Improving Lives

3D Text: Improve
Demond Rachon Bryant Jr., 2018
Juxtaposition Arts

We tapped youth design apprentices at
Minneapolis, MN based Juxtaposition Arts
to interpret Sustainability at 3M and design
this cover. Learn more inside. ⟶

A Sustainability story suitable for framing

3M has a history of contributing to organizations that improve the lives of people in their communities.

This year, the tables have been turned. An organization that improves the lives of people in its community is contributing to 3M.

More specifically, Juxtaposition Arts (JXTA) has made a strong, artistic contribution to the cover and inside pages of this year's 3M Sustainability Report.

Located in North Minneapolis, JXTA is an inner-city arts organization that provides young artists with paying jobs and a creative learning environment while championing the revitalization of the community that surrounds it.

JXTA students come from all over the Minneapolis-St. Paul area to be employed here while learning professional design, production, and marketing skills in one of five educational studios.
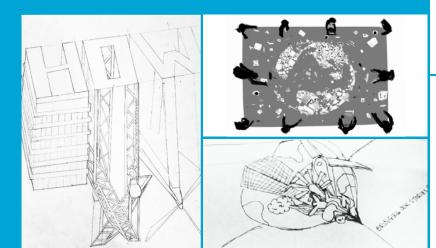
"We have studios that train kids in Textiles & Screen Printing, Environmental Design, Graphic Design, Contemporary Art, and Tactical Urbanism," says Bobby Rogers, JXTA Graphic Design Lab Lead. "The primary focus of these studios is to prepare each student beyond where they're expected to be at their age, so when they complete their training they can move forward in their lives, whether they're headed to college or into the real world."

When 3M discovered the community-building mission of this institution, it asked three apprentices from JXTA's Graphic Design studio to develop the original art used in this year's Sustainability Report: Demond "DJ" Bryant, Avahnii Lewis, and Patricio De Lara.

(Left to right) Demond "DJ" Bryant, Patricio De Lara, and Avahnii Lewis

This talented young trio immersed themselves in learning about Sustainability at 3M, and followed a formal design process, initiated by the report's design agency BBDO, to generate an art concept that would capture the spirit of "Improving Every Life". They developed dozens of potential concept "sketches", worked with BBDO and 3M to narrow them down and eventually collaborated with each other to refine and extend the chosen concept.

Amanda Riley, BBDO Account Supervisor, says: "Right off the bat, JXTA asked us to treat them like we would any other vendor partner despite the age and experience level of the apprentices. While there were more 'teaching' opportunities than we would have for our typical vendor partners, we tried to stay true to our standard creative development and review process."

Chris Corum, BBDO Creative Lead, agrees. "The apprentices didn't disappoint. From the beginning, they were engaged with 3M as a client and the Sustainability Report as a creative challenge to solve. They embraced the challenge, bringing multiple options of concepts and executions throughout the entire process. Their proficiency with design software and the other tools of creative professionals was impressive, far exceeding my expectations for designers so young."

About the experience, Demond, a high school junior who wants to someday work in visual development for video games, says, "This experience definitely pushed my abilities to the limit – and that's a good thing." Avahnii, a high school sophomore who may go into art, politics, or law, says, "I feel like 3M and BBDO helped us with all of our concepts, to make sure everything had a meaning." Patricio, a college sophomore who is a passionate believer in telling stories with art, adds, "I've learned that no matter how well you can draw, you still need that core idea."

After completing their work on the 3M Sustainability Report project, the three apprentices will join about 70 other youth in working this summer at JXTA on other client jobs, preparing themselves for what's next in their professional lives – and working on projects that help the north Minneapolis community thrive.

Reflecting on the process, Demond says: "I'm going to be better prepared when I eventually go out into the real world, because this is what the real world is like."

Patricio is in the same camp: "Getting this experience has been immense."

And what about the finished product, Avahnii? "I think it really gets the message across that Sustainability is wise."
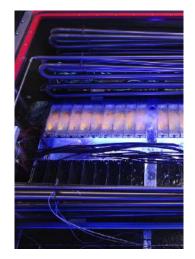
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A message from Inge G. Thulin

SD G4 1-2 In partnership with our customers, 3M uses science every day to improve lives and help solve society's toughest challenges – from clean air and clean water, to advanced health care and food safety. We recognize the unique and inspiring opportunity we have: to grow our enterprise while making the world stronger, safer, and healthier.

To that end, we remain committed to making significant investments in Sustainability-inspired innovation. In 2017, 3M invested $1.9 billion in research and development, as we continue inventing and manufacturing cutting-edge Sustainability solutions. Last year, in fact, 3M products helped our customers reduce their greenhouse gas emissions by 13 million tons.

Our commitment to Sustainability extends to our own operations, and has for decades. In 1975 we launched a pioneering program called Pollution Prevention Pays, which empowers 3Mers to find creative ways to make our company more efficient. This initiative continues today, and has led to 15,000 projects that have prevented two million tons of air, water, and waste pollution.

Last year we also continued to make progress on our 2025 Sustainability Goals, which we laid out three years ago. These include investing in sustainable materials, increasing energy efficiency and water management,

and doubling 3M's pipeline of diverse leaders. Additional achievements from 2017 include:

- We convened customer conversations focused on Sustainability, and embedded Sustainability into our business strategies globally.

- We invested more than $70 million to support education, environmental, and other programs in our communities.

- We launched 3M Impact, a skills-based service program that sends 3Mers to communities around the world to help solve a pressing need.

- We received the prestigious Catalyst Award for our leadership in advancing diversity and inclusion, while receiving 100 percent scores on the LGBTQ Equality Index and Disability Equality index.

Going forward, we will continue to invest in developing products that help our customers reach their goals, while increasing our own Sustainability efforts in accordance with the United Nations Global Compact and its principles.

Thank you for joining us in this journey toward improving every life.

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

3M Research and Development Lab

A message from John P. Banovetz

As Senior Vice President of Research and Development and Chief Technology Officer, I have the opportunity each day to see how our technologies, our science, and our people help to solve some of the world's greatest challenges and improve lives.

Whether it is through the incorporation of sustainable materials in our products or helping customers be more sustainable, we recognize that societal challenges both require and provide opportunity for game-changing innovation. At 3M, Sustainability serves to drive innovation – in our manufacturing, in our products, and in new technologies.

It's inspiring to see how working toward a greater good, and doing so with creativity and collaboration, sparks new ideas and applying science to life, drives progress. Furthermore, it is inspiring to see how individual contributors can create positive change to drive business opportunities as well as personal fulfillment – something I see within 3M teams every day.

As we look to further leverage Sustainability to enable innovation across the company, in partnership with customers and partners, we are thankful to be doing so on a foundation of science and innovation. We continue today to be a leader in Sustainability, while recognizing our unique capability to innovate in ways that serve both business growth, advance every company, enhance every home, and improve every life.

John P. Banovetz
*Senior Vice President,
Research and Development and Chief Technology Officer*

Feature stories

Playing it cool in data centers

With the explosive growth of the internet, artificial intelligence, cloud computing, and high-performance computing (HPC), data centers are powering dramatic changes not just in business but in quality of life. However, with this constant use of data, it's no surprise that data centers are working hard to keep up, presenting both great opportunities and great challenges.

One of the biggest challenges is the massive amount of energy that data centers consume in order to operate. In the U.S., for example, data centers consume some 2 percent of the total energy consumption according to the U.S. Environmental Protection Agency (EPA), much of it simply to run chiller units and fans to air-cool the computing hardware.

To help alleviate the cost of server cooling and its impact on the environment, 3M is helping lead the immersion cooling revolution for data centers.

How does immersion cooling work?

Immersion cooling involves putting electronics directly in a non-conductive fluid, allowing heat to be transferred directly from components into the heat transfer fluid. In traditional cooling systems, heat must transfer through several levels of thermal interface materials, air, heat exchangers, and working fluids. Immersion cooling simplifies thermal design and increases heat transfer efficiency.

Liquid immersion cooling using 3M fluids contributes to a lower cost of ownership in many ways. As efficient heat conductors, they need less cooling machinery and less space between components. The improved cooling capacity means you can position electronics closer together – so you can fit 10 times the compute density in a given space. And with greater thermal efficiency, processing power can be increased dramatically.

Finally, liquid immersion cooling eliminates airborne contaminants and simplifies thermal design to reduce moving parts. This means data centers can run their electronics at full capacity with less wear and tear.

Learn more about the secret formula making a splash by helping protect your tech: here

For decades, holding securely to the concept of greener chemistry

For nearly half a century, the formula for success with Scotch® Brand adhesive products has involved more than their ability to stick. It's based on green chemistry principles that have helped 3M move away from the solvents often associated with adhesives.

In 1968, 3M replaced the solvent adhesive previously used in Scotch® Magic™ Tape and Scotch® Brand single-sided Home & Office Tapes with a water-based adhesive invented by 3M scientists. Scotch® Brand Packaging Tapes, meanwhile, have been made with a solvent-free adhesive for more than a decade, a rarity in the packaging tapes category.

The science of Scotch® Brand products hasn't stopped there, either. Scotch® Greener Home and Office Tapes are made from 65 percent recycled or plant-based materials and all Scotch® Super 77™ and Scotch® Spray Mount™ Spray Adhesives sold in the U.S. comply with the lower VOC limits set by the California Air Resources Board (CARB) in January, 2017.

3M's dedication to reducing the impact Scotch® Brand products have on the environment has been producing positive results for a long time.

In short, it's how we roll.

3M facility spotlight:

Stafford Springs, Connecticut

The 3M facility in Stafford Springs, CT manufactures filters and filter cartridges for the 3M Industrial Business Group and the Separation & Purification Sciences Division.

One of those products, 3M™ Zeta Plus™ Series Filters, are used in the biopharmaceutical industry, increasing operating efficiencies over conventional plate and frame filters and improving the manufacture of critical, life-saving drugs.

Another product, 3M™ DF Series Filters are used in a wide range of process industries, from coatings to food and beverage, and provides up to three time more life than most conventional bag filters. This minimizes filter change-out and disposal cost, product loss, labor, and operator exposure to process fluids.

Both of these products help 3M customers achieve high-quality end product, which supports our Vision of "3M technology advancing every company".

And as much as our products do for people, Stafford Springs personnel also do for people. Our Connecticut Community Relations Council provides support to United Way, Invention Convention, Supplies for Schools, and Supplies for Non-profits. We also support our local schools with grants for STEM-focused development including the high school robotics team. And employees also participate in two volunteer events each year. For example, 20+ employee volunteers and family members participated at the local food shelf for a day, assisting in packing and delivering food for those in need.

3M facility spotlight:
Sumaré, Brazil

Sumaré is a city of 250,000 located about 90 minutes northwest of São Paulo, Brazil's largest metropolitan area. Almost 1,900 employees work at the 3M facility here, supporting abrasives, adhesives, tapes, consumer, automotive, and health care products. Among them are an increasing number of products that support the company's commitment to Sustainability. Two examples:

- Ponjita™ Natural Fiber Bath Sponge is made of natural malva and jute fibers plus recycled PET (polyethylene terephthalate) fiber, water-based resin, and mineral. Production of this sponge consumes fewer resources and less energy – and generates less waste – compared to a single-use exfoliating sponge.

- 3M™ Transparent Multipack Tape 694 is a clean removal tape that replaces packaging films as a multipack solution. Compared to shrink wrapping film, Multipack tapes reduce the amount of energy consumed in production. In addition, experiments replacing customers' shrink wrapped plastic packages with multipack showed a 25 to 30 percent reduction in plastic waste per year. This product, which was originally developed in Sumaré, is now being replicated by 3M around the world.

The 3M Sumaré facility also houses the 3M Brazil Institute, a non-governmental organization (NGO) funded by 3M Brazil to promote the entrepreneurship of future generations, based on ethical values, citizenship, and Sustainability.

In 2017, 3M Brazil, in partnership with the 3M Brazil Institute and São Paulo University, sponsored the fifth annual Science Challenge and Exhibition, to boost student interest in science; and to prepare teachers to teach it.

Most Brazilian students in public schools come from families with low income, which often impacts their perspective on careers and life. They assume they will follow in their parents' footsteps. They do not see how far they can go by studying and working hard. But when they are motivated to do more in science, it can expand the limits of their world.

The 2017 program started with 120 teachers from public schools in 32 cities around Sumaré and Ribeirão Preto who attended a course in Science Practice and Methodology. The course included online and in-classroom content, and, at the end, each teacher who completed the course was presented with a certificate recognized by the São Paulo government. There was also one other requirement for receiving those certificates: teachers must have at least one student share his or her project at the 3M Institute Exhibition. The projects are the students' own innovative solutions to problems that occur in daily life. In 2017, 102 projects were chosen as finalists. Seventy-two 3M volunteers helped judge the projects, and awarded prizes to students they felt had the best three projects in each of seven categories.

For this competition and other contributions, the 3M Brazil Institute has had a huge impact on students and teachers, who can often be the difference in how students view opportunities. In the last four years, 198 teachers have been trained and certified as part of this program.

3M Brazil has been a subsidiary of 3M Company since 1946.

3M facility spotlight:
Tuas, Singapore

3M has been improving lives in Singapore for more than 50 years. After starting in the 1960s as a regional trading operation with eight employees, it has grown into a company with more than 1,600 employees, and has established local capabilities to serve the needs of local, regional, and global customers.

Nowhere is this stated more emphatically than at the 3M Tuas manufacturing facility.

This facility, first opened in 2009 in the western region of Singapore, manufactures products for personal safety, traffic safety, automotive aftermarket, industry and health care customers, employing many innovative processes and technologies. Among them: extrusion coating, precision clean coating, microreplication, printing, and solventless adhesive coating.

And what is made here is matched by what is conserved here.

The Tuas facility is a zero-landfill site – 100 percent of the waste generated is converted into energy or recycled. In the recycling category, 3M partners with a group of innovative vendors in this part of the world to turn waste into reusable items. One vendor, for example, takes waste plastic film, cuts it into sheets, and crushes the sheets into flakes to create a polycarbonate alloy resin that is then molded into trays (see photo above).

Other plastic waste products are processed into different types of resins used to create wall switch covers, electrical casing, films and bags, stripping bands, stationery, and other household products.

Also at Tuas, 3M is in the process of voluntarily installing and operating a 2.2 megawatt photovoltaic solar system that, when complete, will provide up to 10 percent of the facility's energy requirements.

It's probably no coincidence then that, since opening, Tuas has gained ISO 14001 (environmental management systems), ISO 9001 (quality management systems), ISO 13485 (quality management systems – medical devices), and OHSAS 18001 (health and safety management systems) certification – and won numerous awards for everything from innovation to technical excellence, pollution prevention, ergonomics, and safety. In 2017, it was honored with a Singapore HEALTH Award, courtesy of the Singapore Health Promotion Board, in recognition of its strong commitment to promoting workplace health.

This is a location that seems to win at whatever it does.

3M yellow carpet project puts students on the right path

The safety of a child is a high priority for any parent. Whether it be at home, in a car, at play, or at school, mom and dad want their children surrounded by protective environments.

In Korea, this is especially important at school crossings. According to The Korea Times, police data reveals that nearly 80 percent of fatal car accidents involving children were reported in or near school crosswalks. Experts suggest these accidents can either be caused by lack of attention to approaching vehicles on the part of students, or by speeding or lack of caution on the part of drivers.

With that sobering statistic in mind, 3M Korea went to work to make crossings safer for students. They collaborated with local communities, the International Child Rights Center, and other non-government organizations through seminars and volunteer programs, to better understand the fundamental issues of road safety. Then they launched the Yellow Carpet project, creating bright yellow paths and signs with 3M graphic films, to catch the attention of both drivers and children.

Biodegradable mulch material gets field test

The University of Nebraska-Lincoln (UNL) has specialty crop research plots in eastern and western Nebraska where the research has little to do with crops, and much to do with fabric of 3M-developed biodegradable mulch that covers the soil within each row of plants.

Biodegradable mulch, also known as biomulch, is a fabric that is made from polylactic acid (PLA), derived from corn, not petroleum.

The research being conducted in these plots will determine whether this 3M fabric can work for USDA-certified organic vegetable production. More specifically, it is to determine whether the fabric will biodegrade after the crop is harvested, not remain in the soil over the long-term or have to be removed by hand.

Dr. Sam Wortman, assistant professor of environmental horticulture in the UNL Department of Agronomy and Horticulture, says, "We are partnering with 3M Company's Corporate Research Labs (CRL) to evaluate bio-based fabric mulches that provide season-long weed suppression, conserve soil moisture, and can be left in the field and incorporated into soil at the end of the growing season."

PLA material is not new. Among other applications, it's used in medical sutures which are engineered to degrade over time. But the USDA has stringent standards for PLA-based biomulch. It must not contain any fossil carbon and it must be reasonably degradable in soil within two years. The study underway now in Nebraska will evaluate the rate of biomulch degradation in soil and track the ultimate fate of material as either carbon dioxide (CO_2) or soil organic matter.

Research is timely for organic production practices because the demand for organic foods is growing faster than the supply. According to the Organic Trade Association, organic food sales in the U.S. increased 8.4 percent in 2016, compared to an increase of 0.6 percent in total food sales.

Final results of the UNL research are expected to be released in November 2019; two years after the biomulch was initially incorporated into the soil. However, periodic updates on the progress of degradation will be made available.

Stand up for less plastic in landfills

Unfortunately, a lot of plastic ends up in landfills today. In fact, almost 80 percent of plastic that's discarded goes there, compared to 12 percent that is incinerated and 9 percent that is recycled. Increasingly, however, companies like 3M are looking to create products that support a circular ("refurbish, reuse, recycle") economy that helps keep a greater volume of discarded plastic in the recycled world.

One such example is the 3M™ Precision Standing Desk. Not only does this sit-stand workstation allow you to alternate between sitting and standing at work, its virtues can also be measured in environmental Sustainability.

Here's why: the 3M Precision Standing Desk is made with 45 percent postconsumer recycled content and, as such, can help a company achieve LEED® 2009 Green Building Certification EB O&M MR Credit 2.2 Sustainable Purchasing: Durable Goods, which requires a minimum of 10 percent postconsumer material. This is in addition to its height and tilt adjustability, which enables workers to precisely set their most comfortable standing work position.

In other words, the more you see of the 3M Precision Standing Desk in offices, the less plastic you'll see heading for landfills. Which is, from every perspective, something to stand up for.

Breathing easier in the face of pollution

As a purpose-driven business, 3M is continually looking to apply its core technologies to challenges that affect peoples' lives. One such challenge is air pollution. More than 7 million premature deaths can be linked to air pollution every year, according to the World Health Organization.

Air quality guidelines are not confined to Asia. Parts of Pakistan, Saudi Arabia, India, and many other places around the world also face significant health risks due to air pollution – from vehicle exhaust, agricultural burning, power generation, and even natural occurrences such as volcanoes, sand storms, and forest fires.

It's a cloud of concern that led 3M to launch a line of respirators that helps protect wearers from breathing in air pollution particles. Our 9001V respirator filter

media is capable of filtering at least 90 percent of non-oil-based particles such as PM2.5, dust, pollen, and automobile exhaust particles. Our 9501V model filter media is capable of filtering at least 95 percent of those same particles. Of course, users have to follow the user instructions and select and use the product properly to obtain desired results.

3M's line of respirators use filter media capable of filtering 90 or 95 percent of airborne particles.

Making an impact on individuals, communities, and the world

When 3M Senior Manufacturing Technology Engineer Michelle Ji was asked about the value of participating in the 3M Impact program in Vietnam, she answered with an African proverb: "If you want to go quickly, go alone. If you want to go far, go together."

Going far and going together are what the 3M Impact program is all about.

This initiative, piloted in 2017, gives 3M employees an opportunity to lend their business skills, experience, and energy to local nonprofit organizations, social enterprises, and government agencies in markets where the need is great and the work is relevant to 3M's businesses. The idea was inspired by feedback from employees globally who said they were seeking impactful, skills-based community engagement opportunities.

How 3M Impact Makes an Impact

According to 3M Impact Program Manager Meghan Faricy, it offers benefits to at least three key stakeholders. "It helps our 3M participants develop leadership and cross-cultural skills. It helps the 3M brand expand its universe. And, most important, it helps local communities solve pressing problems."

The Participants

For 2017, the 3M Impact program team sought 50 employees who wanted to share their talents with the world.

These final participants came from across the company – 3M Corporate as well as all five business groups. Applicants averaged 10 years of service at 3M with company start dates ranging from 1975 to 2015.

The Timeline

3M Impact is another way for 3Mers to embrace their opportunity to spend their time on a project of their choice as part of our 15% Culture. Before traveling to their destinations, 3M Impact program participants spent time for the preceding six weeks involved in team building and backgrounding on the social needs in their project location. Then they traveled to one of four locations – Hanoi or Ho Chi Minh City, Vietnam; Jakarta, Indonesia, or Kuala Lumpur, Malaysia – where, for two weeks, they helped local organizations develop solutions within the confines of real-world resources and local challenges.

Ideal partners for 3M Impact are small, community-level organizations, like HappyTap Co., Ltd. Based in Ho Chi Minh City, Vietnam, HappyTap is a young, social enterprise dedicated to promoting hand washing as a simple, inexpensive way to prevent the spread of disease, particularly among children. One of HappyTap's solutions is a portable washing station named LaBobo ("washing sink" in Vietnamese). HappyTap aims to market LaBobo in 15 provinces in southern Vietnam, a

market of 5.2 million households. Educational campaigns on the topic of hand hygiene are not unique, but, until LaBobo, there had been no handwashing device that helped people change "knowing" into "doing." A four-person 3M Impact team spent two weeks with HappyTap managers collaborating on a promotion, distribution and communications plan to market LaBobo, kicking off on Global Hand Washing Day, October 15.

About the experience, Kris Hansen, one of the 3Mers who worked with HappyTap, said, "The 3M Impact program serves the dual purpose of making a real and personal global impact at a company committed passionately to pursuit of a social mission, and providing the most significant and impactful professional development experience I've ever had."

Future impact

According to Faricy, 3M is considering a number of possibilities for expanding 3M Impact in the future, from addressing needs in more regions across the globe to matching up 3M business groups, areas, or divisions with specific business or societal opportunities. Each

possibility will be evaluated based on the success and outcomes of the 2017 program.

When asked to elaborate on her feelings about the 3M Impact program, Michelle Ji said, "We need to start thinking of each other as global citizens in a global community. As 3M is a global company, its employees should have a global mindset and experience teams and cultures outside of their own."

Part of the credit for making the 2017 Impact program successful goes to our implementation partner, Pyxera Global. Pyxera is recognized and highly regarded globally for developing safe, effective, engaging business and community partnership projects.

To learn more on the 3M Impact program, including a video highlighting some of our 2017 teams, please see here.

Support (and applause) for the next generation of vocational professionals

The Wall Street Journal headline said it was "the thrill of victory in welding, baking and bricklaying."

Officially, it was the Worldskills™ International Global Competition, the world's largest vocational skills competition, comprised of 51 different skill categories, held in Abu Dhabi, United Arab Emirates, in October 2017.

Since 1950, Worldskills has been raising the profile and recognition of skilled people, and showing how important skills are to achieving economic growth and personal success. Regional competitions are held in even-numbered years and winners move on to the global competition in odd-numbered years.

This year's event, for which 3M was a Global Industry Partner, featured 1,300 competitors aged 25 and under from 77 different countries, each demonstrating her or his proficiency in a particular category. Categories included everything from hair dressing to mobile robotics to, yes, welding, baking, and bricklaying. Winners received gold, bronze, and silver awards.

In addition to the competitors, the event was attended by representatives from government, trade industries, educational institutions, and partners, who came to experience the competition and participate in an array of education and skill-focused conferences.

For 3M, Worldskills aligns well with the company's "Every life ambition," says 3M European business manager for Sustainability, Rich Miles. "We both respect the social and physical environment, focus on Sustainability, drive global growth, and utilize innovative technology and superior quality to provide value and service to our customers."

Worldskills also aligns well with 3M's product portfolio, since approximately 80 percent of the skills categories in the competition make use of 3M personal protection equipment. And, in all, eight different 3M divisions have products that are used in various categories.

Beyond the competition, 3M was represented in three showcase spaces, which ran concurrently with the competition: a corporate Sustainability space showcasing 3M's core technologies; a "try a skill" space for health and safety solutions; and a car painting and repair space, which featured a live demo of car wrapping. Further, 3M partnered with BASF to sponsor the first Sustainability award at Worldskills.

All of this seemed especially timely given the state of employment among youth around the world: 73.3 million youth are unemployed, and without the skills needed to acquire employment. The market needs advocates, like Worldskills, to promote the value of learning a skill.

How a 3M community is attracting a skilled workforce

The buzz around vocational skills training today isn't just the sound of welding equipment or electric saws. It is the demand being heard worldwide for job applicants that have vocational skills.

Employers like 3M in small-to-medium sized communities everywhere have been facing an ongoing shortage of skilled-labor candidates. By all accounts, the gap between open positions and qualified job candidates will widen in the coming years. In Hutchinson, Minnesota, this challenge prompted businesses, educators, and city government officials to collaborate on a $1.36 million effort to educate students about manufacturing – a first of its kind effort in the state.

The three-year "TigerPath" initiative – developed by 24 local businesses, along with Hutchinson High School, Ridgewater College and the Hutchinson Economic Development Authority – is designed to help build a talent pipeline between the high school in Hutchinson and local advanced manufacturing employers.

Hutchinson High School already provides hands-on classroom training in welding and mechatronics, a combination of electronics and mechanical engineering. However, the community saw a need for additional strategies to expand the local talent pool.

Among them: enabling students to earn college and industry credentials before graduating from high school; changing stereotypes by showing students and parents what careers look like in the 21st century; cultivating school-employer relationships; dramatically upgrading career and technical education facilities at the high school; and creating Tiger Manufacturing, a real-world business, based in the high school, that makes real products for real customers.

Thanks in part to a donation from 3Mgives, students at the high school are now able to learn real-life skills they can use when they graduate and move on to a two-year vocational college or even a four-year college.

This initiative also helps fund professional development for teachers and provides scholarships for students focused on continuing their education in STEM (Science, Technology, Electronics, and Mathematics) careers.

The program has had a significant impact on enrollment in "pathway" classes like welding and drafting, with student numbers increasing more than 500 percent in the last four years.

The City of Hutchinson has also received widespread recognition for its work on the TigerPath program. It has won a "City of Excellence" award from the League of Minnesota Cities, a "Local Government Innovation Award" from the Humphrey School of Public Affairs, as well as visits from U.S. senators and congressional representatives from Minnesota. Miles Seppelt, Economic Development Director for the city, has also made presentations throughout the state, explaining the rationale and mechanics of putting together such a program.

"We're really creating a new national model for how to address the need for a skilled workforce," says Seppelt. "We identified a need for skilled workforce development, and the response from our local manufacturing community – including 3M – has been sensational."

"3Mgives invests in initiatives like the TigerPath program not only to develop a diverse talent pipeline for 3M communities," says Matt Ladhoff with 3Mgives, "but to raise interest, awareness, and exposure to relevant career opportunities that students can benefit from in their own communities."
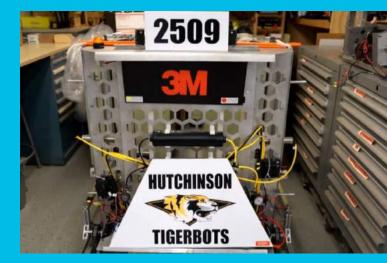
Adds Joe Nelson, Plant Engineering Manager at 3M Hutchinson, "There's a pride that our company is stepping forward and supporting this. We want to see this become the template for communities and facilities like ours to be able to replicate to fill that pipeline."

The 3M Hutchinson plant started manufacturing Scotch® Brand Cellophane Tape in 1947. Seven decades later, Scotch® Magic Tape, ScotchBlue™ Painter's Tape, air filtration products, multiple films, and more are made there. 3M Hutchinson is the city's largest employer, with more than 1,700 workers in the town of 14,000.

> "There's a pride that our company is stepping forward and supporting this. We want to see this become the template for communities and facilities like ours to be able to replicate to fill that pipeline."
>
> Joe Nelson
> *Plant Engineering Manager, 3M Hutchinson*

What do these four compelling stories have in common:

- A young Syrian college student seeks help fleeing the brutal conflict occurring in his homeland. Attorneys, working pro bono, come to his aid, and eventually he is able to obtain a residency permit in Europe
- After 11 years of advocating for their client, a legal team wins an appeal to vacate the death penalty previously imposed on a Texas man
- At workshops in Germany and China, lawyers offer tailored legal training and legal advice to local social networks
- In India, a lawyer speaks about professional ethics and values in a skills training program organized by an NGO that works for the underserved and people with disabilities

What these stories share, first of all, is their alignment with Goal 16 of the United Nations Sustainable Development Goals, which calls for the promotion of peaceful and inclusive societies for sustainable development, access to justice for all, and the establishment of effective, accountable institutions at all levels.

