeling

G4-DMA	G4-PR3
Page 16 Generic Disclosures on Management Approach ISOS Assurance per GRI Technical Requirements	Page 16 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

Aspect: Compliance

G4-DMA	G4-PR9
Page 16 Generic Disclosures on Management Approach ISOS Assurance per GRI Technical Requirements	Monetary value of significant fines for non- compliance with laws and regulations concerning the provision and use of products and services - None for 2014. ISOS Assurance

External Assurance Statement

External Assurance Statement

2014 GRI G4 Core “In Accordance” Report



Scope of Assurance

ISOS Group [“Assurance Provider”] was commissioned by the management of the 3M Company [“3M”, “Company”] from February – May 2015 to review the corporate Sustainability Report [“Report”] containing 2014 calendar year detail. The scope of our assurance engagement covered reporting processes according to the Global Reporting Initiative (GRI) Guidelines and select performance metrics. More specifically, this assessment covered: volatile organic compounds [“VOCs”]; water (consumption, wastewater and conservation efforts); waste (levels, management practices and reduction efforts); reported spills, fines and corrective measures; health and safety data (recordable incidents, lost time injury and/or illness cases); employee demographics and community engagement expressed on behalf of 3M’s global operations. Financial, energy usage and greenhouse gas emissions, and labor information already verified through other methods has been excluded from the scope of this engagement.

Objectives

The objective of this assurance arrangement was to independently express conclusions on subject matter, while also validating qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase overall credibility of the reported.

Criteria for Assurance and Level of Assurance

Limited Assurance was performed. The focus of all work performed was to ensure that 3M’s 2014 Sustainability Report was prepared in accordance with the Global Reporting Initiative’s G4 Guidelines. Procedures selected were based on the Assurance Provider’s judgment and experience. Therefore, the GRI G4 Reporting Principles, the SA8000 for evaluating social factors and the AA1000AS (2008) for underlying reporting processes, including engagement, were referred to in the evaluation. A minimum quality standard was set at 95% for all evaluative tasks performed.

Methodology

To form our conclusions, we undertook the following activities: reviewed information management systems, procedures and controls relating to the collection, aggregation and reporting processes for select performance metrics; 3M’s reporting team and subject matter experts to verify consistency in the management approach for collecting, aggregating and reporting data and implementing internal quality control procedures; conducted investigations of publicly available records and databases to determine legitimacy of 3M’s assertions; reviewed several drafts of the Report along with supporting evidence. A sampling of global sites required additional interviews and in-detail evaluation of supporting systems and original sources of data. A log of all findings was shared with 3M in order to adjust and take corrective action where necessary.

Conclusions

Based on the assurance procedures conducted, there is no evidence that the assertions included in 3M’s Sustainability Report for 2014 are not materially correct and is a fair representation of the data and information for the stated period and boundaries.

In the continuum of report assurance for 3M, ISOS concludes that the systems and processes deployed at the Company are robust, consistently applied and evaluated effectively for quality control purposes. As efforts to stimulate functional ownership of subject matter continues to evolve and a wider group of facility level personnel are engaged, additional

levels of review and data checks would further strengthen the organization's sustainability reporting management.

Statement of Independence

ISOS Group is an independent professional services firm that specializes in sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. The Assurance Provider's team members have not been involved in the development of the Report nor have they been associated with IFF's sustainability program, data collection, or processes. We conducted this assurance engagement independently and, to our knowledge, there has been no conflict of interest. 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.

Signed on behalf of ISOS Group: San Diego | May 6, 2015



Nancy Mancilla
Project Lead



Alexandru Georgescu
Quantitative Analysis Lead



Christina Schwerdtfeger
Environmental Analyst

**The Directors
3M Company
EHS Operations 3M Center Bldg. 260-5N-17 Maplewood, MN 55144**

8 May 2015

To whom it may concern

The purpose of this letter is to clarify matters set out in the assurance report. It is not an assurance report and is not a substitute for the assurance report.

This letter and the verifier's assurance report, including the opinion(s) therein, are addressed to you and are solely for your benefit in accordance with the terms of the contract. We consent to the release of this letter by you to the Carbon Disclosure Project in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this letter or our assurance report. We further consent to the use of this letter for reference in whole or in part in 3M's sustainability report.

In accordance with our engagement contract with you dated **29 September 2014** (the "contract") and for the avoidance of doubt, we confirm that our "**3M CY2014 VReport 2015-05-08 Reviewed.pdf**" report to you dated **8 May 2015** (the "assurance report") incorporated the following matters:

1. Boundaries of the reporting company covered by the assurance report and any known exclusions.

Organizational: Operational management control

Geographical: Global operations

Limited assurance verification

2. Emissions data verified - broken down by Scope 1, Scope 2 and Scope 3 categories with figures given; option to include other relevant data that has been verified with figures.

Direct	Biogenic	Total Direct	Indirect
4,390,000	4,120	4,400,000	2,240,000

3. Period covered (e.g. '12 months to DD MM YY')

1 January 2014 to 31 December 2014

4. Verification standard used

Verified pursuant to ISO 14064-3

5. Assurance opinion (incl. level of assurance and any qualifications)

Limited Assurance. Lucideon CICS, Inc. performed a limited review of GHG emissions calculations and reviewed the GHG data collection process. Based on the limited assurance verification conducted on the data provided by the reporter, the evidence reviewed indicates that the GHG assertion

- Is materially correct and is a fair representation of GHG data and information, and
- Has been prepared in accordance with the related International Standard on GHG quantification, monitoring and reporting, or to relevant national standards or practices.

6. Verification provider and accreditations (if relevant)

Lucideon CICS, Inc., accredited for ISO 14064-3 verifications by the American National Standards Institute (ANSI).

7. Lead verifier name and relevant accreditations/professional membership (if relevant)

Keith W. Field

Lead Verifier: **Keith W. Field**

8 May 2015



Peer Reviewer: **David Robinson**

8 May 2015



Lucideon CICS Limited
Queens Road, Penkhull
Stoke-on-Trent
Staffordshire ST4 7LQ, UK

T +44 (0)1782 411008
support@lucideon.com
Reg. England 1871628