What they also have in common is the 3M Pro Bono Committee, a group that for decades has leveraged the legal skills and experience of 3M Legal Affairs professionals in the name of good corporate citizenship and community support.

For the last four years, Maureen Harms, 3M associate general counsel, has led the committee's volunteer efforts to educate and represent low-income and underrepresented clients through partnerships with "good works" organizations. In recent years, these efforts have expanded to include the U.S., Europe, Latin America, and Asia.

According to Harms, working outside the day-to-day confines of the corporate world opens up one's mind to think differently. "Our lawyers gain significant experience learning how to work outside of their core competence. They can see themselves contributing in a real, significant way to make a difference. The feedback from clients is immediate and gratifying. At the same time, the experience exposes legal

professionals to new areas of the law. It broadens perspectives while sharpening legal analysis and client communication skills."

Harms also says pro bono efforts create opportunities for 3M legal professionals to make connections with peers at 3M who might be able to help them at work in the future.

In all, 125 3M legal professionals logged more than 1,900 hours of service with several nonprofits in 2017.

Harms says projects are selected based on two criteria: "One, is it a project of interest to the lawyers in the office? It needs to be a cause they believe in. And two, can we partner with an organization that will help us develop the legal confidence we need to address the subject at hand?"

She cites the legal department's collective responsibility as the key to performing their highest quality work.

"The scientists here at 3M have really set that example," Harms says. "Within two calls, you can get the world's expert on a particular topic. We pride ourselves in offering the same quality of legal service within our global legal network."

3M Pro Bono Committee advocates for the unrepresented

3M Brockville, Ontario plant a leader in emissions reduction

In January 2017, the Canadian province of Ontario introduced a carbon cap and trade system designed to reward businesses that reduce their greenhouse gas (GHG) emissions.

Facilities in Ontario that emit 20,000 tons or more of CO_2e each year are required by law to participate in this program, which supports the province's 2020 GHG pollution reduction goal. Facilities that emit 10,000–20,000 tons of CO_2e – such as the 3M tape manufacturing plant in Brockville – can voluntarily join.

Which 3M Brockville did.

Volunteering to participate supports 3M's 2025 Sustainability Goals around climate and energy. In addition, it provides the tape manufacturing facility with a $657,000 benefit over three years. Facilities that don't participate in the cap and trade system pay a "carbon tax" of 3.34 cents/cubic meter of gas purchased.

3M Brockville will also serve as a pilot site for all aspects of Ontario cap and trade, which is expected to expand to other Canadian provinces in future years.

But then leading is nothing new for Brockville.

Brockville became the first Canadian facility to reach the Superior Energy Performance® (SEP™) at the

Platinum level with ISO 50001 Energy Management Certification in 2012.

It achieved this status in part by installing combined heat and power (CHP) engines, which allow 3M to generate power internally while still being connected to the grid. In cold weather months, the heat created by the CHP engines is used to warm the facility. Year-round, it is used for manufacturing processes that require heat.

Other projects associated with Brockville's ISO 50001 platinum certification included light-emitting diode (LED) lighting, which improved light quality while reducing energy consumption by up to 90 percent; and an internal communications program designed to raise awareness of the importance of energy conservation, which won an award in 2016 from the Canadian Industry Program for Energy Conservation.

3M Canada is also the first company in Canada to attain enterprise-wide ISO 50001 certification.

Sustainability

as viewed from the summits

In recent years, 3M has been creating opportunities for customers and industry leaders to meet and share their insights and opinions on the many issues affecting Sustainability.

2017 was no exception.

In October, the company hosted two Sustainability events: the 3M Canada Sustainability Summit, held in King City, Ontario, and the 3M Sustainability in Health Care Summit, held at the company's Innovation Center in St. Paul.

3M Canada Sustainability Summit

Nearly 100 thought leaders from academia, industry, and the federal government gathered at the 3M Canada Sustainability Summit to examine Sustainability from different perspectives.

"For 3M, Sustainability is a core value that influences everything we do, but we know that we don't have all the answers to protecting our planet," said Mojdeh Poul, President of 3M Canada. "That's why we work closely with our suppliers, our customers, and our communities – through events like this – to share ideas about how to work together to address the Sustainability challenges we all face."

The event featured: keynote presentations by two distinguished professors on the megatrends affecting Sustainability practices, and the role of corporations in building a sustainable economy, case studies from industry leaders, and a panel discussion, featuring Canadian federal government officials, on the topic of what is being done to accelerate the country's transition to a greener and more innovative economy.

3M Sustainability in Health Care Summit

For the third year in a row, 3M's Health Care Business Group held its health care summit at the Innovation Center in St. Paul, Minnesota. This summit brought together thought leaders on Sustainability in health care to share best practices and help attendees identify new ways to secure economic, social, and environmental benefits from Sustainability programs.

Keynote speaker for the one-day event was Charlotte Ersbøll, Senior Advisor with United Nations Global Compact, the world's largest voluntary sustainable business initiative, with stakeholders in 165 countries and local networks in 73 countries. Ersbøll stated, "Finding the solutions that can really disrupt the way we are conducting our business, so that the business becomes the driver of positive change. The companies that are determined to be part of solution will be the winners in the future." Other speakers covered a range of topics, including climate change and the impact to health care, health system operations, life cycle assessment research, and community recycling.

Attendees were exposed to the breadth of 3M through shared discussion around several 3M science-based solutions during the innovation center tour, as well as through interactive displays with packaging, environmental, health, safety, and business colleagues.

Consumer business group pilots Supplier Responsibility Code new assessment process

3M isn't just committed to environmental and social governance in our own business. We're also committed to working with suppliers that share the same ideals.

To that end, the company issued a revised Supplier Responsibility Code (SRC) in 2016. The SRC is based on our corporate values for sustainable and responsible operations and aligns with the 10 Principles of the United Nations Global Compact, of which 3M is a signatory. The SRC is also materially consistent with the Electronics Industry Citizenship Coalition (EICC) Code of Conduct, now known as the Responsible Business Alliance (RBA).

To assure supplier alignment with the SRC, we actively verify their performance against our expectations on a risk-prioritized basis – using a Due Diligence Management System that is modeled after the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

But this isn't the end of the story. In 2017, 3M developed a new supplier review process that puts more emphasis on how suppliers are addressing social and environmental challenges. The new process was also positioned as a more collaborative assessment rather than an audit, aiming to build the capacity of its suppliers.

China was selected as one of the regions for testing the new process, and 3M's Consumer Business Group (CBG) volunteered to participate in the assessments to provide feedback before it was implemented globally.

CBG engaged two key 3M suppliers for the pilot and completed assessments in June 2017, following these steps:

Self-Assessments

The suppliers were sent self-assessments, which they completed and returned to 3M prior to their on-site assessments. The responses were evaluated by 3M, and specific areas were highlighted for in-depth review during the on-site assessment.

On-Site Assessments

The on-site assessments included a tour of the manufacturing location, employee dormitory, and cafeteria. A 3M cross-functional assessment team conducted several employee interviews as well as a review of processes and records with the supplier management team. During the review, the 3M team checked to see that certain processes had been implemented and documented, including safety training and safety records, greenhouse gas emissions, and required environmental permits and reporting. Records evaluated included employee time cards versus employee payroll, verification of employee age, and maximum allowed workweek (including overtime).

Upon completion of the on-site review, the 3M team met independently to discuss and categorize the findings. The lead assessor provided a verbal review of those findings to the supplier's management team.

Corrective Action Prevention Action Plan Resolution

3M's lead assessor provided the Corrective Action Preventive Action Plan (CAPA) to the suppliers, who then worked with 3M to document and assure adequate resolutions of the findings.

Key elements of improvement

- The scope of assessments has been expanded with the addition of questions related to labor/human rights and EHS, including two new segments covering ethics and management systems
- The updated SRC pilot process aligns with 3M values, regulations, Key Accounts, and industry standards
- There is cross-functional group participation in the assessment
- The upfront self-assessment, which is completed before the on-site assessment, allows the team to focus on areas of concern

Above all, the SRC pilot process confirms alignment and conformance to 3M's requirements, reduces the risk of disrupting business with suppliers, and assures continuity of 3M's business with customers. Further, it helps us deliver on 3M brand equity and quality, and strengthens our supplier relationships through collaboration and education.

Similar pilot assessments were conducted in other countries to validate the new process and tools. Beginning in 2018, the SRC assessment process will be rolled out globally using an approach that prioritizes higher risk suppliers by a number of factors including geography, business category, and a measure of how essential a supplier's solutions are to 3M's and its customer's business.

Turning trays into trees

What do you do with 18,000 plastic trays that are no longer usable in a drug delivery systems production line?

If you're the 3M manufacturing facility in Loughborough, England, you use science, creativity, collaboration, and an eye for Sustainability to turn those trays into trees.

But let's start at the beginning. The Loughborough facility was installing a new filling line that made the old trays and their lids obsolete. The trays and lids were initially put in storage, but this required a lot of space. In fact, if you placed the entire 18,000 on top of each other, the resulting stack would be almost twice the height of the Burj Khalifa in Dubai, the world's tallest building. So, after consulting with the plastic injection molding specialists who were making the new trays, 3M manufacturing technology engineer Paul Eastwood hit on a new idea.

Instead of sending the trays to a landfill, they would be recycled for use in manufacturing at the 3M facility in Gorseinon, 200 miles down the road.

Paul consulted with MGS Technical Plastics, a company that has been supplying protective side shields for a production line at Gorseinon for several years. Neil Garrity, manufacturing director at MGS, explains: "The trays were made from a plastic polymer known as ABS (acrylonitrile butadiene styrene). Our materials team is very experienced in working with ABS and we arranged for the trays to be ground down into small pellets so that we could process them into shields."

The $10,500 savings achieved by recycling the trays was then donated to Earth Restoration Services, which works with schools across the United Kingdom to plant trees and wild flower meadows.

Schools in communities close to the 3M sites received native tree saplings, wild plants, and planting materials in 2017, providing students with a way to improve and learn from their environment.

> "It's a great solution for us, for the environment, and for the schools that will be benefitting from the plantings."
>
> Paul Eastwood
> *3M Manufacturing Technology Engineer*

Customer first partnership in West Europe:

3M and BASF

According to the Food and Agriculture Organization of the United Nations, around 90 percent of the 570 million farms worldwide are considered to be family farms, owned by individuals or families. Around 85 percent of the world's farms are smaller than 2 hectares, and smallholder farmers and their families working small plots of land on almost every continent support the livelihoods of one-third of the world's population. Although the word small may accurately describe their farm size it doesn't do justice to the contribution they make to the world's food supply. Fact is, small farmers produce nearly 70 percent of all food consumed globally.

BASF is a leading global supplier of chemicals used to help smallholder farmers protect and produce crops. In their world, the responsible use of their products and the health and safety of their customers are key Sustainability imperatives.

According to Alessio Arcando, Key Accounts Director, West Europe, 3M had been working with BASF at different levels of their company, from procurement to the C-suite, in the area of Sustainability. "Sustainability activities are no longer just a 'nice to have'", Alessio says. "They are a major business requirement for delivering efficient growth. For BASF, Sustainability is core business and, like many international companies, they chose to partner with us because 3M has a strong reputation for being ahead of the curve on Sustainability issues."

The 3M Key Accounts team worked with BASF to develop a strategy for meeting the needs of smallholder farmers, particularly those in developing countries.

The solution: a professional farmer safety kit that combines BASF's knowledge of crop production techniques and know-how in the responsible use of plant protection chemicals with 3M's personal protection equipment (PPE) solutions.

"We want to ensure that all farmers have the opportunity to work in a safe environment. Smallholders have a specific need for information, advice and equipment when it comes to the responsible use of crop protection products," said Andy Beadle, Global Sustainability and Product Stewardship Manager at BASF's Crop Protection division. "With 3M, we are pleased to have a partner at our side whose expertise and inventiveness in producing high-quality protection equipment are unmatched. We partnered because we feel a strong connection based on values and a long-standing commitment to promote human health and safety."

This kit, which has been distributed to 50,000 smallholder farmers in Africa and parts of Asia, is designed to help farmers employ safe practices to minimize their exposure to crop protection products. Included in the kit are 3M disposable respirators, safety glasses and gloves, as well as easy-to-understand, picture-based instruction materials that show where, when, and how to use each PPE product, along with instructions on how to handle agricultural chemicals safely.

"Customer first means driving customer-centricity. Working in collaboration with BASF, we learned exactly what the customers' needs were, and together we developed a solution that creates real value for smallholders and their families."

A partnership with students that helped produce something essential to remote Canadian communities:

Fresh food

In a Telefónica survey of 12,000 millennials in 27 countries, a strong majority of respondents said they believe they can make a difference in their local communities.

One group that can very likely make an immediate difference is the Enactus team from St. Mary's University in Halifax, Canada, which was honored at the 2017 Enactus Canada National Exposition with the 3M Canada Problem Solving Project Partnership Award.

3M is a proud supporter of Enactus, a learning platform that cultivates entrepreneurial action among post-secondary students, with the goal of transforming lives and creating a better, more sustainable world.

As part of its 2017 Canadian national competition, more than 2,700 students created 280 community projects, guided by academic advisors and business experts. In a highly competitive field, the St. Mary's team stood out. Addressing food shortages in Canadian Indigenous communities, they created an aquaponics system that makes it possible for isolated communities to grow their own fruits, vegetables, and fish year around.

"Enactus students are innovative problem solvers and, thanks to partners like 3M, are ready to challenge the status quo for the benefit of social good," said Nicole Almond, president of Enactus Canada. Liisa Sheldrick, communications and 3Mgives leader, 3M Canada, added, "Projects like this reflect 3M's belief in applying science to improve lives – with our customers, partners, and communities."

Following the competition, the St. Mary's team completed construction of a pilot system on the roof of a university building in September and is working toward construction of a 1,000-liter year-round aquaponics system they can replicate throughout Nova Scotia and beyond. The system would allow remote Indigenous peoples to raise tilapia and produce vegetables at an affordable price.

To learn more on the 2017 Enactus Canada Nation Finalist, see here.

The award-winning St. Mary's University Enactus Team.

Conservation at 3M includes hearing

The 3M approach to hearing protection goes well beyond earplugs and earmuffs. It is a full complement of tools and resources designed to help governments and corporations move from a strategy that has been primarily hearing loss documentation to one of prevention or early intervention.

In other words, shifting from reactive to proactive.

At the heart of this approach is the notion of collaboration.
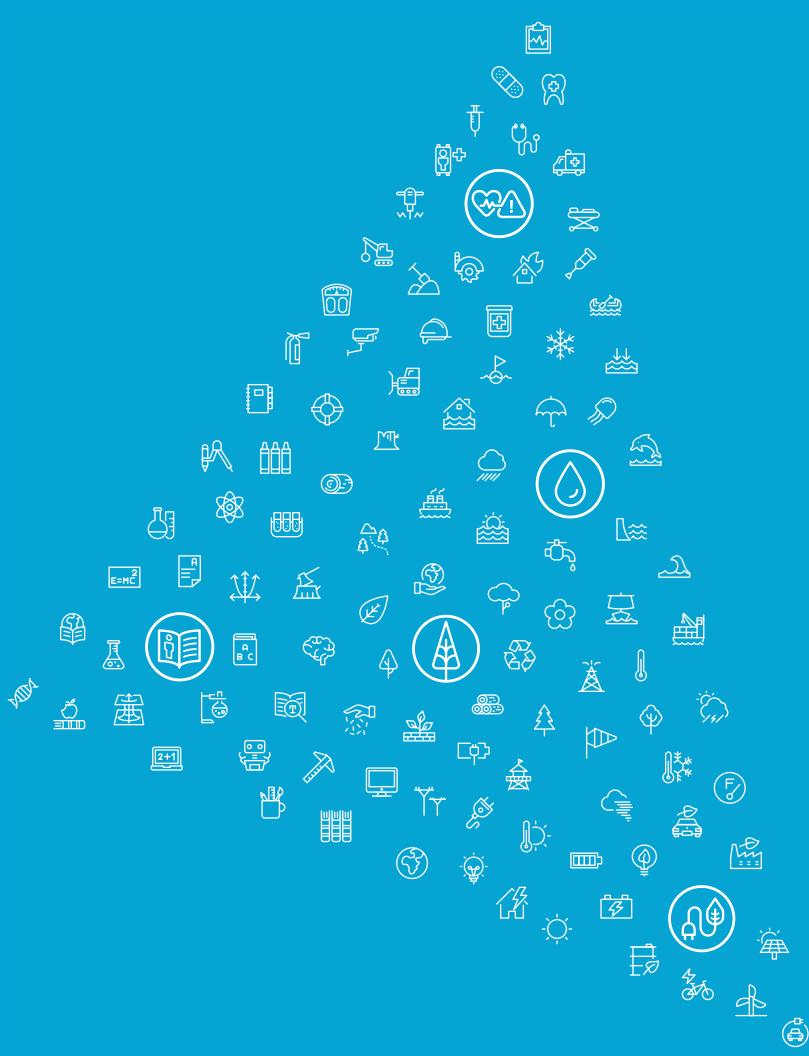
Consider, for example, the Council for Accreditation in Occupational Hearing Conservation (CAOHC) and the University of Minnesota's Midwest Center for Occupational Health and Safety.

The CAOHC is an independent credentialing agency that has developed certification courses covering the essential elements in hearing conservation programs. The "occupational hearing conservationist" course covers ear anatomy, physiology, and diseases of the ear; hearing testing including audiometers, audiometric techniques; noise measurement and control; hearing protection devices; employee training, recordkeeping, and program evaluation. Those that successfully complete the course can perform quality audiograms, deliver education, and conduct hearing conservation interventions. They are also able to screen audiograms for further review by an audiologist or physician.

CAOHC also sponsors a certification course for physicians and audiologists who oversee an audiometric monitoring program.

3M's internal policy is to use credentialed or licensed personnel to administer hearing tests. We currently have 90-plus 3M employees with active certifications.

But many countries lack local alternatives for dedicated credentialing in hearing conservation skills. So, along with the Midwest Center for Occupational Health and Safety, we developed a pilot program consisting of a CAOHC instructional course and a standardized exam that fill the gap in these countries. Already, this program has brought the CAOHC Occupational Hearing Conservation course to China, resulting in certifications for 3M employees and health and safety professionals in multinational companies from China, India, Singapore, and Taiwan. A second course will be conducted in March, 2018 to expand the program. We expect to do the same in Latin America and other areas where staff certification can help facilities prevent or reduce the severity of noise-induced hearing loss.

The power of working together is coming through loud and clear.

Our Every Life Ambition

Introduction

We are committed to improving our business, our planet, and every life.

Sustaining our business, and our planet, means protecting natural resources and empowering individuals and communities throughout the world to encourage progress. And above all else, it means uniting under a common goal: improve every life.

Imagine a world where every life is improved — where natural resources are readily 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. Improving every life is an exciting endeavor and our purpose.

This is the continued story of our purpose: #improvinglives.

Global Challenges

At 3M, we look at Sustainability in terms of shared global needs and the future of our business.

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As a company rooted in scientific exploration, and the belief that every problem has a solution, we are applying our technological expertise to help solve some of the world's biggest challenges on raw materials, water, energy and climate, health and safety, and education and development. We frame our goals and actions around these shared global challenges.

Overcoming global challenges requires recognition of their interdependence, commitment across the company, and collaboration with partners, customers, and communities. We are looking at ways to build purpose into leadership and talent development across the company, to recognize business opportunities that help the company grow while addressing societal issues, and to expand and improve our partnerships with customers and suppliers by working together toward solving their Sustainability challenges.

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.

Improving raw material usage through product design and operational considerations provides benefits throughout the supply chain in material use, energy, and transportation efficiency.

We will continue to innovate into the future, developing renewable alternatives for impacted resources, revolutionizing recyclable materials, and becoming more sustainable.

Water

People consume it, farm with it, and manufacture products with it. Reducing water consumption and improving water quality are important elements of water stewardship. Aging infrastructure and increased demand are at the forefront to assure socially equitable, environmentally sustainable, and economically beneficial use and treatment of water.

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.

We will continue to work to reduce our corporate water footprint and offer products that enhance water quality, thereby respecting this important resource.

Climate and Energy

Access to a dependable energy supply directly affects all businesses and communities. 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.

Energy usage and climate concerns require systematic change, and we're here to help drive that forward. Partnering with our customers will help us understand their needs and address those needs. The issues around effective use of energy resources and climate change are complex and interconnected.

We will continue to seek solutions that promote energy conservation, clean energy infrastructure, and reductions in greenhouse gas emissions.

Health and Safety

Global health and safety issues are prevalent in workplaces around the world. 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 these 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. We are committed to helping improve the health and safety of people worldwide so we can all focus on what matters most to us.

We also embrace this commitment for our own operations, and to that end, will continue to take steps to protect our most important asset – 3M employees.

Education and Development

At 3M, we believe science is just science until you use it to improve the world with the products and services we offer. Our science not only impacts our customers, but also makes a difference in the way we work.

As a technology company, 3M recognizes the importance of well-trained science, technology, engineering and math (STEM) graduates as well as the critical need for a skilled workforce in advanced manufacturing and vocational skills – we need bright minds to step into specialized roles and help our company and our customers solve future challenges.

We will continue to support empowerment and enrichment to enable people everywhere the opportunity to live life to their fullest potential.
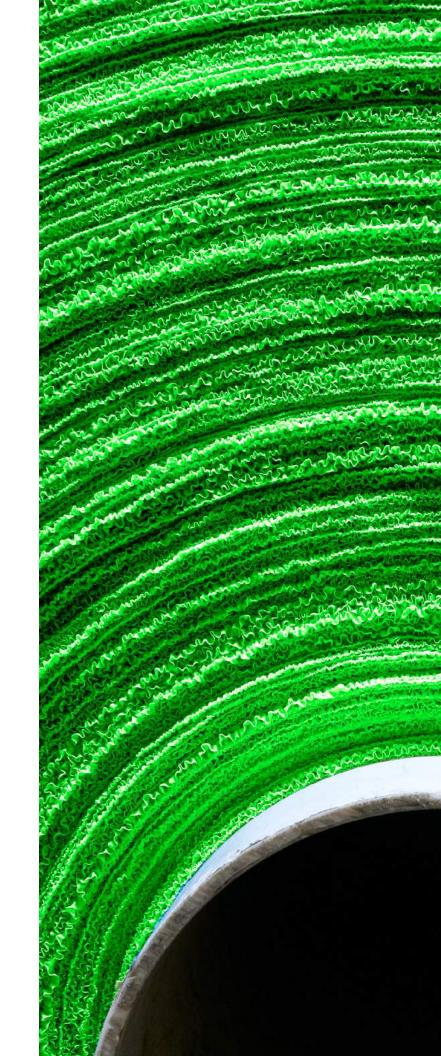
Materiality

Our Commitment

SD *G4 20-21, 48* — 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, raw material scarcity, human health and safety, education, and employment must be addressed to assure people across the globe can lead healthy, fulfilling lives. For additional information, see Global Challenges.

Our materiality assessment is a vital component of our Sustainability strategy and reporting, whether the issues are a result of our own activities or our business relationships and is based on a robust, stakeholder-driven approach. By understanding the critical issues from both internal and external perspectives, we can deepen our social license to operate and develop corporate strategy, goals, targets, programs, initiatives, and a stakeholder engagement strategy to advance Sustainability globally.

Data provided in our Sustainability Report includes information on issues that were found through the materiality assessment to have the highest potential to impact our reputation and that are of great importance to internal and external stakeholders. Because we are a diversified company, several other environmental-related topics and performance indicators relevant to various sectors of the company are also included in the report. 3M's Senior Vice President and Chief Technology Officer reviews and approves our Sustainability Report.

Our 2025 Sustainability Goals were developed in 2014 based upon that year's materiality assessment.

Our Actions

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Stakeholders increasingly expect companies to do things that benefit society in more direct ways and are not solely focused on benefits to the company. That is why we made such an active effort to involve stakeholders when we developed our 2025 goals. These goals go well beyond advancing our environmental stewardship efforts. They are framed around global challenges. This is apparent when one considers how well our goals align with the United Nations 2030 Agenda for Sustainability Development released in 2015. This Agenda, including 17 Sustainable Development Goals (SDGs), is designed to build upon the historic work of the Millennium Development Goals, and stimulate important action in three dimensions of sustainable development: economic, social, and environmental.

We set our goals with the perspective that we have to be successful as a company while also supporting the communities where we operate. It's a two-pronged approach that is both practical and thoughtful – and filled with the integrity 3M is known for.

Our view of Sustainability is about finding those intersections where our goals move us forward toward growth while supporting the company Vision to advance, enhance, and improve.

Sustainability at 3M also includes collaborating to find better solutions for customers. The way we see it, global challenges must be addressed together to assure we can all live healthy, fulfilling lives. That's why we are committed to partnering with customers to identify and collaborate on solutions to help them address their goals.

Materiality — past, present and future

In 2014 and 2016, 3M commissioned GlobeScan, an independent research consultancy, to assist us in better understanding our stakeholders' perspectives of key social and environmental issues, as well as assessing 3M's corporate reputation and leadership opportunities in the area of Sustainability.

One result of this work is our evidence-based Sustainability materiality matrix. From this matrix,

3M and the readers of this report can understand the degree of importance our stakeholders place on each issue, the ability of 3M to make a positive difference on the issue, and the level of impact an issue may have on our reputation.

Materiality with respect to Sustainability reporting, as defined by the Global Reporting Initiative (GRI) guidelines, includes topics and indicators that reflect the organization's significant economic, environmental, and social impacts or would substantively influence the assessments and decisions of stakeholders.

The Sustainability materiality assessment conducted by GlobeScan determined the material aspects for a wide range of 3M stakeholders outside of 3M, encompassing geography, stakeholder type, and function.

All material aspects defined within this report are deemed material for all entities within the 3M organization. The prioritization for the different aspects may vary within 3M operations and geographies, but they are still material.

3M Materiality Aspect Categories:

Raw Materials

Water

Climate and Energy

Health and Safety

Education and Development
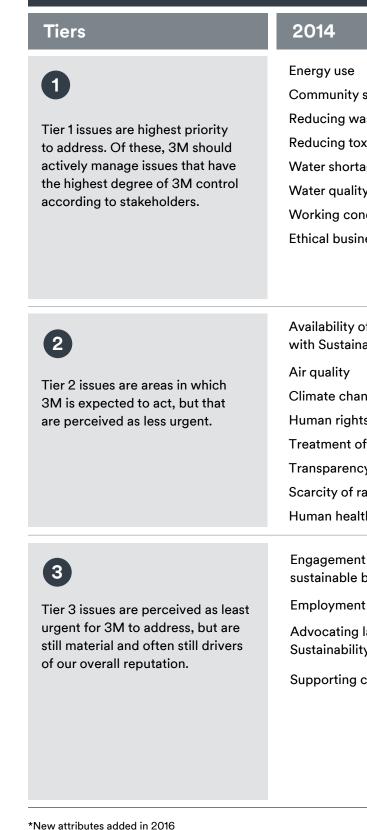
Governance and Ethics

3M Materiality Tiers

Tiers	2014	2016
1 Tier 1 issues are highest priority to address. Of these, 3M should actively manage issues that have the highest degree of 3M control according to stakeholders.	Energy use Community safety and health Reducing waste Reducing toxic substances Water shortages Water quality Working conditions Ethical business	Energy use Community safety and health Water quality Working conditions Ethical business Scarcity of raw materials Human rights Climate change Air quality Transparency
2 Tier 2 issues are areas in which 3M is expected to act, but that are perceived as less urgent.	Availability of products and services with Sustainability attributes Air quality Climate change Human rights Treatment of workers Transparency Scarcity of raw materials Human health	Availability of products and services with Sustainability attributes Treatment of workers Reducing toxic substances Water shortages Reducing waste from operations *Food safety**
3 Tier 3 issues are perceived as least urgent for 3M to address, but are still material and often still drivers of our overall reputation.	Engagement with citizens on sustainable behavior Employment Advocating laws supporting Sustainability Supporting community building	Engagement with citizens on sustainable behavior Employment Advocating laws supporting Sustainability Supporting community building Human health *Workplace diversity** *Improving access to education** *Responding to natural disasters**

*New attributes added in 2016

Materiality assessment results from 2014 and 2016 show similar issue tiers, but some shifts in importance for stakeholders. For example:

Transparency moved from Tier 2 to Tier 1 priority, suggesting that transparency is increasingly important in a global, interconnected world. Scarcity of raw materials, air quality, and climate change have also moved from Tier 2 to Tier 1 priority, joining existing environmental issues such as energy use and water quality, and further supporting the notion that these issues would benefit from holistic management. Human rights has also moved from Tier 2 to Tier 1 priority. This issue is also linked with working conditions which are perceived to be within 3M's realm of control, and

thus are considered an area to leverage in terms of management of human rights.

In this context, community safety and health has become the greatest potential influencer of 3M's reputation, followed by a related issue: supporting community building. In other words, there is great opportunity to make an impact in the areas where 3M products are made and people live.

It should be noted that none of the issues added to the GlobeScan study in 2016 – food safety, workplace diversity, improving access to education, and responding to natural disasters— were found to be a Tier 1 priority.
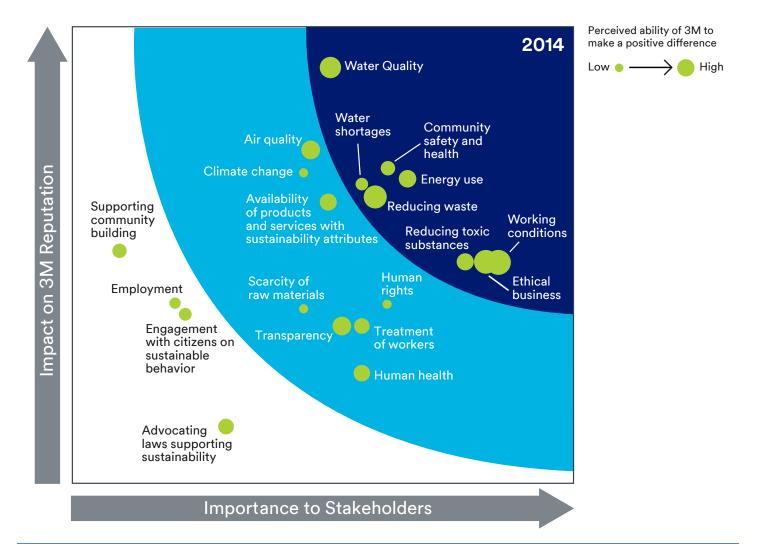
Looking forward…

3M will continue to work hard on issues that are most material to the company and perceived to be most within our control: air quality, working conditions, ethical business, water quality, and transparency.

More specifically, we will focus on developing products that enable safer and healthier workplaces for customers, and assuring safe and healthy working conditions throughout our supply chain. We will do our part to assure that 3M business partners follow ethical business practices and that a strong business conduct and compliance system is in place at 3M. We will look

to develop products that enable customers to improve water quality, and modify operations, as necessary, to reduce water discharges. Throughout, we will work to be transparent in communicating about 3M products and business practices.

Every two to three years, we will continue to complete a comprehensive third-party materiality assessment continuing our commitment as a purpose-driven business. In addition, we will be looking at implementation of the GRI Standards and ways to measure and evaluate broader societal impacts.

3M Sustainability Materiality Matrix 2014
View of Customers, External and Internal Stakeholders

3M Sustainability Materiality Matrix 2016
View of Customers, External and Internal Stakeholders

Goals

We have been setting global environmental goals at 3M 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.

In 2017, we entered the second year of an ambitious 10-year goal cycle. The 2025 Sustainability Goals we are now pursuing reflect a heightened commitment to going beyond compliance and thinking holistically about how our operations and products affect the world and every life in it. We see the opportunity, in the next decade, to create systemic change that addresses global Sustainability challenges involving raw materials, water, climate and energy, health and safety, as well as education and development. For additional information on the development of our 2025 Sustainability Goals, see Our Materiality Assessment.

Our customers, and the communities in which we operate, deserve it. Our people are motivated by it. Our future will be all the better for it.

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

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

Climate & Energy
Transform the way the world uses energy because it impacts the climate, and the climate impacts everyone.

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

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

3M 2025 Sustainability Goals

Baseline Year 2015

Raw Materials

Invest to develop more sustainable materials and products to help our customers reach their environmental goals

Reduce manufacturing waste by an additional 10%, indexed to sales

Achieve "zero landfill" status at more than 30% of manufacturing sites

Drive supply chain Sustainability through targeted raw material traceability and supplier performance assurance

Water

Reduce global water use by an additional 10%, indexed to sales

Engage 100% of water-stressed/scarce communities where 3M manufactures on community-wide approaches to water management

Climate & Energy

Improve energy efficiency indexed to net sales by 30%

Increase renewable energy to 25% of total electricity use

Ensure GHG emissions at least 50% below our 2002 baseline, while growing our business

Help our customers reduce their GHGs by 250 million tons of CO_2 equivalent emissions through use of 3M products

Health & Safety

Provide training to 5 million people globally on worker and patient safety

Education & Development

Invest cash and products for education, community, and environmental programs

100% participation in employee development programs to advance individual and organizational capabilities

Double the pipeline of diverse talent in management to build a diverse workforce

Who We Are

Introduction

Who We Are

A sense of purpose is at the heart of how we approach every business, every idea, every product, every life, and every community we touch. It is the foundation of all that follows. Reflecting our core purpose, 3M employees are empowered and encouraged to pursue purpose-driven innovation.

Working in a highly collaborative environment, our scientists use 46 core technology platforms, ranging from adhesives and abrasives, to sensors and electronics materials. They leverage these technologies to invent unique, customer-inspired products that are marketed through our five business groups.

Sustainability also permeates our culture. It is formally included in our leadership behaviors and our annual performance review process. What's more, employees are educated and encouraged to "think sustainably"— at home, at work, and everywhere in between. Improving lives and making the world a better place is more than a frequent conversation, it's become an expectation.

It's even become a selling point for current and potential 3M employees. Research has shown that Sustainability, and "making a difference in the world", is one of the top areas of interest for 3M employees. This insight, in turn, has led us to develop programs that benefit employees, community partners, and 3M. For example, through our skills-based service program, 3M Impact, teams of employees have the opportunity to travel to communities around the world where they experience challenging and rewarding development opportunities that enable them to grow as leaders and share their skills to make a positive difference in the world. At the same time, community partners gain expertise, knowledge, and actionable plans from 3M teams. 3M benefits from developing globally-minded employees who are excited to explore innovative solutions and address challenges in new and growing markets.

Our Awards

Our people bring our vision to life in extraordinary ways. Here you can find information about some of the recognition programs honoring the outstanding contributions of 3Mers in 2017.

As we reported in 2017, 3M is one of three 2017 winners of the Catalyst Award, based on a rigorous assessment conducted by Catalyst Inc., which cited the company's "I'm In. Accelerating Women's Leadership" initiative, leadership development platforms, workplace flexibility, mentoring programs, and external community efforts on behalf of women. Our Chairman of the Board, President, and Chief Executive Officer, Inge Thulin, accepted the award in New York in March. The other two winners were Rockwell Automation and BMO Financial Group.

The World's Most Ethical Companies® program, managed by the Ethisphere® Institute, honors companies that excel in "promoting ethical business standards and practices internally, enabling managers and employees to make good choices, and shaping future industry standards by introducing tomorrow's best practices today." According to the Institute, honorees have also historically out performed other companies from a financial perspective, supporting the notion that sound ethical practices are appreciated in the competitive marketplace. This year's honorees spanned 23 countries and 57 industries. It was the fifth consecutive year 3M made the list.

3M Brazil: Pró Ética Certification Award

For the fourth year, 3M Brazil was recognized by the Brazilian Government with the Pró Ética Certification Award. The award, the first of its kind in Latin America, was created to promote ethics and encourage companies to take voluntary steps to prevent corruption, creating a more ethical, transparent, and honest business environment. 3M Brazil was recognized for top management's commitment to ethics, their policies and procedures, and their risk monitoring and analysis.

Forbes' list of "The World's Most Reputable Companies" for 2017

3M has been named to Forbes' list of "The World's Most Reputable Companies" for 2017, which highlights the top 100 most reputable companies based on feedback collected in quarter one from approximately 170,000 consumers around the world who are familiar with the companies. 3M ranked 22nd on this year's list— climbing eight spots from 30th place in 2016 (second place in the medical and equipment industry).

Barron's Ranking of "Most Respected Companies" for 2017

3M placed ninth in Barron's latest ranking of America's most respected companies. To compile the list, Barron's surveyed money managers about their view of the most (and least) respected companies among the 100 largest publicly held U.S. companies in the Standard & Poor's 500 index.

Best Places to Work for LGBT Equality

Human Rights Campaign Foundation's 2017 Corporate Equality Index is the national benchmarking tool on corporate policies and practices pertinent to lesbian, gay, bisexual, and transgender (LGBT) employees. For the seventh straight year, 3M earned a perfect score of 100 percent and, along with it, the distinction of being named among the "Best Places to Work for LGBT Equality".

Best DEI Places to Work

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

2020 Women on Boards Winner

3M was named a "V" company, with 18 percent of women on the board, by this organization whose goal is to increase the percentage of women on U.S. company boards to 20 percent or greater by the year 2020. On August 13, 2017 the percentage of women on the board increased to 25 percent with the election of Amy E. Hood to 3M's Board.

Companies Where Top Millennials Most Want to Work

National Society of High School Scholars (NSHSS) 10th Annual Career Survey, conducted by Hanover Research identified 3M as the eighth most dream company to work for among respondents in 2017.

For the 18th 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.

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

Euronext and Vigeo Eiris included 3M, for 2017, in the Euronext World 120 and Euronext U.S. 50 based upon Environmental, Social, and Governance (ESG) performance. Index components are reviewed and updated twice a year, in June and in December. Companies included in this index have achieved the highest scores, as determined by review nearly 330 indicators, assessed by the agency.

FTSE Russell confirms that 3M, in 2017, has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI ESG Ratings

MSCI ESG Ratings provide institutional investors with a robust ESG integration solution. In 2017, awarded 3M an AAA rating, the highest rating.

Other Featured Awards

Great Places to Work®

The following countries and areas were ranked by Great Places to Work® and awarded as a best place to work in 2017:

- 3M Bolivia
- 3M Brazil
- 3M Costa Rica
- 3M El Salvador
- 3M Greece (3M Hellas)
- 3M Guatemala
- 3M Honduras
- 3M Japan
- 3M Mexico
- 3M Panama
- 3M Panama Pacifico
- 3M Poland
- 3M Poland Global Service Center (GSC) Europe, Middle East, and Africa (EMEA)
- 3M Portugal
- 3M Spain
- 3M Turkey
- 3M Latin American (LATAM) Region, Best Multinational Workplaces
- 3M Central American and Caribbean Region, Best Workplace in Central America and Caribbean

50 Best Places to Work for New Dads

Fatherly.com named 3M on its list of 50 Best Places to Work for New Dads coming in at 28th.

DIVERSEability MAGAZINE

3M was recognized in the Fall/Winter 2017 issue of DIVERSEability magazine as being "Best of the Best Top Disability-Friendly Companies".

LEAD2017 Award Winners

HR.com named 3M on its list of Best Experienced/Senior Leaders Program and Best Global/International Leadership Program.

2017 Energy and Sustainability Award, American Institute of Chemical Engineers (AIChE)

3M's Dual Brightness Enhancement Film team was recognized for a groundbreaking innovation with wide-reaching and demonstrated benefits for liquid crystal display (LCD) manufacturers looking to reduce the environmental footprint of LCD devices.

Environmental Leader Projects of the Year

3M Brookings, South Dakota was recognized for their efforts to minimize water consumption for their location's vacuum pump system. With the new system, 3M Brookings decreased annual water consumption for the vacuum system by over 18 million gallons annually, reducing the location's water consumption in gallons per square foot by 32 percent.

Our 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

Our Vision

Every successful endeavor – whether it's a social cause, a political movement, or a business – needs a vision. Something to reach for. Something to unite people around. 3M continues to be inspired and motivated by our corporate Vision that guides our work every day:

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

Our Vision helps define what we do, how we do it, and where we do it. At the same time, it establishes a stretch goal for all employees at 3M. And it captures what differentiates us from competitors as an enterprise.

What we do and have done for 115 years is advancing, enhancing, and improving. How we have done it, and continue to do it, is through technologies, products, and innovation. Where we do it is for every company, in every home, and for every life all around the world.

In short, this Vision serves as a daily reminder to all of us of what the 3M brand stands for.

Our Strategies

To help achieve our corporate Vision, we have six strategies that are engrained across our business. The first four focus on growth, the fifth is around developing our people, and the last strategy is around operational excellence.

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

Communities

3M investments and volunteers make a positive impact on our world.

Our Commitment

EC 3M helps build sustainable communities through strategic investments, business expertise, and the thoughtful engagement of 3Mers worldwide, who volunteer and leverage their skills and experience to make a difference.

The social investment arm of 3M, 3Mgives, is governed by the 3M Foundation Board of Directors and Corporate Contributions Committee comprised of senior level executives in the company. The 3M Foundation Board of Directors guides the social investment strategy by identifying focus areas, allocating budget, and giving strategy advice for execution by 3Mgives staff. The strategy includes partnering with leading community organizations that have a proven track record for delivering results.

A three-part giving strategy

Education: 3M empowers the next generation of scientists and engineers through investments in initiatives that increase student interest and achievement in science, technology, engineering, and mathematics (STEM), and business, to help build a diverse pipeline of global talent.

Community: 3M enhances community vibrancy by assuring access to basic needs, preparing youth for life-long success, increasing access to quality and diverse arts opportunities, and contributing to global humanitarian relief efforts.

Environment: 3M invests in programs promoting Sustainability and environmental stewardship in the communities where 3M employees live and work.

2025 Goal: Invest cash and products for education, community and environmental programs.

We continue to invest in increasing access and opportunity for people worldwide to succeed in STEM and business fields, and to improving lives through investments in environment and community programs. Cash, in-kind investments, and employee engagement remain core to our 3Mgives strategy. Since 1953, we have invested $1.58 billion in cash and product contributions in 3M communities.

Our Actions

Education

As a company that thrives on applying science to life, we understand the importance of inspiring the next generation of scientists, innovators, and inventors. As part of our commitment to supporting STEM, 3M embraces programs that encourage students to develop a fascination and a love for science. We also partner with organizations that help young people understand how science impacts and improves lives. Our goal is to increase STEM and business opportunities, and advance equitable outcomes for all students. In addition, our investments are helping to build a diverse pipeline of talent by increasing access to quality education for communities around the world.

Saint Paul Public Schools

In our corporate headquarters community, we are increasing Saint Paul Public School (SPPS) students' access to STEM programs. Through a 40-year partnership with SPPS, thousands of 3Mers have served as mentors, science fair judges, and career speakers – in addition to providing 17,000 students with school supplies on the first day of school every year. Today, more than 12,000 students in SPPS are involved in a 3M-sponsored STEM activity, such as FIRST LEGO League and FIRST Robotics teams, summer STEM Camp, and our signature program, 3M STEP (Science Training Encouragement Program), for high school juniors and seniors.

DonorsChoose.org

In addition to supporting students in St. Paul, Minnesota, 3M partners with DonorsChoose.org to broaden the company's support of STEM projects in classrooms across the country. Today, 3M's U.S. locations invest more than $500,000 annually in classroom projects led by teachers. Since 2015, 3M has funded more than 2,800 STEM projects impacting 276,000 students across the country.

3M Visiting Wizards

The 3M Visiting Wizards program, which started in St. Paul, Minnesota many years ago, continues to spark an interest in science among young people around the world. 3Mers provide science demonstrations and hands-on experiments on a variety of topics, such as the properties of light and color, cryogenics, microbiology, thermodynamics, and electricity.

This kind of exposure at an early age helps students understand how science impacts everyday life, and encourages young people to become interested in STEM.

In 2017, more than 33,000 students attended a Visiting Wizards demonstration. More than 800,000 have participated in presentations since the program's inception in 1985.

See typical Visiting Wizards demonstrations for magnets, colors and lights, and the science of air at 3M Visiting Wizards.

Gitanjali Rao

Young Scientist Challenge

The Discovery Education 3M Young Scientist Challenge, for grades five through eight, was launched in 1999 by Discovery Communications and has been co-sponsored by 3M since 2008. Its mission: to cultivate the next generation of American scientists at an age when interest in science often declines.

Through the years, the one-of-a-kind competition has sparked the imaginations of students and enhanced science exploration, innovation, and communication across the U.S. Students are invited to create a one to two minute video describing a new, innovative solution that could solve an everyday problem. All videos are judged by a panel of experts in science and communication including current and former teachers, scientists, and representatives from school districts across the country. After the judging, 10 finalists have an opportunity to participate in a summer mentorship program with 3M scientists, and travel to 3M headquarters to compete in the final event.

Learn more on Gitanjali Rao, a sixth-grader from Lone Tree, Colorado and 2017 Discovery Education 3M Young Scientist Challenge winner: here.

Higher Education

3M is also helping to develop the next generation of STEM and business leaders by providing scholarships, fellowships, and internships, in addition to supporting professors who are turning ideas into innovation. The company recently grew its commitment to advancing career pathways by increasing investments for advanced manufacturing training and skills development through partnerships with relevant vocational schools and skilled trades organizations.

Frontline Sales Initiative

3M's commitment goes beyond traditional philanthropy; during the summer of 2017, a record 60-plus university students from more than 20 universities across the U.S. participated in the 3M Frontline sales and marketing internship program. Their itinerary included a two-week introduction to 3M, eight weeks in the field selling products for one of 3M businesses, and a one-week review of their experience. At the end of the program, Frontline students are often offered and accept jobs with 3M.

Scholarships, Fellowships, and Non-Tenured Faculty Grants

3M is helping students of diverse backgrounds pursue careers in STEM by providing undergraduate scholarships, undergraduate research scholarships, and fellowships to students at the University of Minnesota, University of Illinois, Georgia Tech, and other institutions of higher learning. In addition to providing student support, for more than 25 years 3M technical leaders have directed financial support to promising academic leaders to support the advancement of research and teaching in relevant STEM and business fields. In 2017, 3M provided more than $500,000 in support to 54 non-tenured faculty members.

3M Manufacturing and Academic Partnership

3M launched the Manufacturing and Academic Partnerships (MAP) Program in 2017, to promote advanced manufacturing training and careers through thoughtful partnerships in our largest manufacturing communities. 3M works with partner technical colleges and surrounding high schools to provide exposure to advanced manufacturing. The program provides scholarships, educator training, and help with curriculum development. In 2017, 3M invested over $800,000 toward this initiative and is planning to grow this collaboration in the coming years.

Learn more on 3M MAP: here.

WorldSkills™

3M is a Global Industry Partner of WorldSkills International, a not-for-profit movement that brings together industry, government, organizations, and institutions to promote the benefits of and need for skilled trade professionals through grassroots community projects, skill competitions, and knowledge exchange. In 2017, 3M sponsored the WorldSkills competition in Abu Dhabi with more than 1,300 competitors, 50 skills, and 75 member countries represented, all working together to help prepare the workforce and talent of today for the jobs of the future.

Learn more on WorldSkills: here.

Community

3M invests in a more vibrant world through partnerships that advance inclusiveness, diversity, and strength in our communities. We support the arts, youth development, and basic needs, and provide humanitarian aid in times of need.

Humanitarian Aid

In 2017, 3M responded to an unprecedented level of natural disasters, including earthquakes in Mexico and multiple devastating hurricanes and wildfires, by establishing a global relief fund. As part of this fund, 3M and 3M employees invested more than $4.5 million in cash and products to support communities in crisis – in the U.S., Mexico, Puerto Rico, and several other regions of the world. This support provided immediate relief to the people in those areas, and helped assure that those affected by a natural disaster received the care they needed to reestablish self-sufficiency.

3M Volunteers and Global Volunteer Day

In September 2017, 3M marked its fourth annual Global Volunteer Day in 3M communities around the world. Here are three examples of what took place:

3M Brazil
(as told by 3M volunteer leader Liliane Moura)

"We had 50 3M volunteers serve as judges for the final round of the VII University Student 3M Institute Award. The goal was to identify and support projects that promote social development in education, health, or environment. Every university student in Brazil could participate. The award criteria was low cost, easy replication, and the benefits it can provide to a community. The winners of the first award created a bread soup bowl that is still produced in three institutions, to serve soup to people who live in the streets and have no home. The bread soup bowl can be eaten and it is very nutritious. And after the soup is consumed, the bowl doesn't produce any garbage and doesn't need to be washed. The award for winning went to the sponsoring university, which uses the money to help the idea become a real solution for our community."

3M Philippines
(as told by 3M volunteer leader Rika Sophia Kamibayashi)

"Employees of 3M Philippines and 3M Global Service Center Philippines kicked off celebrations for Global Volunteer Day in 2017 by supporting the Give2Achieve campaign, which aims to raise funds to rehabilitate and educate street children in the Philippines. Our community partner, Virlanie Foundation, has been our adopted community since 1997. In that time, Virlanie Foundation has given back smiles and dreams to over 17,000 street children by providing developmental intervention for children and their families. Our volunteering efforts in 2017 included shirt sales to help raise funds, outreach activity, and both employee and family involvement. With Give2Achieve our employees were highly engaged and motivated to achieve a common goal – fight child poverty through education."

3M Spain
(as told by 3M volunteer leader Ana Brage)

"On Global Volunteer Day, we welcomed 25 young people from Aldeas Infantiles, an organization dedicated to nurturing vulnerable children, to spend a fun evening with us in our Innovation Center and learn science applied to life. The children were divided into teams to complete a science circuit, performing six tests as they searched for the best 'nanoscientific'.

3M Spain Global Volunteer Day, Winning Science Circuit Team

The winning team received a science award and all of the children received a snack and a scientific pack of 3M products, including masks."

3Mgives Volunteer Match

Throughout the year, the 3Mgives Volunteer Match encourages volunteerism by donating to schools and organizations where 3Mers and alumni volunteer their time. Since 2000, in the U.S., 3Mgives has provided more than $7.10 million on behalf of over 30,000 volunteers to 3,770 organizations in 50 states.

Collaborative Community Engagement

3M works with innovative nonprofit partners like GlobalGiving.org to digitally crowdsource investment decisions. For example, 3M empowered 3Mers to direct corporate contributions to global nonprofits aligned to 3M Sustainability priorities. In response to the devastation of several disasters, 3M matched employee contributions through key partners, like GlobalGiving.org and American Red Cross, to inspire 3Mers to double their impact in affected communities.

MENTOR: The National Mentoring Partnership

Every young person needs supportive relationships to guide them as they develop and grow into thriving, productive, and engaged adults. 3M partners with MENTOR to make sure this kind of support is in place, by providing quality programming to local organizations, and to train mentoring leaders. In 2017, 3M presented MENTOR with our Inaugural Global Volunteer Partner Award, as an organization that aligns with 3M's values in volunteerism.

Global Pro Bono Engagement

3Mers provide skills-based, consulting services to social enterprises and nongovernmental organizations around the world through 3M Impact and 3M Catalyst Leadership Way programs, in partnership with PYXERA Global. The 3M Impact program, established in 2017, deployed employees from around the world to Southeast Asia to address Sustainability and community challenges in Hanoi and Ho Chi Minh City, Vietnam, Kuala Lumpur, Malaysia, and Jakarta, Indonesia. Through the 3M Catalyst Leadership Way Program, 3M deployed senior executives to support communities in Bangalore, India and Shanghai, China.

Learn more on the 3M Impact Program: here.

"Just as 3M is committed to improving lives through our products and science, our 3M workforce is dedicated to making a difference in our communities. The 3M Impact program was launched by 3Mgives to empower our employees – including leading scientists, engineers, and business leaders – to collaborate with game-changing NGOs, and social enterprises in addressing the world's greatest challenges.

Michael Stroik
Director, 3Mgives

Another way 3M recognizes the importance of good corporate citizenship, and supporting the communities in which we operate, is through 3M Legal Affairs. By leveraging legal skills and experience, 3M Legal Affairs helps bridge the gap and strengthen both the community and the justice system. Learn more on these efforts: here.

Local investments. Global impact.

To maximize positive social impact in the communities in which we operate, 3M manufacturing facility locations receive an annual budget to invest in their own backyards. To help support their efforts, 3Mgives recently introduced four programs that collectively provide approximately $1.50 million of additional funding to organizations that demonstrate the ability to create a long-term, sustainable impact in their

communities. These programs address improving basic standards of living in the community, making a lasting impact on Earth's ecosystems, improving science-based education for youth, and contributing to the efforts of critical partners in the community, especially those that provide economic development to underserved populations.

Learn more on some of these efforts in Canada and England, under our featured stories.

3M Austin, Texas – Tarmac TX

Tarmac TX is a nine-month accelerator program that supports Austin-based social entrepreneurs who are developing community-enhancing technology solutions, by connecting them with 12 3M employees who have expertise in marketing, business development, and information technology to help with critical strategic issues. As a free accelerator, Tarmac TX provides pathways to economic opportunity and promotes inclusiveness and diversity in tech entrepreneurship. Among their many solutions, Tarmac TX 2017 startups are working to improve the quality of life in the Austin community, protect the environment, and serve children and students in schools, foster children, and the blind community.

Environment

EN 3M invests in initiatives that foster sustainable communities. This includes projects that protect threatened ecosystems, support local economies, enhance livelihoods, and promote science-based environmental education.

Closed Loop Fund

Cities across the U.S. spend billions of dollars sending recyclable materials to landfills. The Closed Loop Fund (CLF) is a collaborative social impact fund that gives cities access to capital needed to build comprehensive recycling programs. At the same time, it gives companies like 3M access to an important supply of recycled materials for use in packaging. 3M's $5 million commitment to the CLF has already helped fund 12 projects that have improved recycling access and diversion for 4.1 million households, and provided $17 million in economic benefit to participating municipalities. This partnership is one of 3M's innovative

approaches to strategic social investing. It is the company's first program-related investment that will be paid back to 3M Foundation to recycle funds back into the community in the future. 3M is also supporting CLF with a scoping grant to explore international regions that could receive the greatest impact from their approach to environmental stewardship.

Looking forward…

In 2018, 3Mgives will continue to strengthen our culture of service by engaging our most impactful asset – our people. We will continue to implement a new volunteer technology platform to help employees learn about more opportunities to support local organizations through volunteerism. In addition, we expect to expand our newest volunteer program, 3M Impact, which deploys some of 3M's most talented and engaged employees to global markets to work with social enterprises, nongovernmental organizations, and universities focused on solving the world's largest problems. And we will continue expanding our focus on STEM education to develop specific programs relating to advanced manufacturing skills positions. Our goal is to expand the pipeline of manufacturing talent, particularly among veterans and groups underrepresented in the manufacturing industry.

G4 EC 7

2017 Giving by Focus Area
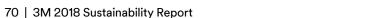
	Cash	In-Kind	Total	Volunteer Hours
Community	$17,700,000	$24,800,000	$42,500,000	190,000
Education	$15,100,000	$12,800,000	$27,900,000	83,700
Environment	$2,980,000	$66,700	$3,050,000	22,000
Total	$35,900,000	$37,600,000	$73,500,000	296,000

Values presented in this table represent the most current values, in $USD, but are still subject to change.

2017 Global Giving by Region

	Cash	In-Kind	Total	Volunteer Hours
Asia Pacific	$1,810,000	$2,240,000	$4,060,000	6,740
Europe/Middle East/Africa	$621,000	$312,000	$933,000	6,700
Latin America	$2,990,000	$979,000	$3,970,000	3,230
Canada	$1,500,000	$680,000	$2,180,000	2,050
United States	$27,700,000	$29,800,000	$57,500,000	277,000
OUS, Region Not Defined	$1,230,000	$3,680,000	$4,910,000	—
Total	$35,900,000	$37,600,000	$73,500,000	296,000

Values presented in this table represent the most current values, but are still subject to change.

3M Science. Applied to Life.™

#improvinglives means enabling better patient outcomes, lifelong oral health, and a safer food supply.

Our innovative solutions help customers, from hospitals and clinics, to food and pharma companies, improve sustainability and patient health.

Health Care

Engaging Our Stakeholders
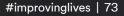
See how our stakeholder-driven approach to Sustainability materiality serves as a foundation for our Sustainability strategy and reporting.

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.

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 contributing to our commitment to purpose-driven business.

We rely on a robust business conduct assessment process to help assure the external organizations that we partner with share our commitment to business integrity.

Stakeholder Engagement Strategy

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

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

We engaged with many internal and external stakeholders in setting our 2025 Sustainability Goals. Our 2014 and 2016 materiality assessments both demonstrated that our 2025 goals remain aligned with our stakeholder expectations – see the Materiality section for more information. Our goals are aligned with the key global challenges, as well as the United Nations 2030 Sustainable Development Goals. As such, they present unique opportunities for partnerships and collaboration, which 3M is actively seeking.

Nonprofit Organizations and NGOs

Who

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

How
- Alliance to Save Energy
- American Council for an Energy-Efficient Economy (ACEEE)
- Forum for the Future
- Friends of EU Emissions Trading Scheme (ETS)
- TFT (The Forest Trust)
- The Nature Conservancy
- Net Impact
- PYXERA Global
- The RECYCLING PARTNERSHIP
- World Resources Institute (WRI)
- WorldSkills™

Investors

Who

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

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

Employees

Who

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

How
- Committee to Encourage Corporate Philanthropy
- The League of American Bicyclists
- The Science Museum of Minnesota
- U.S. Business Leadership Network

Government/ Regulators

Who

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

How
- United Nations Global Compact
- U.S. Department of Energy (DOE)
- U.S. EPA Green Power Partnership
- U.S. EPA Energy Star Program

Local Communities

Who

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

How
- Innovative cash investments in evidence-based nonprofit organizations
- Skills-based service opportunities leveraging the rich set of skills in the 3M workforce
- Transformative product donations that improve lives globally
- More information can be found in the Collaborating with Our Communities section of this report

Academia and Scientific Organizations

Who

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

How
- Harvard Medical School, The Center for Health and the Global Environment
- Iowa State University, Center for Bioplastics and Biocomposites
- University of Minnesota, Center for Sustainable Polymers
- Environmental Initiative
- Intergovernmental Panel on Climate Change
- Society of Environmental Toxicology and Chemistry

Customers

Who

Why
- Providing diverse innovative product solutions that help our customers deliver on their promises
- Offering a diversified portfolio of high quality products
- Providing products with Sustainability attributes to address and help solve global environmental challenges

How
- Corporate Eco Forum
- Retail Industry Leaders Association
- Sustainable Brands
- World Business Council for Sustainable Development

Suppliers, Contractors, Industry Associations

Who

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

How
- Air & Waste Management Association
- Alliance to Save Energy
- American Chamber of Commerce (AmCham)
- American Chemistry Council (ACC)
- American Industrial Hygiene Association
- The Conference Board
- The Conflict Free Sourcing Initiative (CFSI)
- European Chemistry Industry Council (CEFIC)
- Green Chemistry & Commerce Council (GC3)
- The Institute of National Pact (InPACTO)
- Minnesota Chamber of Commerce
- National Association of EHS Managers (NAEM)
- National Association of Manufacturers (NAM)
- National Climate Coalition (NCC)
- Pressure Sensitive Tape Council

Diversity and Inclusion

At 3M, diversity and inclusion are essential and inseparable to our success.

Our Commitment

At 3M, we foster an inclusive environment where employees feel safe, engaged, and free to create and innovate. Our diversity and inclusion strategies are inextricably linked to our corporate strategies.

The way we look at it, a diverse, global workforce – people with different experience, ethnicity, age, gender, faith, sexual orientation, personalities, styles, and ways of thinking – helps us relate more closely to the needs of all 3M customers, suppliers, and channel partners around the world.

Just as important, it's the right thing to do. Diversity and inclusion are about creating intellectual and emotional oxygen for all people to flourish and feel comfortable to collaborate, agree, disagree, and respectfully exchange, learn, and create.

That's why the 3M Code of Conduct includes this guideline:

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

3M's Respectful Workplace Principle states that "everyone is entitled to respectful treatment in the 3M workplace. Being respectful means being treated honestly and professionally, with each person's unique talents, background, and perspectives valued. A respectful workplace is free from unlawful discrimination and harassment, but it involves more than compliance with the law. It is a work environment that is free of inappropriate or unprofessional behavior and consistent with 3M's ethics and values – a place where all employees can do their best, and are free to report workplace concerns without fear of retaliation or reprisal".

To foster this kind of workplace, we follow our Equal Employment Opportunity (EEO) policies, which 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 assure equal opportunities for qualified minorities, women, covered veterans, and individuals with disabilities, and also to provide reasonable accommodation to individuals with disabilities.

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

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

Doubling our diverse talent in management/leadership positions will ultimately help build a diverse pipeline for executive leadership as well. That said, we recognize that definitions of diversity vary between countries and cultures. In the U.S. and in many other countries, we provide our people with the opportunity to opt-in and confidentially provide information such as disability status, veteran status, sexual orientation, race/ethnicity, and gender.

The 3M definition of diversity includes gender, race/ethnicity/nationality, people with disabilities, U.S. military veterans, and people who identify as lesbian, gay, bisexual, transgender, questioning, and intersex (LGBTQI). To measure progress against our 2025 goal, we use a Diversity Index which represents the total number of diverse future leaders within the company globally.

Note: In the U.S. and in many other countries, we provide our people with the opportunity to voluntarily self-identify and confidentially provide information such as disability status, veteran status, sexual orientation, and race/ethnicity.

Our Actions

Every day, we work to assure that the 3M workforce is representative of the people with whom we do business. This entails:

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

Beyond our day-to-day efforts to support diversity in 2017, we also actively promoted initiatives to engage our people, attract the best talent, and make everyone feel safe and included.

Different Minds Inspire Campaign

At 3M, we know that inclusion is the key to unlocking the power of our diversity. An inclusive culture is one that supports and appreciates differences, and provides fair and equal opportunities for everyone. It is a culture where people realize they are respected for their whole and unique selves, and that they belong. Inclusion leads to engagement, which in turn fosters the collaboration, creativity, and innovation that drive long-term growth for 3M as well as for our people and our customers.

In the inaugural 2017 Inclusion Index (a measure of how included employees feel in the workplace, based on responses to questions in the 3M Standard Opinion Survey), a large majority of responding employees felt included in the workplace. Moving forward, we will work to engage all employees as we enhance our culture of inclusion.

At the 3M Global Inclusion Day event on October 30, 2017, the Diversity and Inclusion team launched a new campaign: "Different minds inspire". This campaign is centered on three actions employees can take to strengthen our inclusive environment:

Reflect: Identify your own unique strengths.

Connect: Understand and appreciate the unique perspectives of others.

Wonder: Imagine what we can accomplish together.

The company is developing global communication, events, and training, inspiring employees to activate the "Different Minds" campaign.

> "Meaningful innovation and relevant brand experiences are no longer driven by great individuals but by great teams that embrace diversity in thought and collaboration."
>
> Eric Quint
> *3M Vice President and Chief Design Officer*

Catalyst CEO Champions For Change

Inge Thulin, our Chairman of the Board, President, and Chief Executive Officer, became a founding member of the Catalyst CEO Champions For Change initiative focused on accelerating diversity, inclusion, and gender equality in the workplace. Mr. Thulin signed on to this initiative at the 2017 Catalyst Awards ceremony, where 3M was recognized for our proven approach to expand opportunities for women and business.

As part of this commitment, Mr. Thulin, along with more than 40 other Chief Executive Officers and industry leaders, made a personal pledge to advance women's representation over the next five years, particularly at the senior level and within the Board of Directors, and actively sponsor a diverse group of women. The initiative is also intended to encourage more organizations to make commitments around increasing gender equality in the workplace.

Watch an interview with Mr. Thulin and Deborah Gillis, President and Chief Executive Officer of Catalyst: here.

Catalyst Award

For 30 years, the Catalyst Award has been a prestigious honor presented to select companies that distinguish themselves in accelerating progress for women in the workplace. 3M was one of three 2017 winners of this award, based on a rigorous assessment conducted by Catalyst Inc., which cited the company's "I'm in. Accelerating Women's Leadership" initiative, leadership development platforms, workplace flexibility, mentoring programs, and external community efforts on behalf of women. Inge Thulin accepted the award in New York in March.

Employee Resource Networks

3M Employee Resource Networks (ERNs) are grassroots organizations designed to nurture leadership skills, and collaboration across cultures, lifestyles, and genders, through networking. Open to all employees, these organizations help 3M recruit, engage, and retain diverse talent and work with our businesses to provide relevant customer insights that can expand our marketplace reach.

- 3M Pride (LGBTQ and allies)
- A3CTION (Asians and Asian-Americans Coming Together for Innovation and Opportunity Network)
- African American Network
- disAbility Awareness Network
- Latino Resource Network

The chairs and co-chairs of the ERNs lead development and community-based events within their own networks – as well as collaborate across networks to champion inclusion at 3M.

- Military and Veterans Support Network
- Native American Network
- New Employee Opportunity Network (NEON)
- Women's Leadership Forum

In 2017, two ERNs celebrated over 40 years of continuous employee engagement: the Women's Leadership Forum and the African-American Network. Also, the Native American Network, a circle of people from American and First Nations Indian tribes, celebrated its 25th anniversary.

Diversity-Focused Recruiting Events

During 2017, we participated in several recruiting events to connect with people and talk about employment opportunities at 3M, including:

- American Indian Science and Engineering Society
- Grace Hopper Celebration
- Reaching Out MBA
- National Black MBA/Prospanica
- National Organization for the Professional Advancement of Black Chemists and Chemical Engineers
- National Society of Black Engineers
- Society of Hispanic Professional Engineers
- Society of Women Engineers (National and Regional events)

Invent a New Future Challenge

Each year since 2014, 3M has sponsored the Invent a New Future Challenge, a business case competition that celebrates the extraordinary thinking of college students around the world. Third- or fourth-year undergraduate students and those pursuing an advanced degree in marketing, sales, supply chain/logistics, engineering, science, and/or technical studies are encouraged to participate. In 2017, students in 13 countries competed in the local round. Fourteen finalists were then flown to the U.S. for the global case competition finals at 3M's world headquarters in St. Paul, Minnesota. Members of the final winning team each received a six-month mentorship with a 3M senior leader in their respective

countries. Another positive outcome of the competition: more than 25 students were hired for full-time 3M positions in their local countries.

Left to right:
Vamshi Voruganti, USA, Pennsylvania State University, Industrial Engineering
Eunseo Jean Kim, South Korea, Hanyang University, Industrial Engineering
Bruno Ferreira de Oliveira, Brazil, Universidade Federal da Bahia, Chemical Engineering
Annu Mann, India, Xavier School of Management, MBA
Abdulkhaleq Ahmed Al-Mansaf, King Abdullah University of Science and Technology (Kaust), Chemical Science

Working With Those Who Have Served

3M is a strong supporter of initiatives that provide employment help to veterans of U.S. military service.

Hiring Our Heroes is a nationwide initiative that assists veterans, transitioning service members, and military spouses find meaningful employment opportunities. The effort is backed by an advisory council comprised of 25 of America's biggest employers, including 3M. Elements of the campaign include:

- Establishing best practices for employing veterans
- Providing mentors to help transitioning veterans and their spouses
- Enlisting a similar commitment from small and medium-sized business

Hirepurpose provides career guidance and a recruiting portal for transitioning military service members. Its overall mission is supported by Hirepurpose's employer partners – Fortune 1000 companies that understand the impact and value of hiring veterans, including 3M.

On the Hirepurpose career portal, candidates can research companies, receive job search advice, and make sure their applications reach veteran advocates at each employer partner. A team of Hirepurpose career coaches also provides personalized guidance and support online, over the phone, and at bases across the U.S.

Minnesota National Guard Women's Leadership Forum

On September 16, 2017, more than 700 members of the Minnesota National Guard attended the third annual Women's Leadership Forum at 3M corporate headquarters. Topics included emotional intelligence, leadership, high performing teams, and a championship culture. Among the speakers: Maureen Bausch, Minnesota Super Bowl LII Host Committee Chief Executive Officer, as well a range of local business and government leaders, and representatives from five of Minnesota's professional sports teams (Lynx, Twins, Wild, Vikings, and Timberwolves).

Rally at the Wall Events

At the Military Support Network Wall located at 3M headquarters in St. Paul, Minnesota, the company sponsored six Rally at the Wall events throughout 2017 to demonstrate support for the men and women who have transitioned from the military to 3M. These events focused on networking and recognition of veterans hired at 3M.

Military Bowl

Over the past 10 years, the Military Bowl football game has served as a premier regional event benefiting the United Service Organizations (USO) and other groups that support members of the Armed Forces and their families. In 2017, 3M announced a three-year sponsorship agreement with the Military Bowl and, along with other corporate sponsors, helped raise $100,000 at the December 2017 Military Bowl game played in Annapolis, Maryland. At the game, 3M also presented the 3M Play to Win award to George Garcia III, the son of two active-duty U.S. Air Force service members, who took on important family responsibilities while both his parents were deployed.

From left to right: Skip Driessen, Ingar Grev, Kevin White, and Rory Yanchek

For additional information, see: Military Bowl, a game with a larger purpose.

National Industries for the Blind (NIB)

3M has partnered with NIB, the nation's largest resource for jobs and training for people who are blind, for more than 30 years. In 2017, the company sponsored an individual for an eight-month NIB Fellowship for Leadership Development, working with the web services team of the 3M Business Transformation / Information Technology group. There he was involved in several projects including digital planning, consumer analysis, AB Testing, and providing daily feedback on electronic formatting.

Best Places to Work for Disability Inclusion

3M earned a top score of 100 percent on the 2017 Disability Equality Index®, making 3M one of the 'Best Places to Work for Disability Inclusion'. We have improved our score every year over the three years the index has been in place. Participating in the index helps us identify ways we can further enhance our policies and practices around disability inclusion. Reaching a top score strengthens our reputation as a great place for all people to work, and helps us attract more candidates with different abilities, backgrounds, and experiences.

Representing people with disabilities is an important dimension of our Sustainability goal to double the pipeline of diverse talent in management by 2025. And it's part of our commitment to be an inclusive culture and workplace where people of all abilities can thrive.
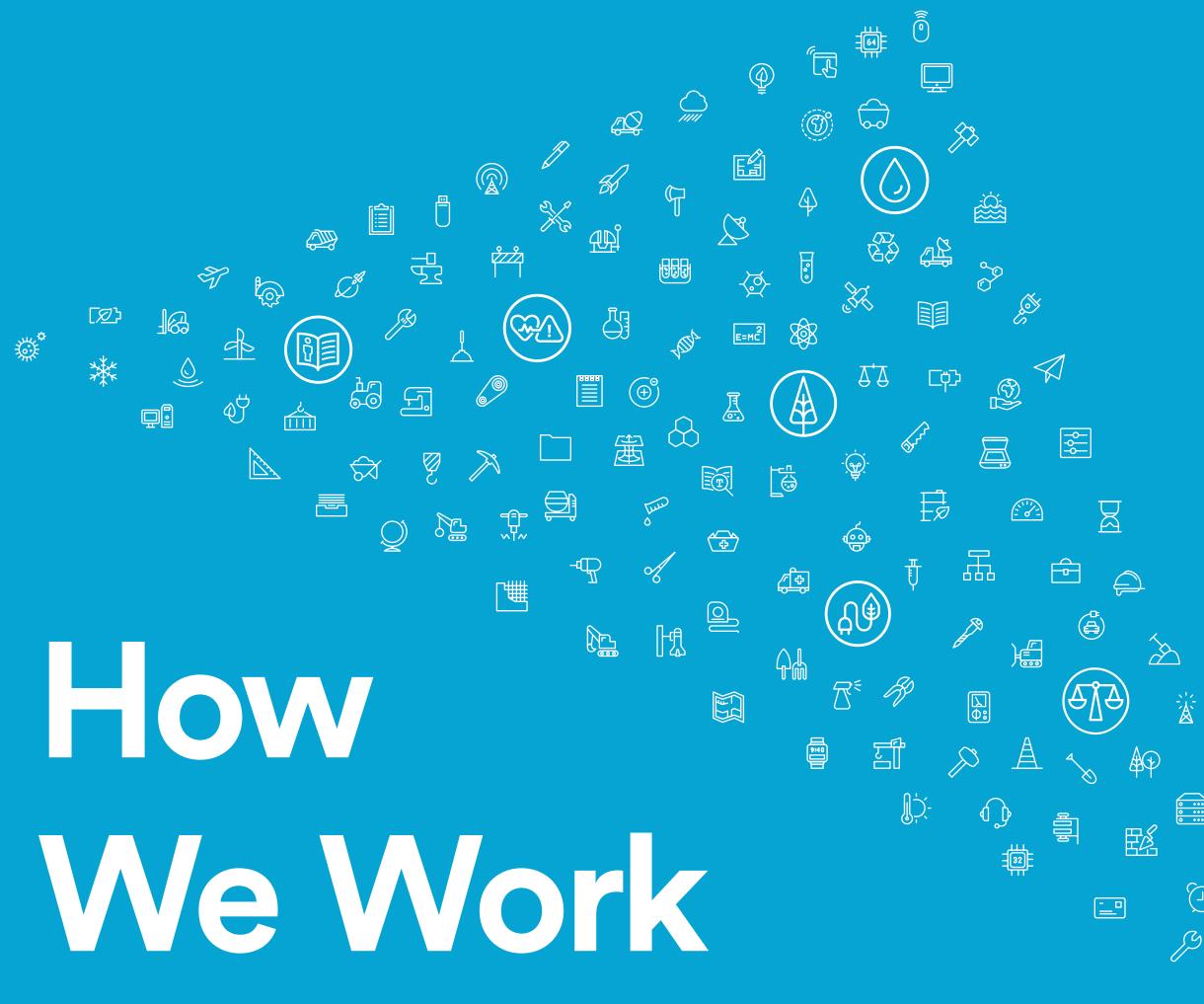
On October 23, 2017, 3M held a disAbility Employment Awareness Month Celebration in honor of being named a Best Place to Work for Disability Inclusion. The celebration included a presentation from Believet™ Canine Service Partners, which provides highly skilled assistance dogs, free of charge, to disabled veterans.

Best Places to Work for LGBTQ Equality

For the seventh year in a row, 3M scored 100 percent on the Corporate Equality Index (CEI) for 2018, making the company one of the 'Best Places to Work for LGBTQ Equality'. The CEI is administered by the Human Rights Campaign and benchmarks corporate policies including non-discrimination workplace protections, domestic partner benefits, and transgender-inclusive health care.

Looking forward...

In 2018, we will continue our journey of steady progress toward our goal of increasing the pipeline of diverse talent in management. In addition, through the "Different minds inspire" campaign, we will engage 3Mers in activities and behaviors that strengthen inclusion and create space for respecting diverse perspectives. In 2019, we will focus on integrated collaboration, by combining diverse capabilities and people on teams, to share knowledge and discover breakthrough outcomes.

How
We Work

Introduction

How We Work

Sustainability is embedded firmly at the core of 3M and in the strategic planning process we use for every region, every market, and every business.

In each of our business groups and regions we have dedicated Sustainability leaders who develop a relevant and well-informed strategy specific to their market demands and business goals.

Annually, like many companies, we go through a strategic planning process during which our divisions and regions develop their business strategies for the next few years. However, unlike others, we formally require that each plan address Sustainability factors relevant to their market needs and business opportunities.

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

First, the R. Scientists in our central laboratory are free to focus on pure research, in search of unscripted,

unexpected opportunities for breakthroughs. Our unique "15% Culture" gives them the freedom to follow their instincts. At the same time, our Tech Forum is a key enabler of collaboration. This self-directed, self-organized group unites 10,000-plus scientists and engineers who work together to solve problems across oceans and continents, regardless of which business they're from.

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

Moving forward, we will continue to expand beyond our own operations and focus more on 3M Sustainability goals and the needs of our customers and communities. While we recognize the importance of what we do in our own businesses, and will continue to innovate there, we see that far greater impact can be realized when we partner to understand and overcome the challenges we face together.

Corporate Governance

3M 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 uncompromising integrity and doing business the right way.

Our Commitment

SD 3M's Board of Directors 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 independent Lead Director, director independence, the Board membership criteria,

Board committees, and Board and management evaluation. The Board's Nominating and Governance Committee is responsible for overseeing and reviewing the Guidelines at least annually and recommending any proposed changes to the Board for approval. The Corporate Governance Guidelines, the Certificate of Incorporation and Bylaws, the charters of the Board committees, the Director Independence Guidelines, and the Board of Directors Code of Conduct provide the framework for the governance of the company and are available on our website at www.3M.com, under Investor Relations— Governance.

The Board's current leadership structure is characterized by:

- a combined Chairman of the Board and Chief Executive Officer;

- a strong, independent, and highly experienced Lead Director with well-defined responsibilities that support the Board's oversight responsibilities;

- a robust committee structure consisting entirely of independent directors with oversight of various types of risks; and

- an engaged and independent Board.

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

On March 5, 2018, the Board appointed Michael F. Roman CEO, effective July 1, 2018. He succeeds Inge G. Thulin, who is appointed to a newly created position, executive chairman of the Board, also effective July 1, 2018.

Board's Role in the Company's Long-Term Strategy

Each year management presents to the Board, and the Board discusses and approves, detailed long-term strategic plans for the company, the international business, and each of the company's business groups. Each presentation includes an overview of the business group, the financial performance, an assessment of the portfolio for growth opportunities using a SWOT analysis (i.e., strengths, weaknesses, opportunities, and threats); strategic priorities to drive the three key value creation levers—Portfolio Management, Investing in Innovation, and Business Transformation; plans to drive the four corporate fundamental strengths—Technology, Manufacturing, Global Capabilities, and Brand; and the projected long-term financial performance.
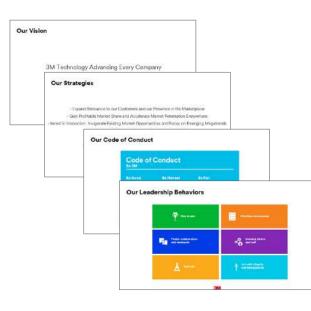
Our company's long-term strategy is outlined in the 3M Playbook, which consists of five elements: our Vision, Strategies, Code of Conduct, Leadership Behaviors, and Key Levers.

Our Vision captures our aspirations and guides our corporate direction – 3M Technology Advancing Every Company, 3M Products Enhancing Every Home, 3M Innovation Improving Every Life. For 115 years, we have advanced, enhanced, and improved companies, homes, and lives around the world. Our six strategies provide the roadmap for achieving our goals. They guide us to actively identify and align to external opportunities including customers, markets, and macro trends while continuously investing in our internal capabilities such as technology, manufacturing, global reach, and the 3M Brand. Our Leadership Behaviors (Play to win, Innovate, Foster collaboration and teamwork, Prioritize and execute, Develop others and self, Act with integrity and transparency) describe how leaders lead at 3M.

Our Code of Conduct serves as a constant reminder of our core values. The Code is structured around six core values – Be Good, Be Honest, Be Fair, Be Loyal, Be Accurate, and Be Respectful.

Our Playbook also defines three Key Levers that we use to operationalize our Playbook throughout the company and create value across 3M – Portfolio Management, Investing in Innovation, and Business Transformation.

Portfolio Management seeks to align resources behind the best opportunities, investing in attractive, high-value markets, while de-emphasizing or exiting less attractive spaces. Investing in Innovation is an important element in delivering premium value for our customers and premium returns for our shareholders. Business Transformation starts and ends with our customers and is fundamentally transforming the company and how we do business. We are optimizing and standardizing our global business processes to generate scale and leverage, deploying a single instance global enterprise resource planning (ERP) system that provides data transparency across the enterprise, and creating a global service model to optimize our supply chain and business services operations. All of these activities significantly enhance customers' experiences with 3M, making our customers more efficient and competitive, while also improving our internal efficiency and productivity in everything that we do, in a sustainable way – making us more competitive and profitable.

Our playbook is working

 Portfolio Management

 Investing in Innovation

 Business Transformation

In combination, the five elements outlined in the Playbook serve as the foundation for our strategy. We are focused on succeeding in attractive global markets ensuring we deliver value to our customers, shareholders, and employees.

Lobbying and Political Activities Principle

As a concerned member of our communities, 3M actively participates in public policy and legislative advocacy, or "lobbying." As appropriate, 3M also participates in political activities to elect and work with elected representatives and government officials. 3M's Government Affairs organization coordinates and oversees 3M's lobbying and political activities. 3M Political Activities Board, which is made up of senior 3M executives, oversees 3M's political contributions and the activities of 3M's Political Action Committee (3M PAC). 3M PAC is a nonpartisan fund comprised of voluntary employee and stockholder contributions that is used to make contributions to U.S. federal, state, and local candidates as permitted by law. These activities must always comply both with applicable laws and 3M's Lobbying and Political Activities Principle.
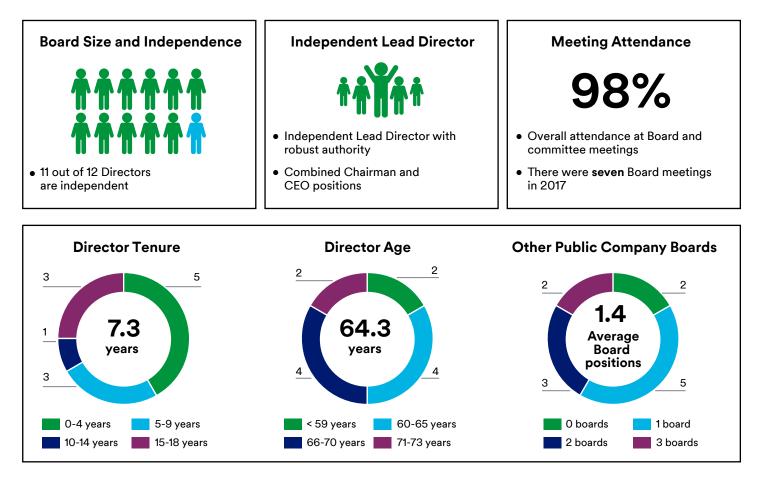
Our Actions

Board Refreshment

We regularly add directors to infuse new ideas and fresh perspectives into the Boardroom. In the past five years, seven new independent directors have joined our Board. In recruiting directors, we focus on how the experience and skill set of each individual complements those of their fellow directors to create a balanced Board with diverse viewpoints and backgrounds, deep expertise, and strong leadership experience. Amy E. Hood joined the Board in August 2017. Amy Hood is Executive Vice President and Chief Financial Officer of Microsoft Corporation, responsible for leading the worldwide finance organization, including acquisitions, treasury activities, tax planning, accounting and reporting, and internal audit and investor relations. She brings tremendous skill and experience to the Board, especially in strategic business development, finance, and digitization.

Corporate Governance Highlights

Board Size and Independence

- 11 out of 12 Directors are independent

Independent Lead Director

- Independent Lead Director with robust authority
- Combined Chairman and CEO positions

Meeting Attendance

98%

- Overall attendance at Board and committee meetings
- There were **seven** Board meetings in 2017

Director Tenure

7.3 years

- 0-4 years
- 5-9 years
- 10-14 years
- 15-18 years

Director Age

64.3 years

- < 59 years
- 60-65 years
- 66-70 years
- 71-73 years

Other Public Company Boards

1.4 Average Board positions

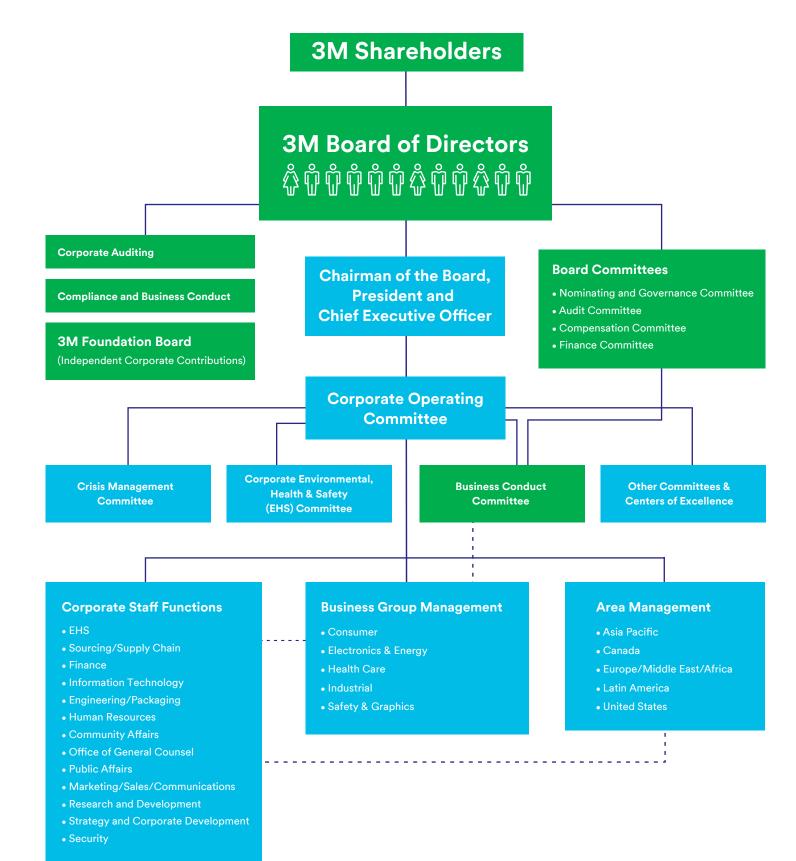- 0 boards
- 1 board
- 2 boards
- 3 boards

The Corporate Governance Highlights above reflect the Board's current 12 directors. One of the directors, Vance D. Coffman, is no longer eligible to stand for re-election as he has reached the mandatory retirement age.

Stockholder Engagement

We maintain a vigorous stockholder engagement program. During 2017, members of senior management met with a cross-section of stockholders owning approximately 35 percent of our outstanding shares or approximately 50 percent of our institutional stockholders. The meetings included an overview of the company and a discussion of the company's practices on corporate governance. Staff from our Sustainability organization also attended these meetings and summarized 3M's more than 40 years of environmental stewardship. The feedback from these meetings was shared with the Board of Directors and helped inform the Board on corporate governance practices and trends.

Corporate Governance Guidelines

3M Shareholders

3M Board of Directors

Corporate Auditing

Compliance and Business Conduct

3M Foundation Board
(Independent Corporate Contributions)

Chairman of the Board, President and Chief Executive Officer

Board Committees
- Nominating and Governance Committee
- Audit Committee
- Compensation Committee
- Finance Committee

Corporate Operating Committee

Crisis Management Committee

Corporate Environmental, Health & Safety (EHS) Committee

Business Conduct Committee

Other Committees & Centers of Excellence

Corporate Staff Functions
- EHS
- Sourcing/Supply Chain
- Finance
- Information Technology
- Engineering/Packaging
- Human Resources
- Community Affairs
- Office of General Counsel
- Public Affairs
- Marketing/Sales/Communications
- Research and Development
- Strategy and Corporate Development
- Security

Business Group Management
- Consumer
- Electronics & Energy
- Health Care
- Industrial
- Safety & Graphics

Area Management
- Asia Pacific
- Canada
- Europe/Middle East/Africa
- Latin America
- United States

Governance Actions

Our committees are designed to assure the execution of 3M's vision for the future. The Board currently has 12 directors and the following four committees following their charter: Audit, Compensation, Finance, and Nominating and Governance. During 2017, the Board of Directors held seven meetings. Overall attendance at Board and committee meetings was 98 percent.

Director Independence

SD

The Corporate Governance Guidelines and Director Independence Guidelines provide that independent directors must comprise a substantial majority of the 3M Board. A director is "independent" if the Board affirmatively determines that the director has no material relationship with the company directly or as a partner, shareholder, or officer of an organization that has a relationship with the company and otherwise meets the requirements for independence of the listing standards of the New York Stock Exchange. The independent directors will make the Board decisions on corporate governance matters.

The Guidelines specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and their immediate family members with respect to past employment or affiliation with the company or its independent registered public accounting firm. The Guidelines also prohibit Audit and Compensation Committee members from having any direct or indirect financial relationship with the company, and restrict both commercial and not-for-profit relationships of all directors with the company. Directors may not be given personal loans or extensions of credit by the company, and all directors are required to deal at arm's length with the company and its subsidiaries, and to disclose any circumstance that might be perceived as a conflict of interest.

Diversity

LA

For 3M, diversity, in its myriad manifestations, is fundamental to innovation, performance, and relevancy. 3M employees reflect that diversity. The Board of Directors regards diversity as an important factor in selecting Board nominees to serve on the Board. Although the Board has no specific diversity policy, when selecting nominees, it actively considers diversity in recruitment and nomination of directors, such as gender, race, and national origin. The current composition of our Board reflects those efforts and the importance of diversity to the Board.

An inclusive culture at 3M is built on our Be Respectful Principles— to respect the dignity and worth of individuals; encourage the initiative of each employee; challenge individual capabilities; and provide equal opportunity. 3M is continuously focusing on building and maintaining an inclusive culture. Additional information on our inclusive culture can be found in the Diversity and Inclusion section.

Commitment to Sustainability

SD

At 3M, we are working hard to advance every company, enhance every home, and improve every life. We apply our expertise, and technology to solve problems collaboratively, and with a focus on long term, sustainable solutions that demonstrate our commitment and societal purpose. Sustainability is fundamental to our business – from Sustainability-inspired innovation to product stewardship to Sustainability in our operations. As we seek to improve every life, we see partnerships to help our customers and communities achieve their Sustainability goals as key to that ambition.

Our corporate vision states: "3M technology advancing every company… 3M products enhancing every home… and 3M innovation improving every life." It is that vision – carried out in collaboration with our customers, communities, and partners – that guides our Sustainability strategies and goals and aspirations.

In January 2013, our CEO elevated the company's focus on Sustainability, with emphasis in two areas: (1) developing and commercializing products which help our customers solve their Sustainability challenges;

and, (2) driving Sustainability within 3M operations and supply chain. Sustainability is now embedded across the company with dedicated teams in research and development (R&D), Supply Chain, business groups, and regions across the globe. Recently, the establishment of an executive committee, the Science, Technology, and Sustainability Committee, elevates the visibility and focus on science, technology, and Sustainability across the enterprise. The Committee demonstrates a commitment to each of these three focus areas as core to the advancement of 3M; research and development is the heartbeat of our company, and Sustainability drives and enables innovation – in our manufacturing, in our products, and in new technologies. The committee will assess and advance strategic growth areas, long-term investments, and Sustainability – inspired innovation opportunities. Committee members are: Inge Thulin, Chairman of the Board, President and Chief Executive Officer; Michael Roman, Chief Operating Officer and Executive Vice President; H.C. (Hak Cheol) Shin, Vice Chair and Executive Vice President, (Committee Chair); Nicholas Gangestad, Senior Vice President and Chief Financial Officer; and John Banovetz, Senior Vice President, Research and Development and Chief Technology Officer.

Additional information can be found in our 2018 Proxy, Commitment to the Environment and Sustainability: here.

Lobbying and Political Activities Principle

All 3M PAC receipts, disbursements, and contributions are publicly disclosed as required by law. 3M's reports are available on the Federal Election Commission website. Corporate contributions directly to candidates, political committees, ballot measures, Section 527 organizations, and issue advocacy or "lobbying" are outlined in our Political Activities and Issue Advocacy report.

In 2017, 3M's top priority public issues were:

- Tax reform
- Health care reform
- Defense
- Transportation and infrastructure investment

- International trade policy, agreements, and enforcement
- Immigration and workforce development
- Regulatory relief and economic development policy
- Cyber security policy
- Patent Protection and legal reform
- Sustainability and environment policy

Detailed information on each can be found in our 2017 U.S. "Top-10" Priority Public Policy Issues.

Governance Links

For more information on corporate governance at 3M, see:

- Corporate Officers
- Board of Directors
- Committee Composition
- Governance Documents
- Annual Reports and Proxy Statements

Looking forward…

We regularly post governance news, events, and presentation information in the Investor Relations section of our website. See 3M Events and Presentations.

Enterprise Risk

Our Commitment

At 3M, we continually evaluate our approach to potential risks facing the company. The concept of risk appetite and tolerance is an essential component of our strategic planning, and it's the responsibility of our senior business leaders to plan accordingly.
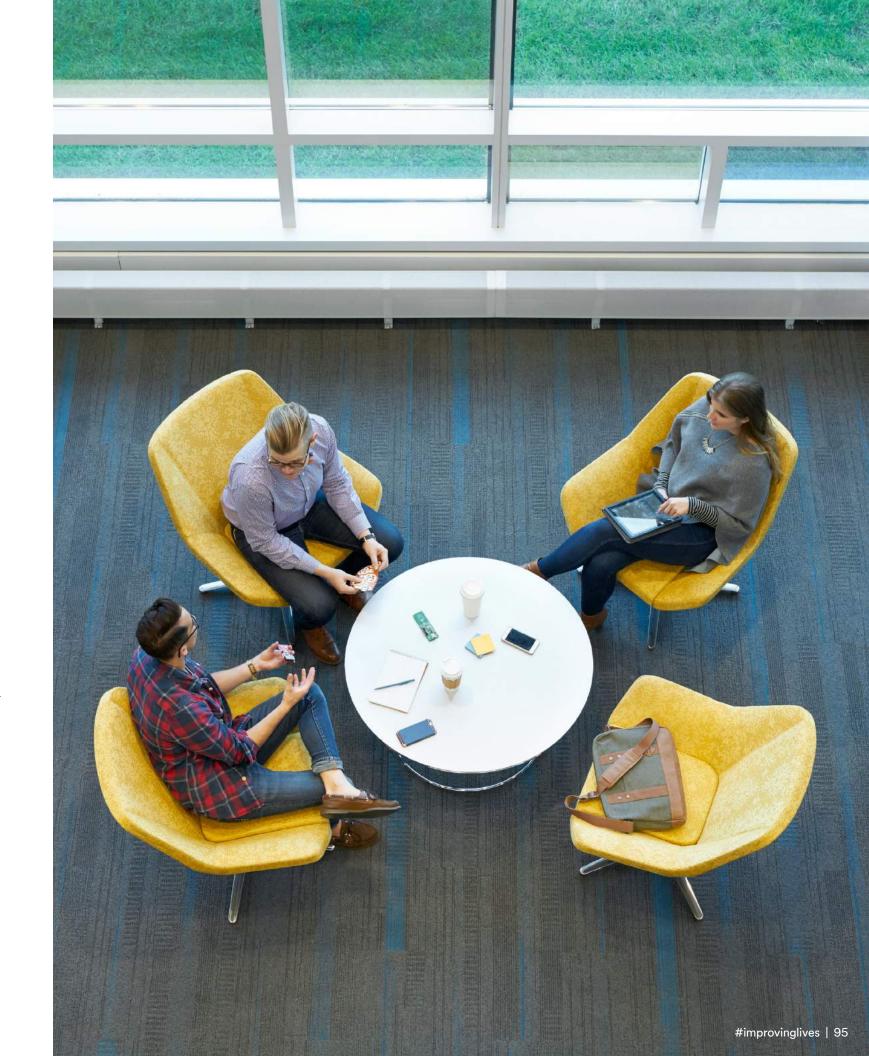
It is our firm belief that good corporate governance practices serve the long-term interests of stockholders, strengthen the Board and management, and further enhance the public trust 3M has earned from more than a century of operating with uncompromising integrity and doing business the right way. Governance includes broad risk oversight by the Board and its committees. Risk analysis is reported to the full Board, the General Auditor, and Chief Compliance Officer. Both the General Auditor and Chief Compliance Officer are appointed by, and report to, the Audit Committee of the Board.

Risk Oversight

SD The Board has delegated primary responsibility
G4 46 for the oversight of risks facing the company to the Audit Committee. The 3M Company Board of Directors Audit Committee Charter states that the committee will "discuss policies and procedures with respect to risk assessment and risk management, the company's major risk exposures, and the steps management has taken to monitor and mitigate such exposures."

The Vice President and General Auditor, Corporate Auditing, whose appointment and performance is reviewed and evaluated by the Audit Committee, is responsible for leading the formal risk assessment and management process within the company. The Auditor, consulting with the company's senior management, annually 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.

While the Board's oversight of risk is primarily performed by the Audit Committee, the Board has also delegated to other committees the oversight of risks within their areas of responsibility and expertise.

We believe this governance of risks by Board committees, who share information with the full Board, is appropriate for a diversified technology and manufacturing company like 3M. 3M's 10-K, Item 1A, outlines risk factors applicable to the company.

Our Actions

Corporate-Level

3M's Enterprise Risk Management (ERM) initiative, launched in 2001, has helped assure adequate recognition and ownership of the most significant potential risks to the company's shareholder value, using a process that proactively identifies and communicates enterprise risks within the company. This includes: confirming that appropriate plans and oversight exist for all major risks; providing for ongoing review and assessment of risk; and aiding in generating awareness and engagement of general risk matters throughout the company. The approach provides a customized capability that leverages 3M's comprehensive, experience-based global knowledge and capabilities rather than tools often used in financial- or insurance-oriented businesses.

To assure long-term success, we are committed to discovering and preparing for all potential threats to our Vision. Risk owners familiar with the environmental, economic, and business aspects within the company are interviewed and requested to complete a thorough assessment for their respective risk(s). Together, with subject-matter experts and senior management, the outcomes are mapped to demonstrate the relative level of risk and likelihood of risk. This 'heat map' identifies the highest risk areas to focus internal efforts on. In addition, external resources and data are continuously reviewed to assist in the risk identification process. The results of our various risk assessment exercises are shared with the

Corporate Operations Committee and the company's full Board of Directors.

3M places particular emphasis on protecting our company against emerging risks in an ever-changing world. Case in point: cybersecurity. Strong cybersecurity programs are essential, and we continue to invest in information technology systems and activities around cybersecurity training and awareness, especially when it comes to avoiding phishing and other threats targeting 3M.

1:1 Board Member-General Auditor Meetings

In 2017, the Vice President, General Auditor met with each independent 3M Board member, to discuss risk management in general as well as specific risk-related topics facing the company. These meetings gave Board members an opportunity to share what risk issues were top-of-mind for them, and which should be reviewed and addressed by the Board. For most Board members, the most critical risk in 2017 and into the future was cybersecurity.
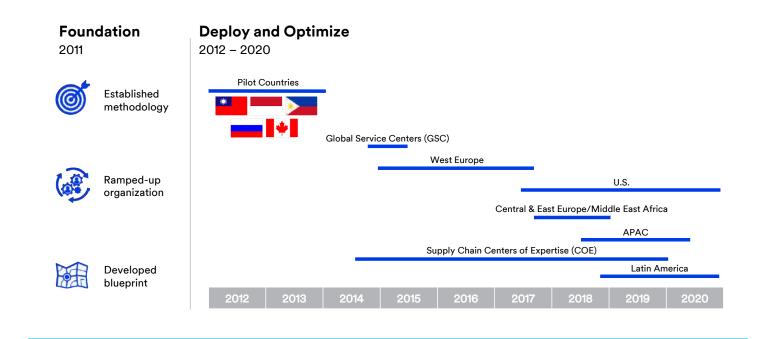
Business-Level

3M serves customers through five business groups. Annually, leadership from each business group presents to the Board, and the Board discusses and approves, detailed long-term strategic plans for the company, both at the area and business group level. Each presentation includes an overview of the business group, short- and long-term financial performance and goals, an assessment of portfolio growth opportunities; strategic priorities to drive the three key value creation levers—Portfolio Management, Investing in Innovation, and Business Transformation; and plans to drive the four corporate fundamental strengths—Technology, Manufacturing, Global Capabilities, and Brand.

Facility-Level

Our Environmental, Health, and Safety (EHS) organization looks carefully at each 3M site and new acquisition, and performs a crisis risk analysis that considers factors such as potential impact to the environment, the community, and 3M employees. Each

Global ERP Deployment Strategy and Timeline

site is ultimately ranked based on the risk they pose to the company, and necessary steps are taken to minimize potential risks. Acquisitions are of particular focus as we bring each new sight under 3M's protocol with the proper training.

In addition to EHS risk analysis, we have a crisis plan for every single 3M plant in the world. Although we hope to never use our Crisis Management Plans, it's critically important that we have them in place, keep them up to date, and drill often to make sure everyone understands what to do should an emergency occur. We care about the safety of our people and communities around the world.

The Crisis Management Planning Guidelines are designed to provide a common framework for integrating crisis management into the standard operations of each 3M facility. All plans must be prepared in accordance with good engineering practices and with the full approval of management. Also, to evaluate the effectiveness of the plans, scenario exercises are conducted periodically at facilities.

Looking forward…

3M will continue deploying a single enterprise resource planning (ERP) system on a worldwide basis, to provide a consistent, comprehensive, and discrete information platform for our businesses everywhere. It's another example of our commitment to continual growth and adaptation to emerging risks in an ever-changing world.

Corporate Code of Conduct

For 3M people, there is only one ethical road to travel. The high road.

Our Commitment

SD G4 6, 10, 56-57 **HR** G4 1

The Code of Conduct is part of our 3M playbook and is critical to driving sustainable growth. We know that building an ethical foundation protects the corporation and increases corporate value.

We owe it to ourselves, our shareholders, and our customers to do the right thing.

Through the years, 3M has built a reputation globally for taking an ethical approach to business. That said, with 91,500 employees and subsidiary operations in 70-plus countries, it's no easy task to do business the right way, everywhere, every day.

To make it as simple as possible, we have developed one Code of Conduct that applies globally. Our Code of Conduct summarizes 3M's compliance principles and raises awareness for doing business "the right way, always, and everywhere." The Code is our guide for answering questions and providing direction when the right choice may not be clear.

Living by our Code of Conduct enhances our reputation and promotes trust with our customers, in our company, and in the quality of our products.

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

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

3M employees, including all supervisors, managers, and other leaders, are responsible for knowing and following the ethical, legal, and policy requirements that apply to their jobs and for reporting any suspected violations of law or the Code. Executives and managers are accountable for creating and promoting an inclusive

workplace environment where compliance and ethical business conduct are expected and encouraged.

The Code is available in 22 languages and sets clear expectations for not only employees, but also relevant stakeholders and business partners. All new employees receive a copy of the handbook and it is also available electronically.

Business Conduct Committees

The 3M Business Conduct Committee is composed of several senior executives and is chaired by 3M's Chief Compliance Officer. The Committee has oversight for 3M's various compliance efforts and, as appropriate, updates the Audit Committee of the 3M Board of Directors and Corporate Operating Committee. Additionally, similar committees exist at country or regional levels to operationalize and prioritize compliance activities.

Global Compliance Program

3M's global compliance program is managed and administered by the Compliance and Business Conduct Department, led by the Chief Compliance Officer and Vice President of Compliance and Business Conduct. The department is staffed with compliance professionals stationed at company headquarters and around the world. The Chief Compliance Officer reports directly to the Audit Committee of the 3M Board of Directors, which assists the Board in oversight of 3M's legal and regulatory compliance efforts. This direct reporting line assures the independence of the Compliance and Business Conduct Department, which is responsible for overseeing and administering strategic, systematic, and operational components of 3M's compliance program.

The compliance program is designed to meet the U.S. Federal Sentencing Guidelines and, as designed, meets similar global standards and the general requirements of other countries' anti-bribery laws. The program has the following attributes:

- 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
- Investigation expertise
- Incentives and discipline to address compliance successes and failures

Compliance Training and Education

SO G4 SO 4

3M offers a comprehensive online compliance training program to all employees worldwide. The program's training modules are assigned to employees based on their role and area of responsibility within the company. Most courses are mandatory for approximately 46,000 global employees, who are required to take modules on a two- to four-year cycle, depending on the course. Offered in 22 languages, the training modules include:

- Data Privacy and Protection: The Real World
- Understanding Information Security and Protection
- Gifts, Entertainment, and Travel
- Avoiding Bribery and Corruption: A Global Overview
- Understanding Global Competition
- Creating a Harassment-Free Workplace
- Code of Conduct and Ethical Decision Making
- Recognizing Conflict of Interest

The Compliance and Business Conduct website on 3M's intranet offers additional on-demand online training courses. In addition to online training, the Compliance and Business Conduct Department, in close collaboration with 3M Legal Affairs, local compliance contacts, finance, and human resources, provides frequent, tailored in-person training to businesses, subsidiaries, staff groups, and third parties. Some of this training occurs as part of an annual schedule and other training occurs as requested or deemed appropriate.

Reporting Concerns
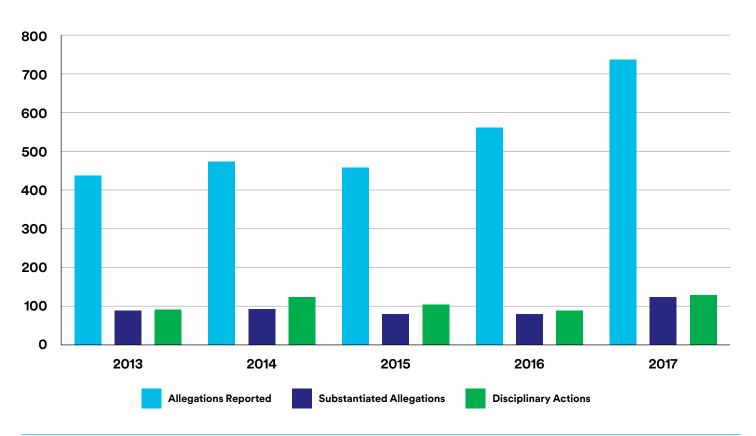
SD G4 SD 58 **SO** G4 SO 5

Upholding 3M's Code of Conduct and values is the responsibility of everyone acting on 3M's behalf. We encourage our employees to ask questions or report their concerns to the Compliance and Business Conduct Department, 3M Legal Counsel, their Human Resources Manager, or their management. 3M makes clear that speaking up is the right thing to do. We know our employees care about the company and want to do the right thing.

In addition, 3MEthics.com is a 24-hour confidential and anonymous (where permitted by local law) helpline and online reporting system. It is managed by a third-party vendor and is available both internal and external to 3M. Reports are reviewed and responded to by the Compliance and Business Conduct Department or other responsible staff departments.

The system does not trace phone calls or use caller identification, nor does it generate or maintain internal connection logs containing Internet Protocol (IP) addresses. Web-based reports are made through a secure internet portal, which does not trace or show user screen names. 3M has a strong position against retaliation as is reflected in the Non-Retaliation Policy and within 3M's Employee Obligations and Reporting Principle. 3M prohibits retaliation against anyone who raises a business conduct concern or cooperates in a company investigation.

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

3M Global Allegations and Disciplinary Actions
Total Number

Legend: Allegations Reported | Substantiated Allegations | Disciplinary Actions

five-year metrics for business conduct-related reports raised using our reporting tools found at 3MEthics.com.

In 2017, the number of questions or concerns reported to the Compliance and Business Conduct Department increased by 31.4 percent. We believe this increase reflects employees' greater awareness of their reporting obligation and the available reporting channels. This increased awareness reflects various activities in 2017, including deployment of executive videos encouraging employees to "Speak-up", and providing enhanced investigation metrics and communication tools to management to help facilitate employee discussions. This communication campaign is supported by "Speak-up" posters with a fresh brand design that is electronically made available in 21 languages. Employee awareness to "Speak-up" also increased through periodic risk-based compliance evaluations of our business operations and regional initiatives by our local compliance teams.

"Speak-up" Posters

3M encourages all employees to "Speak-up" to raise a concern or suspected violation of the Code. The posters are available in 21 languages.

3M's Non-Retaliation Process

3M does not tolerate retaliation against anyone for raising a concern. To monitor for this risk, several months after an investigation closes, the investigator contacts the reporter to discuss if the person has experienced any form of retaliation. This is done either by phone or via email for non-anonymous reporters. For anonymous reporters who used 3MEthics.com to raise a concern, the follow-up is handled through 3MEthics.com to maintain anonymity. If claims of retaliation are identified, the investigation team will follow up on them. All concerns raised are expected to be made in good faith.

Assessments

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 using objective and subjective risk factors, and include reviews of financial transactions, compliance records, interviews with business personnel, and audits of selected third-party intermediaries. In 2017, we interviewed over 550 non-production employees as part of the evaluation process. Additionally, in 2017, we introduced an enhancement to this program called "local evaluation." A local evaluation uses the same methodology of the existing evaluation program but has smaller teams, a more focused scope, and is completed in half the time. Finally, the Compliance and Business Conduct department had an internal assessment of the program completed by 3M's Internal Audit function. The results of the assessment have been used to create prioritized action items to drive further improvements and enhancements to our compliance program.

Not only do audits, evaluations, and risk assessments help detect opportunities for improvement and gaps in processes or procedures, they also reinforce the importance of operating in an ethical, compliant manner.

Commitment to Anti-Corruption

As a member of the United Nations Global Compact, 3M is committed to support Principle 10 on Anti-Corruption. Our commitment and involvement in a working group associated with Principle 10 give us the opportunity to learn best practices related to anti-corruption from peer companies. In addition, 3M actively conducts benchmarking with similar companies, and helps educate other professionals working in anti-corruption through the participation of our Chief Compliance Officer and other Compliance and Business Conduct Department professionals 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 local laws where 3M operates. It applies to 3M employees, as well as to our business partners. In addition, anti-corruption policies and procedures have been communicated to all employees, and "Global Bribery and Corruption Awareness" training is required of employees in higher-risk roles, including those in Legal, Audit, Sales, Marketing, Export and Global Trading. The Chief Compliance Officer provides quarterly updates on all activities to the Audit Committee of the Board.

3M's commitment to anti-corruption is also reflected in our management of third-party intermediaries and other business partners. Based on an assessment of transaction, geography, and other risk factors, 3M conducts due diligence reviews of our third parties. Depending on the outcome of the review, we respond to any identified risks with training, inclusion of relevant contractual terms, and other risk-mitigating controls.

Further, the Compliance and Business Conduct Department collaborates with 3M Legal Affairs on due diligence processes related to potential new venture investments and mergers and acquisitions. These processes help identify risks in the target company before acquisition or investment and accelerate our efforts to integrate an acquired company's employees to 3M's compliance program and culture. Ultimately, the Compliance and Business Conduct Department is charged with conducting a complete risk review and implementing any necessary remediation activities

upon the closing of every acquisition, using an established protocol and expert staff. In 2017, as part of our compliance integration process, we piloted a compliance culture survey to help identify areas or topics that should be prioritized during our compliance integration process.

Political Values

SO 3M respects our employees' right to engage in the political process and, at the same time, 3M is committed to prevent potential corruption. When allowed by law, any corporate political contributions outside the United States require approval by the Area Vice President and assigned legal counsel.

For additional information on our Code of Conduct please visit:

https://www.3m.com/3M/en_US/company-us/about-3m/compliance-business-conduct/code/

Third Party Brochure

To enhance our communications and expectations with third parties, 3M has an online training course and has created a brochure for our business partners. The online training course covers anti-bribery and is available in 22 languages. The brochure, available in 27 languages, provides another way for 3M to communicate with our business partners regarding our commitment to combat global bribery.

> **Doing business the right way is a key element of sustainable growth. Our customers want to do business with companies they trust and employees want to work for a company with purpose and values.**
>
> Veena Lakkundi
> *3M Chief Compliance Officer and Vice President Compliance and Business Conduct*

Our Actions

Conflict of Interest Certification

Approximately 47,000 non-production employees are required to complete an annual conflict of interest certification. In addition, all employees are required to disclose potential conflicts of interest on an on-going basis. Starting this year, an enhancement was made to 3M's Employee Management System (EMS) to support and centralize the record keeping of all employee disclosures, in compliance with local laws. Centralizing the record keeping eliminated storage in multiple disparate systems and supporting processes. The enhancement further improves governance of these matters and promotes transparency and a culture of compliance. Now, supervisors have visibility to employee disclosures and the management system automates the annual review and update processes. The Compliance and Business Conduct Department oversees the new process and provides training and guidance to supervisors, employees, and other local resources who assist with this process. 3M has also incorporated conflict of interest disclosure requirements as part of the due diligence process for third-party intermediaries.

Executive Videos

To further enhance our culture of compliance, we created a series of short videos featuring 3M executives. In these videos, the executives share personal stories about ethical situations they have faced in their careers and how they handled them. The videos were translated into 10 languages and distributed globally.

Global Compliance Days

Around the globe, 3M celebrates Compliance Days or other types of interactive sessions, to engage employees on the topic of ethics and doing the right thing. For the first time in 2017, the U.S. held an event at corporate headquarters, "Bringing the Code to Life," which featured our Chairman of the Board, President, and Chief Executive Officer, Inge Thulin, as well as keynote speaker Allan McDonald, who spoke about the ethical and leadership lessons learned from the Space Shuttle *Challenger* disaster. The day also featured Veena Lakkundi, Chief Compliance Officer and Vice President as well as Ivan Fong, Senior Vice President and General Counsel of 3M. In addition, representatives from various compliance departments from around the company were stationed at booths to engage employees.

Leadership Communications Aids and Toolkits

Executives and Managing Directors around the globe this year received a leadership kit designed to reinforce our commitment to compliance by providing resources and tools for leaders to help facilitate discussions

with employees about compliance. Among the items provided were flash cards featuring case studies from actual investigations where poor ethical decisions were made, highlighting best practices and available resources. The kit included other items that remind our leaders of their important role in promoting a culture of compliance and the commitment to doing business the right way.

In addition to the flash cards, executives received a series of more detailed case studies to create additional dialogue with employees about how to identify and manage potential ethical concerns. The studies were based on real events and were created in a format that allowed them to be used easily in standard employee presentations and communication packages. These case studies were issued on a periodic basis to keep the content relevant and current.

Looking forward…

We are focused on enhancing our culture of compliance and improving our controls to drive process efficiency and further mitigate risk.

We are launching new strategies to support our 2018 focus of "Everyone Living the Code," throughout the world. We will build upon our established culture of ethics and compliance, by initiating programs to reach key employees with compliance messaging pertinent to their roles. For example, we will conduct one-on-one in-person training sessions for global employees in critical leadership roles, incorporate more case studies in employee communications and training, and review and test different communication channels and methods to reinforce key messages or raise employee and business partner awareness of compliance expectations and concern reporting mechanisms at 3M. Additionally, we will continue to enhance our third-party due diligence process. We will work to simplify the design and process to minimize touchpoints and reduce cycle times. We will also continue to assess the scope of our third-party diligence process and make necessary adjustments to address current global risks. Finally, we will focus on analyzing data captured through our compliance program to better identify, prevent, and mitigate risk. We will leverage this information to improve metric reporting packages provided to our stakeholders and inform future evolution of our compliance and ethics program.

Human Rights

At 3M, there is only one way to do business. The right way.

Our Commitment

3M is committed to assuring human rights in our own operations and in any business that works on our behalf. Our Human Rights Policy applies to all 3M employees, contingent workers, anyone doing business with or on behalf of 3M, and candidates for hire at 3M. In 2014, we became a participant of the United Nations Global Compact (UNGC), thereby committing to align our operations and strategies with the UNGC principles on human rights.

The principles that guide us

G4 HR 4-6 Within our own business, 3M's approach for managing and assuring human rights aligns with 3M's Code of Conduct, which recognizes the right of employees to have a respectful workplace. We continue to implement our human rights program

through our global policy statements, a management system utilizing self-assessments, audits, training, and ultimately, metrics tracking. Our audit process is truly global, and we are increasing the number of assessments we are performing, which gives us a global perspective on our own internal locations, particularly our manufacturing locations.

We support the United Nations Guiding Principles (UNGP) on Business and Human Rights, and its "protect, respect, and remedy" framework. Our human rights management system helps us manage salient human rights issues. We support the principles of due diligence outlined in the UNGP. Furthermore, our Code of Conduct requires compliance with all applicable laws and respect for internationally recognized human rights in all of our global operations.

We also recognize the International Labor Organization Declaration on Fundamental Principles and Rights at Work. Adopted in 1998, the Declaration commits

Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant conventions: freedom of association and the effective recognition of the right to collective bargaining; the elimination of forced or compulsory labor; the abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

Human Rights Elements

Our commitment to upholding human and workplace rights is embodied in the 3M Human Resource Principles, which respect the dignity and worth of all individuals, encourage the initiative of each employee, challenge individual capabilities, and provide equal opportunity for development.

Respectful Workplace

3M's Respectful Workplace Principle states that "everyone is entitled to respectful treatment in the 3M workplace. Being respectful means being treated honestly and professionally, with each person's unique talents, background, and perspectives valued. A respectful workplace is free from unlawful discrimination and harassment, but it involves more than compliance with the law. It is a work environment that is free of inappropriate or unprofessional behavior and consistent with 3M's ethics and values— a place where all employees can do their best, and are free to report workplace concerns without fear of retaliation or reprisal."

Working Hours and Living Wages

3M complies with minimum wage legislation globally, and we make every effort to exceed legal minimum wage. Our competitive compensation reflects our practice of establishing competitive salary ranges based on actual pay data from benchmark peer companies in manufacturing. 3M also complies with all applicable laws relating to overtime and breaks.

Freedom of Association and Collective Bargaining

SD 11 (G4) **HR** 4 (G4)   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.

Our Human Rights Policy has a specific subdivision on the freedom of association, which assures that we respect "the ability of employees to choose whether or not to join unions and engage in collective bargaining, as permitted by applicable laws in the countries where 3M does business." In the event of business operations changes, we follow all applicable local laws and regulations regarding notice periods for both union and non-union employees.

Approximately 16 percent of 3M's global workforce is unionized. We are aware that in some countries, collective bargaining rights are not protected or recognized. Nevertheless, 3M assures that freedom of association and collective bargaining aspects of our Human Rights Policy apply to all 3M employees worldwide.

Child Labor/Minimum Hiring Age

HR 5 (G4)   The permissible hiring age for employees may vary based on the laws of different countries. However, 3M has adopted global expectations regarding the hiring of minors. Even if local law permits it, 3M will not hire any employee or contingent worker (individual provided by a third-party staffing agency to perform temporary work) below the age of 16 for any job. If the applicable laws impose a higher minimum age requirement than 16, 3M follows the stricter standard in compliance with the law.

Forced and Compulsory Labor

HR 6 (G4)   3M complies with all applicable laws and employment regulations and does not engage or participate in forced labor. We have those same expectations for all vendors doing business with us.

Human Trafficking

Our approach to human trafficking, sometimes referred to as "modern slavery," is very simple: we do not tolerate it.

Our Human Rights Policy contains our prohibition on human trafficking. We are committed to using effective systems and controls to prevent human trafficking from taking place anywhere within our business or supply chains.

The prohibitions apply to 3M and its subsidiaries as well as to our federal contracts and subcontracts for either commercial or non-commercial items.

Expectations regarding labor and human resource practices also apply to our suppliers (see the Supplier section of this report for more details). They apply to the selection and retention of all suppliers worldwide. 3M suppliers must comply with all local country labor and human resource laws and cannot use labor that is obtained through mental or physical coercion, physical punishment, slavery, or other oppressive labor conditions and cannot engage in any form of human trafficking.

Filing, Addressing, and Resolving Workplace Concerns

When concerns related to human rights, labor practices, environmental, or safety issues arise, our employees are encouraged to raise questions or report misconduct or potential misconduct to the Compliance and Business Conduct Department, 3M Legal Counsel, their Human Resources Manager, their management, or to 3MEthics.com. See 3M's Business Conduct website for more information regarding how to report a concern. Additional information on reporting concerns can be found in the Code of Conduct section.

3M has a strong position against retaliation as is reflected in the Non-Retaliation Policy and within 3M's Employee Obligations and Reporting Principle. 3M prohibits retaliation against anyone who raises a business conduct concern or cooperates in a company investigation.

In addition, we conduct audits of site workplace and human resource practices, as well as assessments and audits of suppliers to assure compliance with 3M's expectations related to labor practices (see the Supplier section of this report for more details).

Assuring Human Rights through Training

HR 2 (G4)   We perform global training to assure that all 3M employees comply with the law, 3M's Code of Conduct and supporting policies, standards, and procedures. 3M Compliance and Business Department has created a Compliance Training and Certification Program that assures all 3M employees are aware of and understand their responsibilities and obligations. 3M's Compliance and Business Conduct Department is responsible for the management and administration of the Compliance Training and Certification Program.

Our Global New Employee Compliance Course Program is based on employee records in the 3M Human Resource (HR) system. Employees are assigned courses based on their job function, country location, production/non-production, and supervisor/non-supervisor status. Email notifications are sent to the employee's 3M internet email address informing them of their course requirements and timeline for completion. New employee courses are due within 60 days of assignment.

Human Resource Security Standard

HR 7 (G4)   With the alarming rise in corporate security breaches worldwide, this standard presents the general information technology security controls required to achieve Human Resource Security based on industry standards and best practices.

Roles and responsibilities of information security employees, contingent workers, and suppliers must be defined and documented in accordance with the 3M Information Security Management System (ISMS). Background verification checks on all candidates for employment, contingent workers, and suppliers must be carried out in accordance with relevant laws, regulations

and ethics, and be proportional to the business requirements, the classification of the information to be accessed, and the perceived risks.

As part of their contractual obligation, employees, contingent workers, and suppliers must agree to and sign the terms and conditions of their employment contract, which states not only their own, but their organization's responsibilities for information security.

Management must require employees, contingent workers, and suppliers to apply security in accordance with established policies and procedures. All 3M employees and, where relevant, contingent workers and suppliers, must receive appropriate awareness training and regular updates in organizational policies and procedures, as relevant for their job function.

Our Actions

We will continue to develop products and procedures to promote safety for 3Mers, our customers, and suppliers. At the same time, we have a strong business conduct and compliance system in place at 3M, and will continue to work to assure that 3M business partners follow ethical business practices.

Human Rights Charters

SD 3M continues to support several
G4 human rights charters.
15 Among them:

- United Nations Global Compact
- Universal Declaration of Human Rights
- European Convention on Human Rights
- United Nations Guiding Principles on Business and Human Rights
- International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- OECD — Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises, including OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas

- Agenda 21 — United Nations Convention against Corruption

Human Rights Due Diligence

SO The 3M Code of Conduct describes the
G4 company's business conduct principles, or core
2 values, which set forth global corporate expectations for all 3M employees and certain third parties who act on 3M's behalf. Those values have not changed over time. The principles in this Code remain consistent with 3M's longstanding business conduct principles, its values, and our shared ethical standards for conducting business with uncompromising honesty and integrity.

In our view, human rights due diligence requires a holistic approach. So we assess our own business, others acting on our behalf, suppliers, government relationships, acquisitions, mergers, and divestitures – to identify the salient human rights issues applicable to our business. We have a grievance mechanism in place, 3MEthics.com, which can be used to raise a concern regarding any adverse human rights impacts. We also comply with all applicable laws, and honor the principles of internationally recognized human rights when faced with conflicting requirements.

Human Rights Assessments

HR Our assessment on human rights aligns with our
G4 corporate Human Rights Policy, as outlined
4-5, 9 under Our Commitment, and includes: safe and healthy workplace, respectful workplace, workplace security, work hours and wages, freedom of association, child labor, forced labor, or recruitment fees to obtain employment. Evaluations are integrated into other assessment and management processes, based on material issues regardless of where they're identified within the value chain.

3M continues to implement our human rights program through our global policy statements, a management system utilizing self-assessments, audits, and training. Based upon this assessment process, we have determined that in our various spheres of influence (our own business and others acting on 3M's behalf), the sphere with the greatest potential for human rights impact is within our supply chain.

Within our own business

Within 3M, our approach to managing and assuring human rights aligns with the 3M Code of Conduct, which recognizes the right of employees to have a respectful workplace.

To protect that right, our Field Employee Relations (ER) Assessment tool enables any 3M location to self-assess its policies and practices. Using the tool, and tracking data throughout the assessment process, local managers can review practices related to 3M's Human Rights Policy, identify strengths and opportunities for improvement, and develop an action plan for closing any potential gaps.

In 2017, a stakeholder asked 3M to demonstrate its commitment to the 3M Human Rights Policy in China. We explained that for the past eight years, the ER Assessment tool has been used at all 3M locations in China to evaluate the workplace environment. As a result of those evaluations, we have identified and addressed more than 100 action items. Every year in China, we also provide training for production supervisors, production leaders, and lead operators on critical aspects of emergency room assessment. In addition, we collaborate across locations through a monthly ER forum, an event in which ER professionals can discuss relevant topics and share best practices and processes.

For additional details on our employee processes, see the Diversity and Inclusion and Employee Programs section.

Others acting on 3M's behalf

Upholding 3M's Code of Conduct and values is the responsibility of everyone acting on 3M's behalf. Multiple processes are in place to assure 3M's principles are being upheld by others acting on 3M's behalf. Case in point: our approach to health and safety.

Under our Workplace Environmental, Health and Safety Principle, 3M's Code of Conduct requires 3M employees to select and retain suppliers, contractors, or outsourced manufacturers and service providers who comply with all applicable laws and regulations and meet 3M's environmental, health, and safety values. In addition, at 3M locations, all visitors, vendors, and

contract workers are held to the same safety and health requirements as 3M employees.

See the Health and Safety section for additional information on this assessment process.

Our suppliers

At 3M, we recognize the choices we make for our material and service providers must also reflect our values. We want our suppliers to share our commitment to maintaining compliant, responsible, and sustainable operations and practices. In addition to full compliance with all applicable labor and human resource laws, we expect our suppliers to be committed to upholding the human rights of workers, and to treating them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, and direct employees. These expectations are laid out in the 3M Supplier Responsibility Code.

We have a 2025 goal to drive supply chain Sustainability through targeted raw material traceability and supplier performance assurance. For details on our prioritized supplier assessment process, see the Supplier section.

Government Relations

HR Under our Be Fair Principle, 3M is committed to
G4 being a responsible company with
6 uncompromising integrity in all its dealings with local, state/provincial and national governments, and their prime contractors and subcontractors around the world. In all of our activities with governments, we carefully follow all applicable laws, rules, and regulations.

Before entering into any government contract, or any agreement related to a government customer, 3M employees must consult 3M's Government Contract Compliance Department or their business unit's assigned legal counsel.

Human Trafficking and forced labor-related provisions are also included in 3M's government contract flow-down requirements for suppliers. In the United States, the government has adopted a regulation (FAR 52.222-50) prohibiting human trafficking, including

slavery, servitude, forced and compulsory labor, and coercion to induce a commercial sex act or to procure the same – all of which result in the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. 3M has implemented processes to assure compliance with the U.S. FAR, including a Human Trafficking Prevention Standard.

For more information, see Doing Business with Government Agencies and Contractors Principle.

Acquisitions, Mergers, and Divestitures

G4
SO₂ 3M regularly pursues the sale and purchase of business interests. For each business that may be acquired or divested, human rights issues are prioritized and addressed relative to risk and compliance during the acquisition integration or divestiture process.

Partnering with Local Communities and Customers

Under our Be Respectful Principle, 3M's core values include treating each other and our stakeholders with respect and respecting our social and physical environment.

With our Every Life Ambition, we work to imagine a world where every life is improved. The power is in partnership. As a global corporation, we believe that we have a significant responsibility to society in general, and especially to the communities in which we live and work.

We have created a robust, stakeholder-driven approach to Sustainability materiality that includes human rights. Our materiality assessments and stakeholder engagements are vital components of our company's strategy and reporting. Details of our materiality assessment can be found in our Materiality section. Our 2025 Sustainability Goals were developed from the materiality assessment. For additional information on our stakeholder engagements, see the Engaging Our Stakeholders section.

Looking forward…

In 2017, 3M issued our first statement under the United Kingdom Modern Slavery Act, which expects companies to disclose their efforts to eradicate modern slavery and human trafficking in their own operations and their supply chains. 3M is committed to furthering the principles of this law, and our first statement details how. We will continue to strengthen our due diligence management system to identify and address any salient human rights issues within our sphere of influence, and stay aligned with internationally-accepted frameworks like the United Nations Guiding Principles.

3M Science. Applied to Life.™

#improvinglives means applying our science to protecting people and enhancing communication.

We create products that inspire creative communication and visual impact and assure safety across diverse industries and applications – from workers to roads, to facilities and security—we provide sustainable solutions in an ever-changing world.

Safety & Graphics

Compensation

Our Commitment

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.

Executive Compensation Policies and Practices

3M is a pay-for-performance company. In addition to base salary, executives are compensated for their contributions to the company's growth, profitability, and other goals. This compensation falls into one of two categories: short-term cash incentives in the form of an annual performance-based award opportunity, as well as 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.

As detailed in the 3M Board of Directors Compensation Committee Charter, all aspects of this compensation are reviewed regularly by the Compensation Committee, which is composed solely of independent nonemployee directors. The committee, along with an independent compensation consultant, assesses the design and risks associated with executive compensation, and recommends changes when appropriate. Its recommendations related to compensation for 3M's Chief Executive Officer are subject to ratification by all of the independent members of the Board of Directors.

The Compensation Committee reviews stakeholder proposals relating to executive compensation matters and recommends to the Board the company's response to such proposals.

Like most of 3M's U.S. employees, 3M executives are also eligible to participate in three deferred compensation plans, which enable them to save for retirement or other reasons, and receive certain other benefits. Approximately 100 executives participated in this program in 2017, including all of the Named Executive Officers.

3M's 2018 Notice of Annual Meeting and Proxy Statement provides additional detail on executive

compensation. Anyone who owns shares of 3M common stock can vote at the company's annual stockholder meeting, using a proxy. The proxy can be submitted by phone, by mail, or on the internet. The Proxy statement that accompanies the actual proxy itself describes the matters that are to be voted on, and provides information on those matters so stockholders can make an informed decision. Results of votes are filed with the Securities and Exchange Commission within four business days of the annual meeting, and are made available on the 3M website.

Director Compensation

SD The Nominating and Governance Committee periodically receives reports on the status of Board compensation in relation to other large U.S. companies and is responsible for recommending to the Board changes in compensation for non-employee directors. In developing its recommendations, the Committee is guided by the following goals:

- Compensation should fairly pay directors for work required in a company of 3M's size and scope

- A significant portion of the total compensation should be paid in common stock to align directors' interests with the long-term interests of stockholders

- The structure of the compensation should be simple and transparent

Periodically, at the request of the Committee, Frederic W. Cook & Co., Inc. conducts a survey of director compensation at other large U.S. companies and provides expert advisory support to the Committee on the compensation of non-employee directors.

Leadership Behaviors

Compensation for 3M employees is not just tied to what they do, but how they do it. This holds true for general leadership responsibilities as well as performance related to Sustainability issues. Leadership Behaviors establish what is expected, and also how everyone can demonstrate and meet those expectations through their actions and interactions.

Six behaviors of effective leaders at 3M:

🏆 Play to win	☰ Prioritize and execute
💬 Foster collaboration and teamwork	⚙ Develop others and self
⚗ Innovate	◈ Act with integrity and transparency

3M innovation takes a lot of people who are constantly searching for new and better ways to make innovation happen. People who challenge the status quo and welcome change. And people who know how to leverage internal and external networks to create win-win solutions.

To make sure we are constantly innovating, our leaders must create an environment that allows and challenges people to seek out new ideas and process improvements that drive success. Our "Innovate" Leadership Behavior includes an expectation to support 3M's Sustainability goals.

Ratings of achievement of measurable targets impact employees who are eligible for variable compensation. Ratings of Leadership Behaviors impact long-term variable compensation for those employees in senior positions.

Employee Compensation

All employees have the opportunity to grow through challenging work and rewarded on their efforts. Our employee performance review process directly connects to an individual's compensation. The intent of the process is to align individual goals and performance with business objectives and outcomes, creating a win-win situation for the employee and the company. In addition, the process helps identify and develop leaders to meet 3M's ongoing talent needs.

Additional information on 3M's employee development and compensation can be found in our Employee Programs section.

Our Actions

Compared to peers, 3M has an industry-leading formula for compensation that helps provide equitable pay for all employees. We compare 3M salary data and compensation practice annually, and make both market and competitive adjustments as needed, to assure our pay levels at each grade level are competitive. If they are not, we adjust accordingly, by market, to keep pace with other global enterprises. Ultimately, we factor in performance accelerators based on an annual performance review and the Leadership Behaviors discussed above under Our Commitment.

Our performance compensation includes short-term variable pay and long-term equity and cash incentives for some employee categories. Multiple employees fall within each employee category, and their respective performance-related compensation may vary.

At 3M, the proportion of total rewards aligned with variable (incentive) pay increases with job level and is reflective of the job level's influence on both short- and long-term results. Eligibility for Annual Incentive Plan (AIP) and Long Term Incentive Plan (LTIP) are based on job level, considering both the job level's ability to influence the incentive period being measured and market competitiveness for these types of compensation.

Additional information on 3M Total Rewards can be found in our Employee Program section.

Global Market Pricing Project

According to company surveys, 66 percent of global 3M employees believe they are being paid competitively. To drive consistency and transparency in compensation practices across all regions, we implemented the global market pricing project work completed in 2016. Using common job descriptions and grades throughout the world, this project used data from three global surveys to benchmark pay levels, map job grades, and create a consistent short-term incentive plan, which helps take manager discretion out of compensation.

Additional information on the project launch can be found in Looking forward.

Employee Stock Purchase Plan

The 3M General Employee Stock Purchase Plan continues to be seen as a model among companies worldwide. The company offers a 15 percent discount on stock purchases to eligible employees worldwide through convenient payroll deductions. In 2017, participation among employees was 33 percent worldwide.

New Self-Service HR Platform

In 2017, 3M moved to a new global human resources software platform. This easy-to-use, self-service platform enables managers to make better and faster decisions using real-time business insights. For both managers and employees, the platform provides more transparency, efficiency, and accuracy regarding compensation practices.

Looking forward...

HR Manager Sessions

Following up on similar events in 2016, a series of virtual HR manager sessions will be held worldwide in 2018 to provide managers and supervisors with a refreshed understanding of 3M's approach to competitive pay, pay-for-performance, Chief Executive Officer pay ratio, and to help them communicate to employees where they stand in the pay range for a given grade compared to peers and employees at other companies. The aim is to increase transparency about each employee's compensation and the processes 3M uses to make sure their pay is competitive.

Short-term Incentive Plan

3M has the same annual incentive plan (AIP) design for everyone, from the Chief Executive Officer all the way down through the organization – the same payout curves, thresholds, maximums, metrics, and metric weightings. By direction from the Compensation Committee of the Board of Directors and our continuous improvement efforts, we are evaluating ways to maintain better competitiveness and alignment with our competitors.

Employee Programs

When people grow, our company grows.

Our Commitment

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

Engaged employees, we believe, are more satisfied with their work, tend to stay longer, and are more productive and committed. So we foster and reinforce behaviors that support engagement on many levels, including networking, collaboration, and diversity and inclusion. We focus on the quality and the impact of professional development and career growth.

To bring our corporate Vision to life, we have six strategies that are engrained across our businesses:

- Expand relevance to our customers and our presence in the marketplace
- Gain profitable market share and accelerate market penetration everywhere
- Invest in innovation: invigorate existing market opportunities and focus on emerging megatrends
- Intensify capabilities to achieve regional self-sufficiency
- Build high-performing and diverse global talent
- Drive consistently superior levels of operational excellence
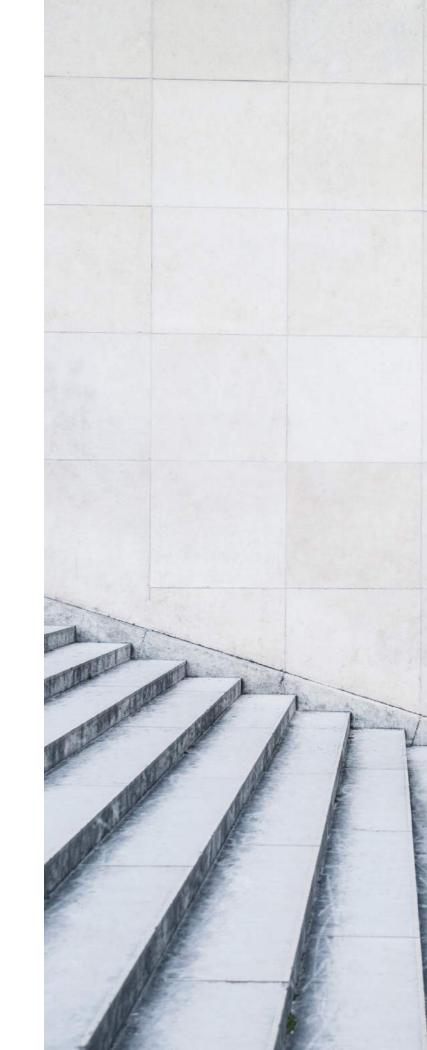
To learn more, visit Our Corporate Values and Vision and Diversity and Inclusion sections.

If you want to develop as an individual, there are many things that make 3M the place to be.

Our company touches nearly every industry in every market around the world. If you work at 3M, you have a range of development opportunities few other companies can offer. Our people can live in different countries, learn different cultures, and develop different skills across different industries.

It's possible for someone to go from a lab, to marketing, to sales, to business development, and all the way up to the C-suite. 3M is so diverse that people can reinvent themselves and their career all within one company.

It is also a priority for our executives – from the Chief Executive Officer on down – to develop the company's future leaders.

> **Our job is to lead the development of our leaders.**
>
> Inge G. Thulin
> *Chairman of the Board,*
> *President and Chief Executive Officer, 3M*

2025 Goal: 100 percent 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.

Our Actions

Our most valuable resource is our people, and we invest in their success. We offer a wide range of benefits and discounts designed to help our people live their best. We also provide tools, opportunities, and support for people who want to grow their careers.

3M Total Rewards

EC₃ **LA**₂,₁₀ 3M Total Rewards includes a range of plans and programs that are intended to attract, retain, and motivate the high-performing employees we depend on for growth and success. 3M regularly benchmarks its compensation and benefits with those of companies that are comparable in size and scope to assure that we remain highly competitive.

3M Total Rewards break down into three areas: pay, benefits, and life at 3M.

Pay

We offer a competitive base pay and, depending on position, variable incentive pay linked to company and individual performance.

While base pay applies to all employees, variable pay is offered to eligible employees and may include annual incentives, sales incentives, or other incentives. See the Compensation section for more details.

Benefits

LA₃ Medical, dental, and vision plan options, savings and retirement plans, a 3M employee stock purchase plan and many other resources can enhance a 3M employee's life, both physically and financially.

All regular full-time employees in the U.S. 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.

As we reported in 2017, we updated our parental leave policy for U.S. employees in 2016 to enable each parent to play an active role in nurturing his or her family, regardless of gender or sexual orientation. The policy offers the flexibility to make it work for both one's job and family. Mothers and fathers of newborn or newly adopted children are entitled to up to 20 weeks of Parental Leave – 10 weeks of paid leave (four weeks at 100 percent and six weeks at 50 percent) and 10 weeks of unpaid leave. Working part-time is also an option using one of the 3M standard part-time schedules. While there can be different definitions for "parental leave", in the U.S. during 2017 a total of 1,077 employees took advantage of all or part of this time offered to them with this new benefit.

Further information on 3M's wide range of benefits and discounts designed to help employees live their best can be found at: Benefits.

Medical Plan Enhancements

In 2016, **Omada** became available for 3M employees and adult dependents enrolled in the 3M Medical Plan. Omada is a program aimed at reducing the risk of developing Type 2 diabetes and heart disease through weight loss, improved diet, and exercise. Since the program was launched, over 4,800 members have lost a collective 32,000 pounds, significantly reducing their risk of developing chronic disease.

Livongo, a diabetes management program for employees and adult dependents with Type 1 or Type 2 diabetes, was introduced in 2017. This program includes an unlimited supply of test strips at no cost, a blood glucose monitor that also provides tips and alerts, and the support of one-on-one coaching. By the end of 2017, nearly 800 employees and dependents enrolled in the program.

Best Doctors was also introduced in 2017 and provides an expert medical review and second opinion service to help employees and dependents receive the right diagnosis and treatment plan.

Telehealth services have been available to all 3M Medical Plan members for the past several years. Telehealth allows employees and their dependents to receive same-day, online, or telephone-based medical care for dozens of common health conditions.

Life at 3M

3M employees can grow through challenging work by leading important projects, working with diverse, talented people and finding endless opportunities to develop skills – while enjoying access to many perks, programs, and resources.

3M Healthy Living Program

The 3M Healthy Living Program offers a variety of resources, rewards, and incentives to help employees live a more active and healthy life. A sampling of opportunities available includes:

- 3M Medical Plan premium discount for being tobacco-free and taking steps to improve health
- On-site fitness centers at select locations
- Fitness center discounts
- Weight management programs and reimbursement
- Confidential Employee Assistance Program (EAP)
- Tobacco cessation offerings and incentive
- Resources to help manage medical care and make informed health care choices
- Consultation and referral around child and elder care, as well as financial and legal services
- Parenting groups, scholarship programs, and personal growth resources
- Access to on-site health and personal services in our headquarters location, including an on-site pharmacy, medical center, vision center, and a full-time dietitian
- 3M Club that provides discount tickets and an avenue to share hobbies and interests with other employees

Additional resources and opportunities offered:

- Tuition reimbursement for employees and scholarships for eligible dependents
- Adoption assistance
- Flexible work arrangements
- Diverse career and development opportunities
- Group auto and home insurance
- Employee store to purchase 3M products online or at many 3M locations
- Support for community involvement: Matching Gifts, Volunteer Match, 3Mgives (our community giving program)

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.

Investing in our People

LA G4 9-11

The growth of our people is essential to the growth of our business. Although we achieved over 25 hours per year of training and development per full-time equivalent (FTE) employee, those hours are only one part of the picture. We leverage a 70-20-10 development model which indicates that over the course of a career, 70 percent of learning is done on the job, 20 percent comes through other employees, and only 10 percent of meaningful development is reached through formal training.

Our learning orientation and philosophy focuses on experiential learning and skill building rather than classroom-style training. While we can estimate that our training numbers are close to averages found in other large manufacturing companies, measures such as training hours or costs per employee are not leading human capital performance indicators for 3M. We believe indicators that align people's results to the success of the company are direct performance indicators of development programs. Leadership and employee engagement, employee retention rates, brand recognition, acquisition integration milestones, and Lean Six Sigma project value are a few examples of indicators that contribute to 3M's recognition as an industry and global leader.

3M has prioritized learning and career development opportunities not only for leaders, but for all employees. Further, 3M has separate processes for employee performance and career development. This permits employees the freedom to create meaningful development plans without performance or compensation implications.

Employee Development

Effective employee development programs are crucial to enable our goal of 100 percent of employees engaging in development activities. With the global launch of our new employee learning platform, Develop U, employees are easily able to access development resources to support their career aspirations and advance strategic capabilities within 3M. Develop U provides employees with a personalized experience by recommending relevant content based on their role within the organization. Additionally, content is organized and aligned to directly support 3M's organizational priorities:

including Leadership Behaviors, 3M-defined functional competencies, Lean Six Sigma (LSS), Sustainability, and supervisory content. Develop U provides access to tens-of-thousands of unique, just-in-time learning resources in over 15 languages; allowing 3M's global workforce to engage in employee development.

Leveraging a technology platform launched in early 2016, employees create or update development plans that include activities to elevate individual skills and further career development. Employees can use additional skill-mapping tools in collaboration with their supervisors to identify long-term desired goals and define actions needed to help reach those goals.

3M has recently completed a process to define and communicate global functional competency models. These models clarify expectations 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. Each function with a completed competency model leverages 3M's new learning platform to direct employees to relevant training opportunities. Functions also provide development suggestions that can grow the competency through on-the-job activities or social learning through a coach or mentor. Currently, the competency-based resources cover approximately 95 percent of the non-production professional employee population.

Performance Assessment and Contribution

LA G4 11

Throughout the year, employees meet with their supervisor to evaluate progress on current goals and adjust them as needed to align to any changes in priorities.

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

The performance assessment process helps hold each of our employees accountable for their contribution and everyday behaviors. The process aligns personal goals with organizational goals— we strive to achieve our goals in ways that support and strengthen our culture

and achieve sustainable growth. In addition, 3M has long prioritized taking a well-rounded view of an individual's performance, assuring that employees are treated in a fair and consistent manner:

- Performance goals, linked to higher-level organizational goals, are set jointly between the individual and his or her leader
- Tools provided to leaders facilitate conversations between leaders and employees to assure mutual understanding of expectations and desired behaviors
- Feedback on progress toward these goals is provided formally, twice a year, and supervisors are taught and encouraged to provide routine feedback to help employees adjust performance and meet or exceed goals
- Management Team Reviews function not only to provide comprehensive information about an employee, but also to further the goal that rating considerations will be consistent for employees within an organization

Each year, all 3M non-production employees identify their contributions in meeting their specified goals through an employee performance process. 3M strives to have 100 percent of non-production employees complete the entire performance review process. In 2017, all eligible employees were rated through the calibration meetings, and these employees and their supervisors received tasks to complete the year-end process in the performance system.

Employee engagement and continuing improvement of the workplace

For more than 50 years, 3M has been conducting surveys to solicit employee observations, attitudes, and opinions. Our Standard Opinion Survey program covers the entire globe and provides specific and relevant feedback to major units within the company (e.g., divisions, locations, countries). All employees have the opportunity to complete the 3M Standard Opinion Survey and our average response rates are typically about 85 percent.

The Standard Opinion Survey program enables us to regularly assess the state of employee engagement and other workplace factors critical to high performance and being a great place to work. We provide in-depth reports for the leaders of the business units surveyed and assure their leaders and top 3M leadership are aware of these survey results. This is a cycle of continuous improvement for us, year after year.

Each unit that surveys must review their results, present them to their employees, and execute an action plan to address the issues that arise from the results. We built supports into our process that make it easier to bring about successful change through action planning – such as accountability checks, and specific tools to action results. We identified key drivers of employee engagement and developed and deployed learning opportunities for leaders (e.g., multiple on-demand instructional videos on engagement). We continually assess survey content and update as needed to assure alignment with company strategy and major initiatives. Thus our surveys support strategy and business objectives directed at supporting sustainable corporate success through our employees' behavior on the job.

Employee Turnover

LA G4 1, 4

Our global voluntary turnover rate continues to be under 6 percent, a source of great pride for our company. Compared to most companies, 3M employees love working here, and they rarely leave the company. We calculate voluntary turnover separately from retirements, company initiated turnover, and reductions in force. Voluntary employee turnover is defined as turnover due to employee initiated reasons (e.g., returning to school, going to another job in a different company).

Total turnover includes voluntary turnover and all other forms of turnover (e.g., termination as a result of restructuring, termination for poor performance, retirements). Our total employee turnover rate is an annualized rate that measures employees who have terminated or retired from 3M during the calendar year, excluding foreign service employees and 3M temporary employees.

Temporary employees are 3M employees hired temporarily with intent to be employed short-term. They do not include contingent workers.

3M follows all applicable local laws and regulations regarding notice periods in the event of business operations changes.

3M's Human Resources (HR) department is unique in that we have one global system to track HR information. At every 3M location around the globe, we have instant access to this information – using our global reporting tool.

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.

A consistent, comprehensive onboarding platform provides pre-start information delivery and engagement for new employees on the front end, and clear metrics, reporting, and tracking for 3M on the back end. This investment sets new employees up to be successful and to make meaningful contributions from the start.

Accelerated Leadership Development

Leadership development is a competitive advantage at 3M. To maintain this competitive advantage, we are leveraging new technologies and delivery methods, thereby ensuring impact, consistency, and global inclusivity.

Through various stages in a leader's career journey, there are many development opportunities and programs available, across every geographic region and 3M business. Most programs are available at no additional cost to employees and include a range of online and self-paced offerings that cover core skill development aligned to the 3M Leadership Behaviors, ranging from personal effectiveness to financial acumen. These programs are also focused on the future – embedding inclusive leadership strategies, development through corporate social responsibility, and mentoring opportunities.

In 2017, 3M was honored to receive two LEAD Awards hosted by HR.com – for global leadership programs and for experienced senior leader programs.

Global Executive and Leadership Development

3M Leadership Way

The 3M Leadership Way is a suite of high potential leadership development journeys within the 3M Global Academy of Innovative Development. It brings one consistent approach to how 3M develops leaders across all geographic areas, business groups, and functions. Each program is an integration of customer-focused, results-driven, and experience-based learning that takes leaders outside the classroom walls to sharpen their skills with leadership challenges for our customers and in our global communities. Common threads run through the development journeys, and includes core content (i.e., 3M Playbook including our Vision) tailored to each level of leadership.

Our 3M Leadership Way promise is to develop our top talent to unleash their full potential, and add value to the company, our customers, and the world we live in.

3M Leadership Way Journeys:

Catalyst

Catalyst is a 12-month journey focused on developing the company's top 250 leaders. These individuals are game changers with aspiration, potential, performance, and with a pace even beyond their high potential peers to make a step change impact for 3M and the world we live in.

Amplify

Amplify is a nine-month journey for leaders with potential to reach the director level. Similar to the Catalyst journey, Amplify is scaled to the leadership challenges faced by future directors. These individuals already lead teams and organizations across every part of 3M.

Ignite

Ignite is a six-month journey for leaders with potential to reach senior manager level. These individuals are transitioning to lead teams and development is focused on critical challenges such as vertical and horizontal management savvy and building and leading high performing teams.

Spark

Launched for the first time in 2017, Spark is a yearlong development journey for individual contributors and frontline leaders with potential to reach manager level. For the first time, 3M has leveraged the power of technology to offer leadership development and bring together (virtually) more than 3,700 leaders from around the world under one journey.

Development for People Leaders

In 2017, 3M launched a refreshed suite of development offerings for People Leaders. With focus on the critical skills that leaders need to be successful in managing others, the Essentials for People Leaders program emerged as a multi-module program with flexibility to be delivered as face-to-face classroom training or as online, virtual training. This flexible delivery format is key to scaling a consistent development experience for all leaders of 3M while still allowing for needed localization to fit the needs of local people leaders.

In addition, new development channels were launched in Develop U with additional content for aspiring, new, and experienced People Leaders. Here, leaders can access, at no-cost, curated content including:

- Transition toolkits
- Annual performance and development timelines and support
- Self-paced eLearning and videos available in up to 14 languages

Leadership Coaching

3M is building a stronger coaching and development culture. As a new opportunity for our leaders, 3M has invested in an internal team of certified Leadership Coaches to support and accelerate the development of leaders throughout the world. Starting in 2017, these coaches worked 1:1 with 3M leaders over the course of three-month engagements to focus on key development goals. Leadership Coaching unleashes leaders' full potential, empowering them to positively impact their team, organization, and ultimately, grow the business.

More than 2,000 leaders have already been through this coaching skill-building program that allows leaders to learn and apply a simple coaching framework.

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: Develop U, our employee learning platform, allows 3Mer's access to development resources to support their career aspirations and advance strategic capabilities within 3M; additional information included above under Employee Development. In addition, our Corporate Learning System continues to support employees to enroll in, deliver, track, and report on learning activities and has served the learning needs of 3M business units, locations, 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, 3M Particles.

Best Practice Descriptions/Processes: As a diverse technical company, 3M shares best practices several ways. Two of the most widely used internal mechanisms are the 3M Tech Forum and the 3M Engineering and Manufacturing Technology Organization. These two organizations provide an extensive network of expertise through specialized chapters focused on 3M's core technologies and other emerging markets.

Company Education: In addition to a variety of general courses, webinars, etc., 3M offers specialized extended courses to increase skills leadership coaching.

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.

Employee Awards and Recognition

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

Our Footprint

SD G4 9-10 **LA** G4 1, 12
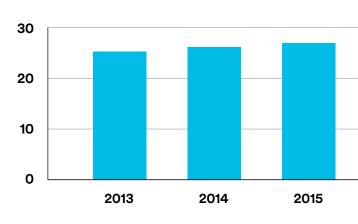
The employee metrics in the charts are reflective of employee headcount as of December 31, 2017 (total number of 3M full-time and part-time employees) not 3M full-time equivalent (FTE) employees. Due to acquisition integration schedules onto 3M's human resources systems, detailed employee information below may differ from employee totals in 3M financial reports.
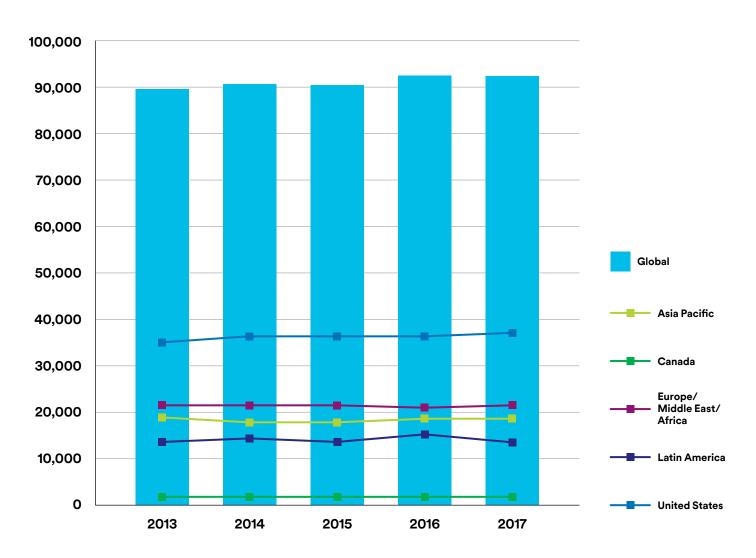
Looking forward…
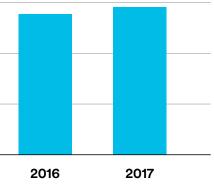
Work will continue toward our 2025 goal of 100 percent employee participation in development programs, by continuing to leverage the transformative power of technology. This will enable us to increase the reach, and speed, of development and transcend the uncertainty surrounding our global landscape.

3M Global Females in Management
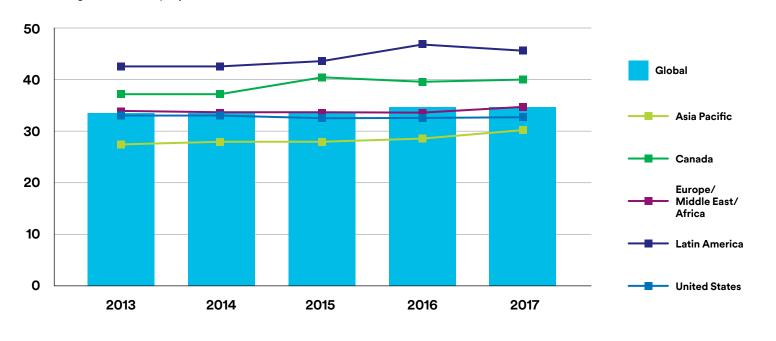Percentage of Total
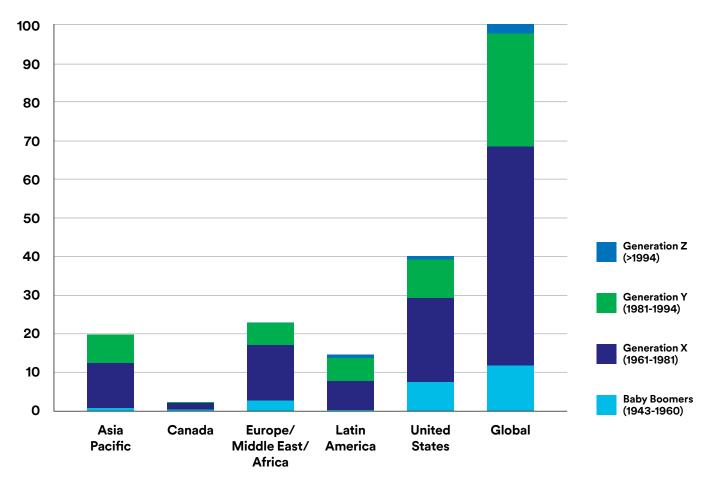
3M Global Employees by Region
Full and Part-Time, Total
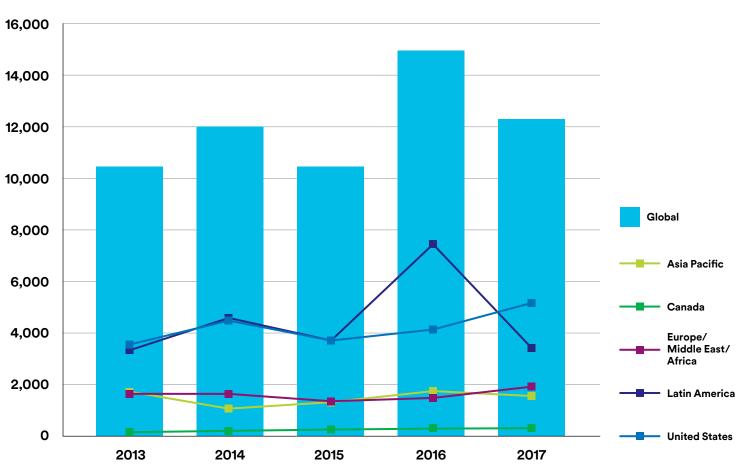
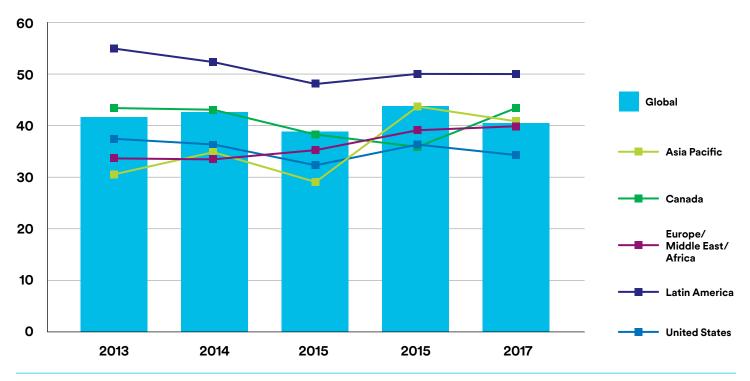## 3M Global Female Employees by Region
Percentage of Total Employees

Legend: Global, Asia Pacific, Canada, Europe/Middle East/Africa, Latin America, United States

3M Regional and Global Employee Age Distribution
2017 Percentage

Legend: Generation Z (>1994), Generation Y (1981-1994), Generation X (1961-1981), Baby Boomers (1943-1960)

3M Global New Employee Hires by Region
Total

Legend: Global, Asia Pacific, Canada, Europe/Middle East/Africa, Latin America, United States

3M Global Female Hires by Region
Percentage of Total Hires

Legend: Global, Asia Pacific, Canada, Europe/Middle East/Africa, Latin America, United States

Health and Safety

Since 2006, worldwide lost time rates have decreased 42 percent for 3M employees.

Our Commitment

SD As a company that makes a vast array of products designed to protect workers, 3M is front and center in the global effort to bring new science and innovation to workplace safety. At the same time, as an enterprise with 91,500 employees working around the world, we are always taking steps to further advance the safety of our employees.

Employee Health and Safety

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

In addition, in the spirit of continuous improvement, much is being done to evaluate opportunities to raise our safety standards. We visit locations, perform audits of record-keeping practices, and review incident data, the quality of our investigations and corrective actions taken.

To assure consistent reporting and metrics globally, 3M, like many multinational companies, follows the U.S. Occupational Safety and Health Administration (OSHA) recordkeeping rules and formulas to record and measure injury and illness rates worldwide. At all facilities within 3M's operational control, 3M employees and contingent employees are covered by our injury and illness recordkeeping rules.

Contractor and Visitor Health and Safety

3M requires all visitors, vendors, contingent workers, and contract workers at 3M locations to follow all applicable 3M workplace safety and health requirements. For example, contractors must complete a pre-qualification process before they may perform work on 3M premises. That process includes, among other things, reviewing the contractor's employee injury/illness rates, Experience Modification Rates (EMR), employee training records, and safety committee activities. Pre-construction safety reviews also are conducted to address potential hazards and controls related to the work. Contractor performance evaluations also include safety reviews.

Each 3M location has a Contract Coordinator who is the main 3M contact for working with contractors on safety issues. The Contract Coordinator is empowered to participate in pre-bid meetings and pre-qualifications for contractors. He or she is on-site and therefore available for contractor meetings and safety reviews as necessary and appropriate.

Contractors are asked to submit notification to 3M of worker hours and any injuries occurring while performing work in accordance with a 3M contract. Any contractor incidents are reported in the 3M Worldwide Incident Management System (WIMS), including injuries and contractor worker hours. In 2017, a contractor fatality occurred as a result of injuries sustained during an arc flash explosion. Additional preventive measures were implemented to further strengthen the safety of the operation.

Process Hazard Management

3M is committed to rigorously managing the risks associated with hazardous processes, such as those with potential to result in catastrophic fires, explosions, and sudden release of toxic materials. We use a Hazardous Process Evaluation Tool (HazPET) to categorize hazardous processes. Process hazard analyses (PHAs) are used to assess the effectiveness of existing safeguards. Layers of Protection Analysis (LOPA) is also used in some instances to evaluate safety critical devices and systems, providing more attention to independent protection layers. In 2018, facility sitting assessments will help us identify and mitigate "maximum credible event" scenarios that could impact workers at some facilities, and a global initiative will build on 3M's existing guidance to our facilities around effectively managing potential combustible dust hazards.

Our Actions

LA₆ Global Safety and Health Plan Tool

The 3M Global Safety and Health Plan (GSHP), which is part of 3M's Environmental, Health, and Safety (EHS) management system, is required to be implemented by global 3M locations. This approach 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 process safety, industrial hygiene, and ergonomics. Each of these disciplines uses a risk management approach to categorize hazard levels and define appropriate levels of control.
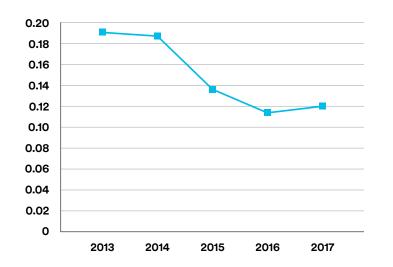
As part of our continuous improvement efforts, in 2017, some GSHP elements were reviewed and updated including new site self-assessment questions.

Significant Injury/Illness or Fatality Assessments and Rates

At the end of 2017, over 78,000 risk assessments had been completed which resulted in the identification and reduction of risk associated with more than 23,000 higher hazard activities. This development has been accompanied by a steady decrease in severe incidents over the past four years.

Since 2012, the SIF (Significant Injury/Illness or Fatality) rate at 3M has resulted in a net reduction of 37.2 percent. This represents fewer significant injury/illness incidents per year. The following chart shows the worldwide SIF rate trend for all 3M employees, contingent workers, and contractor workers combined.
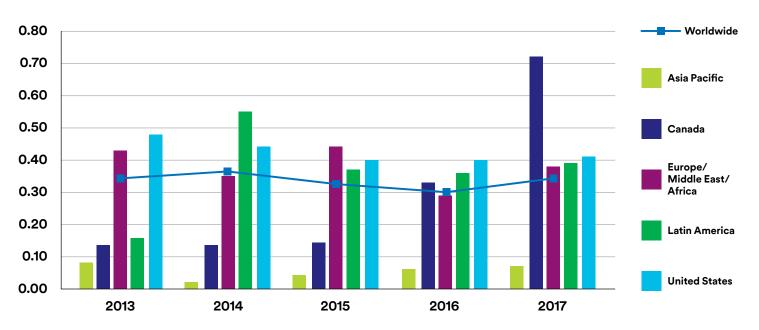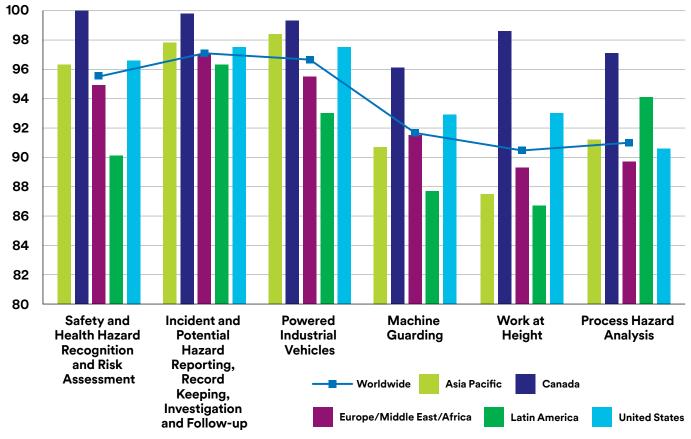
In 2013, 3M instituted a new approach to dealing with hazards that have the potential to result in fatalities or serious injuries. In 2014, we implemented metrics to measure our progress toward a five-year goal of 100 percent conformance to the following six standards for managing risk in certain high-hazard 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

3M Global Serious Injury/Illness Incident (SIF) Rate
Total 3M, Contingent, and Contractor Employees

3M Regional and Global Lost Time Incident Rate
Per 100 3M Employees (200,000 Work Hours)

Global Health and Safety Plan High Hazard Standards By Region
2017 Percentage

Static Discharge Improvement Plan

With continuing growth in electronic devices and technology, static discharge is a potential hazard at more than 80 percent of 3M facilities. At each location where there is potential for static discharge incidents, a competent, trained coordinator is required. In 2017, we continued our static discharge control efforts through improved procedures, instructions, and related documents, as well as training for operators, management, environmental, health, and safety (EHS) personnel, and engineers who are responsible for design and mitigation efforts. In addition, the Electrical and Management of Change (MOC) sections of the Global Safety and Health Plan Standard have been updated to include new audit questions and explanations. At the end of 2017, 98 percent of applicable locations had a fully competent, trained coordinator and were fully engaged in a static discharge improvement plan.

Electrical Work Precautions

At 3M manufacturing locations, we use live electrical current in a variety of different ways, including electroplating, electrochemical processes, and creating heat for furnaces using raw current. The company requires each location to implement an Electrical Safety Program to assure equipment is designed, installed, used, and maintained to minimize electrical hazards in the workplace. 3M requires that work conducted on or near energized electrical parts or circuits must be performed by qualified individuals. In addition, the company mandates that all workers whose jobs may expose them to the risk of electrical shock are trained in electrical safety. In 2017, to raise the level of protection for employees working around these processes, we took proactive steps to define the processes and, where appropriate, implement stronger safety controls.

Ergonomics Risk Management

Significant changes have been made to the Ergonomic Risk Reduction Process (ERRP) at 3M, to better understand ergonomic related risks and identify sustainable controls for jobs across all operations. A more efficient and effective ergonomic risk assessment analytical tool has been developed and deployed

globally to assist ergonomic subject matter experts. This new tool is being used to better understand ergonomic risks and define equipment or process changes that could reduce risks. 3M also defined a new system to perform ergonomic assessments for potentially high-risk work tasks. That new system is planned for phased global implementation in 2018.

Online ergonomic training is also available 24/7 to any employee who wants to learn more and has access to the 3M Intranet. All of these efforts have paid off in reduced numbers of ergonomic recordable injury cases; see Recordable Incident Rate chart.

Chemical and Noise Exposure Risk Management

To accurately assess exposure management programs and activities, 3M uses the comprehensive approach outlined by the American Industrial Hygiene Association (AIHA). In the past decade, over 95 percent of all chemical agents and noise baseline exposure risk assessments have been completed for all jobs, including annual air and noise sampling plans, exposure assessment validation plans, hearing conservation programs, and respirator and personal protective equipment programs. The results of these assessments help us determine whether any changes in exposure management programs are warranted.
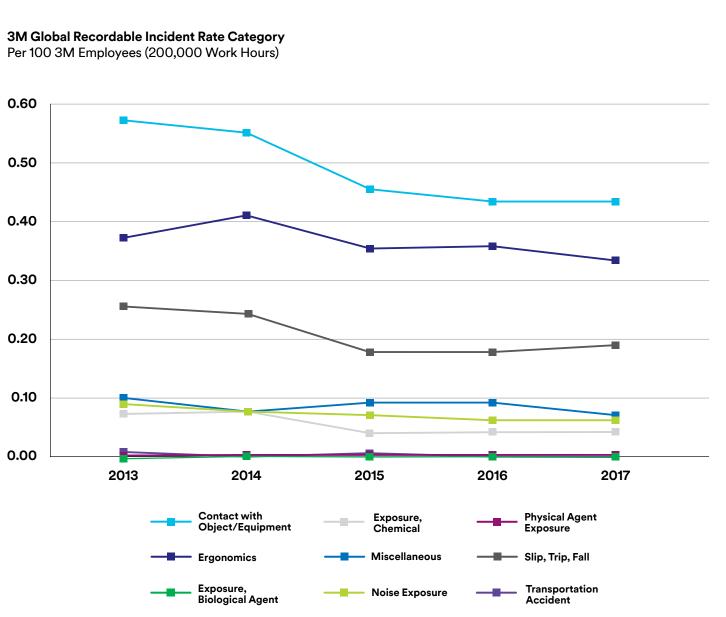
These concerted risk assessment and management efforts are paying off. One example: the 3M facility in Alexandria, Minnesota.

Over the past six years, 3M Alexandria has taken on the challenge to reduce noise and eliminate hearing conservation areas in its facility, as prescribed by

3M Alexandria, Minnesota

OSHA. Noise exposures were so successfully reduced (12 - 14 dBA across 24 different areas and departments) that in 2015, 22 of the 24 areas in hearing conservation had been removed, and 199 of 203 employees were no longer required to be included in the 3M Alexandria Hearing Conservation Program. In 2016, 3M Alexandria initiatives were recognized for statistically driven noise exposure assessments, cost-effective noise reduction efforts, documentation of results, and the implementation of Buy-Quiet principles, when the facility was awarded the NHCA/NIOSH Safe-In-Sound™ Award by the National Hearing Conservation Association (NHCA) and the National Institute for Occupational Safety & Health (NIOSH).
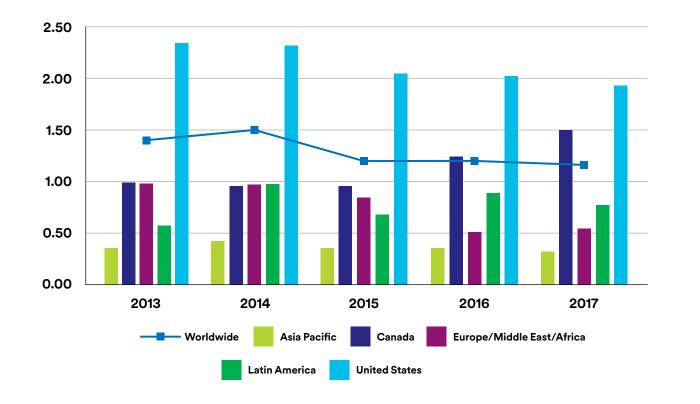
During the month of September 2017, the Alexandria location achieved a significant milestone by removing the last of the 24 targeted areas successfully leaving the facility at 100 percent hearing conservation free.

Moving forward, 3M Alexandria will continue to evaluate noise on new and existing processes, and implement Buy-Quiet principles to assure that noise exposures remain reduced and controlled. While the extent of an individual facility's risk or opportunities may differ, 3M Alexandria's success story demonstrates that significant advances in noise control can be achievable and economical in both short- and long-term.

3M Global Recordable Incident Rate Category
Per 100 3M Employees (200,000 Work Hours)

Legend:
- Contact with Object/Equipment
- Ergonomics
- Exposure, Biological Agent
- Exposure, Chemical
- Miscellaneous
- Noise Exposure
- Physical Agent Exposure
- Slip, Trip, Fall
- Transportation Accident

3M Regional and Global Recordable Incident Rate
Per 100 3M Employees (200,000 Work Hours)

use nonionizing radiation sources evaluate facility performance around managing hazards during routine use and maintenance of radiation sources, security of radiation sources, training of personnel, and regulatory compliance.

Details of 3M's Healthy Living Program and other health and safety employee programs can be found in our Employee Program section.

Global EHS Team

LA G4 5

3M's global EHS team continues to evolve to its current operational state which we believe sets us apart from our peers. Comprised of business-level EHS committee members, regional EHS managers, and Corporate subject matter experts, this committee will work with EHS facility staff globally to address and replicate best practices, solve problems and drive worthy EHS initiatives to operational-level.

In 2017, 100 percent of 3M manufacturing locations worldwide had active employee safety and health committees.

Looking forward...

Employees and those working on 3M's behalf

An important initiative during 2018 will be to improve existing behavioral safety processes, with the aim of assuring that gains from these improved processes can be sustained over time. Our strategy is to use the core components of behavioral safety – namely, observations and data collection – and integrate them into existing Lean Six Sigma (LSS) and Risk Management processes to further engage employees performing day-to-day tasks where higher hazards are present. We see a unique opportunity to document and understand how workplace decisions are being made by operations and maintenance personnel when faced with circumstances that could place them at increased risk of an injury or illness.

Hearing Conservation

3M is participating in a global pilot program with the Council for Accreditation in Occupational Hearing Conservation (CAOHC). Looking forward, we expect to expand CAOHC certifications in Latin America, Asia, and other areas where staff certification can help facilities prevent or reduce the severity of noise-induced hearing loss.

Learn more on CAOHC certifications: here.

Ergonomics

For ergonomics, a new global system for identifying and addressing ergonomic risks is being developed on a new platform for global deployment in 2018. The new system will allow anyone in the world to perform initial ergonomic risk assessments through a computer or hand held device.

Environmental, Health, and Safety

In 2018, we are also focusing on increased synergy between Environmental, Health, and Safety, engineering and supporting functions. One tactic for this will be an Environmental, Health, and Safety Summit including representatives from each of these functions. The goals of the Summit will be to identify and create opportunities to more efficiently and effectively implement engineering controls, resulting in improved and accelerated Environmental, Health, and Safety program performance.

Global Safety Conference

3M reinforced its dedication to employee safety by holding a Global Safety Conference in May, 2017. Attended by nearly 200 3M health and safety professionals from 14 countries representing all 3M operational regions, this conference featured inspiring keynote speakers Deborah Hersman, President and Chief Executive Officer of the National Safety Council, and Jim Spigener, Senior Vice President of Dekra Insight, pioneers in behavior-based safety. Content for the main conference was generally structured around managing risks for process and personal safety, with a focus on prevention of fatalities and severe incidents.

Additional Steps to Protect Employees

3M's Corporate Radiation Protection and Compliance group (CRPC) assures the safe, legal, and ethical use of sources of radiation. This includes uses of radiation in both manufacturing and research and development, ionizing radiation sources such as radioactive materials and x-ray emitting devices, and non-ionizing radiation sources such as lasers, microwave and radiofrequency radiation, magnetic fields, ultraviolet, infrared, and visible light. CRPC provides hazard evaluations, including radiation surveys and recommendations on control measures, to assure that 3M employees are safe and that radiation sources are used in full compliance of federal and state regulations. CRPC develops and provides training for both radiation source users as well as facility Radiation Safety Officers to help protect 3M employees, our customers, and the public. Annual program audits for facilities that use ionizing radiation sources and similar periodic audits for facilities that

Environmental Management

3M has long recognized the necessity for responsible environmental management and conservation of resources.

Our Commitment

SD 3M formalized its commitment to environmental stewardship when the company's Board of Directors adopted the 3M Environmental Policy in 1975. This policy established the framework for our approach to responsible environmental management and conservation of resources, emphasizing prevention of pollution at the source.

Since then, we have created supporting policies using a needs-driven process. When we identify potential risks to the environment, health, and safety of our employees, products, and communities, we take steps to modify processes and standards that address these risks.

Our strategy and resulting actions are demonstrated in the following policies, positions, and standards: Acquisition, Divestures, and Mergers Standard; Environmental Policy; Energy Policy; Greenhouse Gas Management Operations Standard; Disposal of

Chemical Waste Standard; Waste Management Program Standard; Water Management Standard; and our Global Climate Change Position Statement.

3M's strategies for sustainable development encompass the pursuit of customer satisfaction and commercial success within a framework of environmental, social, and economic values. We are committed to complying with all applicable environmental requirements worldwide. Beyond compliance, the company continues to make significant investments to reduce the environmental footprint of our operations; and our products with sustainable attributes help customers reduce their environmental footprint and help to meet their Sustainability goals. Always, 3M believes environmental policy and regulations should be guided by science-based decision making.

Our Actions

G4 EN 27 Setting and implementing global environmental policies, management systems, and key performance metrics enables 3M to continually integrate and drive environmental stewardship into each of the company's five business groups globally, assuring consistency and innovative environmental thinking. As reflected by our environmental performance indicators and 2025 Sustainability Goals, environmental stewardship is a core corporate commitment backed by decades of proven performance.

Management

G4 SO 8 3M's Environmental Management System (EMS) framework provides structure and consistency for overseeing daily activities, and puts the company in proactive, rather than reactive, mode regarding its environmental focus. We have extensive global systems in place to identify, track, and manage relevant information on corporate-wide environmental management and performance. This includes 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. Quarterly scorecards report data at the facility, division, business group, and corporate levels. Scorecards are reviewed by executive management for performance on selected indicators, enabling 3M to monitor and identify successes, risks, and opportunities for performance improvements and footprint reductions worldwide.

Environmental Incident Management

G4 EN 24, 29, 34 Since 2010, all 3M locations globally are required to internally report environmental exceedances, spills, agency notices, and fines through one dedicated system – 3M's Worldwide Incident Management System (WIMS). This includes:

- Exceedances: emissions or other environmental parameters above permitted or allowable regulatory levels
- Significant Spills: spills that are above a designated risk-level based on the more stringent of a regulatory requirement or an internal company set volume and threshold
- Agency Notices: notices received by 3M for alleged deviations 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

WIMS has led to continuous improvement related to increased awareness of responsibilities, understanding of the holistic system, and more consistent reporting requirements for 3M's global operations.

Environmental Investments

G4 EN 31 In 2017, 3M expended about $33 million for capital projects related to protecting the environment. This amount excludes expenditures for remediation actions relating to existing matters caused by past operations that do not contribute to current or future revenues, which are expensed. Capital expenditures for environmental purposes have included pollution control devices – such as wastewater treatment plant improvements, scrubbers, containment structures, solvent recovery units, and thermal oxidizers – at new and existing facilities constructed or upgraded in the normal course of business. Consistent with the company's emphasis on environmental responsibility, capital expenditures (other than for remediation projects) for known projects are presently expected to be about $66 million over the next two years for new or expanded programs to build facilities or modify manufacturing processes to minimize waste and reduce emissions.

Environmental Management Implementation

Implementation of our EMS continues to increase throughout the world and has translated into reduced costs through operating efficiency, improved environmental compliance, reduced monitoring costs, reduced energy and waste disposal costs, and increased employee activity. Our EMS is also expanding our Sustainability image around the globe, which has strong financial benefits.

Our approach calls for each site to establish, implement, and maintain documented environmental objectives and targets. When establishing an EMS plan, each 3M location must address financial, technological, operational, and business considerations. The objectives and targets should be measurable and consistent with our environmental policy, including our commitments to prevent pollution and be compliant with applicable regulations and other requirements.

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 locations, and new acquisitions based on their integration progress, are required to complete a Global Environmental Management Self-Assessment (GEMSA) at least annually. In 2017, GEMSA updates consist of a detailed evaluation of the location's systems alignment for assuring environmental compliance and management system performance.

GEMSA 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 EMS. Data from the assessments are validated through audits, site visits by subject matter experts, and other data systems.

Environmental Site Assessment

G4 EN 11-13 Outside 3M's EMS and GEMSA, 3M has completed environmental site assessments at most locations with the goal of identifying potential historical liabilities. As a result of these assessments, biodiverse areas may be identified. Where applicable, a public database search is completed, which includes a wetland database. Site visits also identify areas such as rivers, creeks, and potential wetlands that are on or near the location.

Additional biodiversity assessments are conducted during our annual evaluation utilizing the definitions and tools established by the World Business Council for Sustainable Development (WBCSD) to screen the company's various uses of water. Additional details on this process can be found in the Water section.

Applying ISO 14001

The ISO 14001 Environment Management System (EMS) standard is an internationally-recognized approach for managing the immediate and long-term environmental impacts of an organization's products, services, and processes. In 2017, 3M continued working with an outside consultant to help individual locations learn how to transition and recertify to the latest version of this standard, which was established in late 2015. 3M is on track for timely recertification of all relevant sites to the updated ISO 14001 standard.

To aid facilities in becoming recertified to the new standard, three new training modules were developed in the 3M Global Learning System. The modules are used by learning coordinators to create courses, manage learner roles, process certifications, and run reports; by learners to search for courses and launch e-learning classes; and by supervisors to view the learning activities of their direct reports and pre-book courses.

As of the end of 2017, approximately 70 percent of ISO 14001-certified 3M locations successfully completed third-party certification audits for the new version of the standard. Altogether, our ISO 14001-certified locations account for approximately 96.7 percent of 3M's total product output.

The remaining locations, which will go through certification audits in early 2018, are recent 3M acquisitions and/or 3M office/logistic centers. The ISO 14001 certification scope is specific for each location. Our approach is to champion ownership at individual locations to produce the best possible EMS results.

Third-Party Assurance of Sustainability Metric Reporting

Bureau Veritas (BV) provided independent third-party verification of 3M's 2017 environmental data (volatile organic compound emissions, water, waste, environmental compliance metrics, energy consumption, and greenhouse gas emissions) included in this 2018 Sustainability Report. For additional information on our third-party assurance, see Bureau Veritas' Assurance Statement.

Facility Self-Assessments and Auditing

3M verifies regulatory compliance and alignment with prioritized sections of the self-assessment, conducting environmental-related audits on a risk-prioritized basis. In 2017, we updated the EHS Auditing Standard and EHS Auditor Guideline. In all, our facility audits covered sites that manufactured 22.6 percent of total product output. Key objectives of audits:

Managing Global Risk and Compliance		
Maintain compliance	Develop environmental professionals	Manage risk
Share best practices	Identify common areas for improvement	Build common understanding of requirements

What comprises the auditing process:

- Manufacturing, distribution, and laboratory operations are audited for environmental compliance on a frequency based on relative risk
- At least annually, all global operations are assessed against a variety of criteria to establish a prioritized list of locations 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 GEMSA as an evaluation tool
  – Externally purchased compliance protocols, especially for operations outside the United States, to assure 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 audits
  – Findings, with assignments of responsibility and due dates for closure
  – Detailed reviews of findings, to assure corrective actions are complete

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

All EHS auditors, with the exception of 3M EHS professionals who are guest auditors, are required to take a certification test. 3M EHS professionals are assigned to an audit team or lead auditor to provide support on the auditing process and/or a specific subject during the audit.

Compliance Analysis and Documentation

In an effort to create more consistency in global auditing of locations, 3M has refined its Compliance and Auditing Management and Metric Systems (CAMMS). CAMMS is the corporate system for maintaining environmental compliance documents and determinations. It allows us to conduct internal compliance audits in the context of applicable regulatory requirements and company policies and standards. In addition, CAMMS utilizes a risk assessment tool for prioritizing resources to implement corrective actions.

EHS Professional Training

As part of our ongoing training efforts, in 2017, 3M conducted monthly webinars for environmental management employees on topics that have global interest. The webinars were recorded and placed on a website that allows convenient access for those who couldn't attend the live events. The webinars included such topics as ISO 14001:2015, The Transition; What's New with Environmental Policies and Standards; Spill Prevention Control and Countermeasure (SPCC) Plan Overview; Refrigerant Management Update; Recent Facility Audit Trends; and Waste Resources and Vendor Auditing, to name a few.

Looking forward…

In the coming years, we will be working on increasing efficiency across the organization through Business Transformation, a global platform of standardized business processes, and the integration of related tools with our environmental management processes. We will also drive the continued evolution of our global environmental regulatory programs, with the aim of translating complex or ambiguous requirements into clear compliance directives for 3M facilities.

2025 Goals Scorecard

	3M Goal	Goal Progress

Reduce Global Manufacturing Waste
↓ **10%**

2015	2016	2017	2025
5.21	5.33	5.03	

Metric Tons per MM USD Net Sales

Achieve global zero landfill status at more than 30% of manufacturing sites

2015	2016	2017	2025
28.2	26.6	27.9	30

Percentage of Total Manufacturing Sites

Reduce Global Water Use
↓ **10%**

2015	2016	2017	2025
0.00139	0.00149	0.00145	

Million Cubic Meters per MM USD Net Sales

Improve Global Energy Efficiency
↑ **30%**

2015	2016	2017	2025
937	962	935	

MMBtu per MM USD Net Sales

Increase Global Renewable Energy
↑ **25%**

2015	2016	2017	2025
0.50	7.60	17.9	25

Percentage of Total Electricity Purchase

Raw Materials

Earth's natural resources are limited. Our drive for preserving them is not.

Our Commitment

SO 2 The world's population is growing larger, living longer, and consuming more – which puts a strain on finite natural resources. To address this challenge, 3M continuously looks for ways to recover, reuse, and recycle by-products and other waste material. We are moving from recyclable to renewable materials in our product and package design. 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.

The 3M 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 3M location has a Waste Management Coordinator who is responsible for coordinating appropriate waste training for all personnel. Compliance with all 3M and other regulated waste requirements is evaluated through the internal environmental auditing program.

Our Disposal of Chemical Waste Standard calls for appropriate management and disposal of chemical waste, to manage risks and protect the environment. This includes efforts to reduce the amount and hazards of waste materials generated, to recycle or reuse those materials whenever practical, and to control waste disposal through final disposition.

2025 Goal: Reduce manufacturing waste by an additional 10 percent, 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.

3M Corporate Environmental Operations identifies opportunities for efficiency improvement and measures progress toward raw material usage and waste reduction goals for locations within our global manufacturing footprint. The results and raw data are used to identify, quantify, and prioritize projects to improve, utilizing Lean Six Sigma (LSS) methodology.

Results are reviewed quarterly and annually within regions, businesses, and divisions against goals and tracking metrics. Specialized teams 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.

2025 Goal: Achieve "zero landfill" status at more than 30 percent 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.

A location receives "zero landfill" status when it has gone a full calendar year without sending any manufacturing operations waste to a landfill. It will continue to be a zero landfill location as long as no manufacturing operations waste is sent to a landfill. Waste, as defined here, does not include ash generated from 3M material sent to a waste-to-energy or incineration location controlled by a third party.

Our Actions

In 2017, we continued with our company-wide strategy on reuse, reduction, and internal recycling, as well as collaboration with our own technical community, channel partners, and civic and conservation leaders in communities where 3M operates.

Waste from manufacturing locations accounts for the majority of waste in 3M's environmental footprint. 3M's waste metrics include 3M manufacturing operations with total output greater than 4.54 metric tons per year (10,000 pounds) which represents 98 percent of Sales Value of Production (SVOP) of our manufacturing locations.

3M practices waste minimization whenever practical to reduce the amount and hazards of waste materials generated. Between 2015 and 2017 there has been a 3.52 percent reduction in absolute total hazardous waste or a 9.29 percent reduction as compared to total waste. 3M is also dedicated to operating in accordance with all regulations and managing waste materials safely and responsibly. All 3M locations are required to manage all returned, recycled, and waste materials from the time of generation until reused, recycled, treated, or disposed.

We work closely with Corporate LSS to increase waste reduction across all locations. Our waste indexed to net sales has decreased 26.4 percent since 2005.

Maximizing beneficial use of raw materials

G4 EN 23, 28 Raw material usage is a measurement of overall product and process yield throughout our manufacturing processes and is a key metric for 3M. It's indicative of operational excellence in our product design and manufacturing processes. Our raw material usage includes the product, the process, and all by-products.

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

As such, we continuously look for ways to recover, reuse, and recycle by-products and other waste material when feasible. And when it's not usable, we responsibly dispose of waste materials. The concept of maximizing beneficial raw material use is important both internally and externally to address the global challenge of resource efficiency and scarcity.
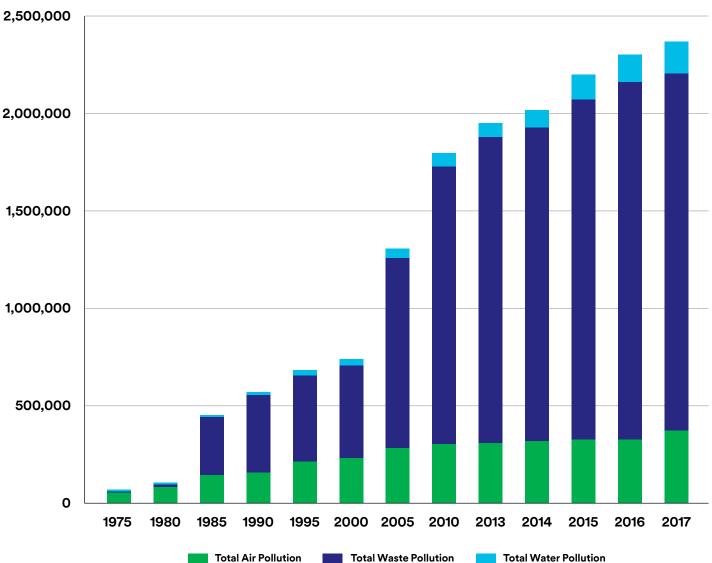
3P (Pollution Prevention Pays)

The 3M Pollution Prevention Pays (3P) program is based on the belief that a prevention approach to pollution is more environmentally effective, more socially acceptable, and more economical than treatment. Begun more than 40 years ago, the program has prevented more than 2.36 million short tons of pollutants and saved over $2.1 billion based on aggregated data from the first year of each 3P project. Success has been achieved thanks to voluntary participation from employees across the company, including research and development, manufacturing, logistics, transportation, and packaging. Innovative projects are submitted and then reviewed and selected based on defined criteria by a 3P committee representing Research and Development, Engineering, Environmental, Health and Safety, Manufacturing, Sustainability, and Supply Chain organizations.

As part of the program, select projects are honored based upon their exceptional achievement. In 2017, one division, one country, and several facilities were recognized for their 2016 achievements at the July 2017 Executive Conference.

- The 3M Commercial Solutions Division was named 3P Division of the Year, for preventing 3,780 tons of pollution, at a cost savings of $12.5 million
- United Kingdom received 3P Country of the Year honors, for preventing 4,740 tons of pollution at a cost savings of $3.3 million
- Exceptional Awards went to 3M Rockland (Air Emission Reduction), 3M Nevada (Greenhouse Gas Reduction), 3M Tilton, 3M Kamen (Waste Reduction), and 3M Brookings (Waste and Water Reduction)
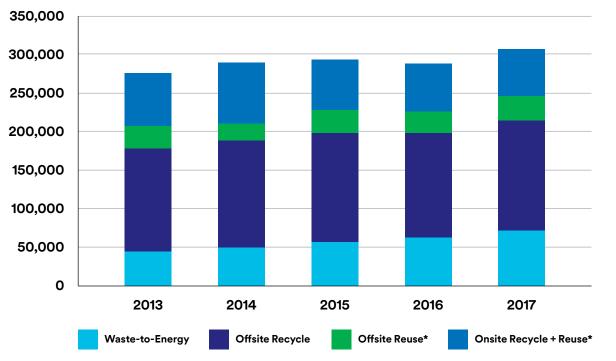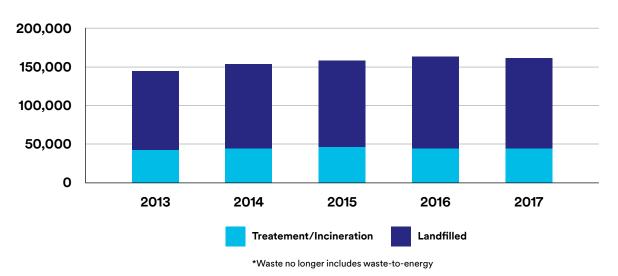
3P Global Pollution Prevention Achievements: 1975-2017
First Year Total Pollution Prevention Cumulative Totals, Short Tons

Legend: Total Air Pollution Prevented (green), Total Waste Pollution Prevented (dark blue), Total Water Pollution Prevented (light blue)

Global Waste Diversion by Type
Metric Tons

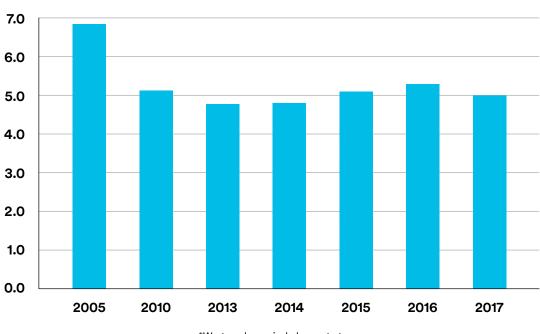**Waste-to-Energy**   **Offsite Recycle**   **Offsite Reuse***   **Onsite Recycle + Reuse***

*Does not include Onsite Recycle & Reuse and Offsite Reuse from 3M's Industrial Mineral Product (IMP) Division

Global Waste by Disposal Type
Metric Tons

Treatement/Incineration   **Landfilled**

*Waste no longer includes waste-to-energy

Global Waste
Metric Tons per MM USD Net Sales

*Waste no longer includes waste-to-energy

Zero landfill

Zero landfill is a goal that resonates with our local communities as well as our suppliers and customers. However, it has various definitions for different people and locations. We've spent a lot of time during our goal development process benchmarking peer companies that span relevant business sectors and industries. And we've chosen a holistic definition: zero landfill means no waste is sent directly to a landfill from a 3M manufacturing location in a calendar year. While we want to have all locations divert waste from landfills and increase beneficial reuse, this goal may not be financially or technically feasible for all locations in 3M.

Our location waste data are reported in a corporate database quarterly. The data are third-party validated at select locations and at the corporate level. We also require locations meeting this goal to complete an internal assessment to assure accurate reporting.

By the end of 2017, 27.9 percent of 3M locations had attained zero landfill status.

Dumpster diving to reach zero

In 2017, 3M Cynthiana, Kentucky, which manufactures such iconic 3M products as Post-it® Notes and Scotch® Packaging Tapes, joined 52 other 3M locations in achieving zero landfill status.

3M Cynthiana originally set a goal to be "landfill free" in 2010. Step one in achieving this goal was creating an employee team focused on reducing waste sent to the landfill and increasing recycling efforts. Since then this team made many trips – or "dumpster dives" as team members call them – to the local landfill to identify waste streams that could be recycled.

Between 2010 and 2016, landfill waste was reduced by over 70 percent (per pound of product), and the facility was recycling or reusing over 95 percent of its waste. To eliminate the last waste being sent to landfill, the facility leveraged a local waste-to-energy operation.

The facility had its first zero waste to landfill quarter in the fourth quarter of 2016 and has successfully maintained that status throughout all of 2017.

This achievement contributes to our Sustainability goal to achieve "zero landfill" status at more than 30 percent of manufacturing sites by 2025.

Kaizen waste reduction events

Kaizen is the Japanese word for "continuous improvement." In 2017, in a continuation of previous efforts, teams at 12 3M U.S. locations held kaizen events to prioritize efforts that will reduce manufacturing waste. The events included facility walk-throughs, waste-by-cause analyses, and identification of opportunities for improvement. With our learnings from these events, we developed a LSS Sustainability Tool Kit with templates and examples for replication use at our global locations.

Part of the solution requires utilizing LSS within a location to segregate and manage material flow for waste streams and analyze the availability of internal and external waste handling alternatives.

As locations identify opportunities to divert waste streams, we protect 3M's reputation while managing waste, and set up contracts with our haulers, recyclers, and waste-to-energy companies to confirm that our material is handled appropriately.

Aligning with Business Transformation

Aligning with 3M's LSS as a basis for driving continuous improvement, the True Cost of Waste Black Belt project was designed to assist in achieving our 2025 goal of reducing manufacturing waste by 10 percent indexed to sales. By using the LSS tools, the project team quickly determined that a primary issue for manufacturing locations is lack of visibility regarding the quantity and cost of waste streams. The project used Business Transformation and our global Enterprise Resource Planning System to gain visibility into each manufacturing location's waste, thereby allowing them to better use LSS tools for project identification and prioritizing, and ultimately reducing waste.

Looking forward…

As we look ahead, 3M is focusing on initiatives that will help us engage more of the value chain. We're looking to get high yields and reuse waste in other locations, processes, and products. We're testing disruptive technology that makes clean-up easier, using fewer solvents.

3M Science. Applied to Life.™

#improvinglives means changing how industry works, from purification to aerospace.

We provide thousands of innovative products, from tapes and abrasives, to adhesives and filtration systems; helping solve some of the world's biggest challenges across diverse markets.

Industrial

Water

Our Commitment

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.

Water Quality and Availability

EN 22 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 for the manufacturing and support systems of several of our products. Because of this, 3M continues to actively understand, manage, and work toward reducing our corporate water footprint while providing innovative solutions to our customers.

We respect our ecological and ethical responsibility and have a vested interest in preserving and improving water availability and quality relative to our operations and the communities we serve.

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

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

3M operations must manage their water resources through compliance with regulatory requirements, conservation and reuse, and reporting of water usage internally.

2025 Goal: Engage 100 percent 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 clean water efforts into the future.

Risk-Mitigation Planning

EN 9, 11-12, 14 **SO** 2 At 3M, we continually evaluate our approach to opportunity and risk. We believe the whole concept of risk appetite and tolerance is an essential component of strategic planning. This includes a broad risk oversight by the Board and its committees, with committee-level risk analyses reported to the full Board and executive-level internal auditor and Chief Compliance Officer appointed by, and reporting directly to, the Audit Committee.

3M uses the definitions and tools established by the World Business Council for Sustainable Development (WBCSD) to screen the company's various locations and their water use with validated WBCSD water availability, population, and biodiversity information both on a country and watershed basis. In 2017, 25 sites with annual water use equal to or greater than 1,000 cubic meters were located in water-stressed areas as defined by the extremely high baseline water stress value according to the WBCSD-Global Water Tool.

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

Our Actions

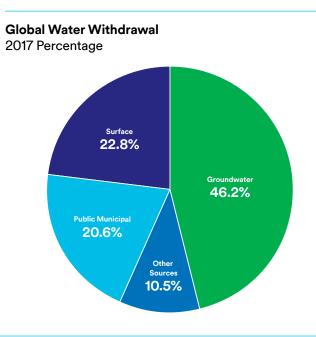**EN** 8, 10 We are continuously evaluating our water use footprint with a consistent, company-wide focus on reuse, reduction, and internal recycling, as well as collaboration with our own technical community, channel partners, and civic and conservation leaders in communities where 3M operates.

3M's total water usage includes sanitary, process, heating, cooling, remediation, and other miscellaneous sources. Water usage data are tracked and reported annually on a global basis for manufacturing sites that produce greater than 4.54 metric tons (10,000 pounds) of product per year. The reported data accounts for 98 percent of Sales Value of Production (SVOP) which provides solid coverage of water use considered material to 3M's operational environmental footprint.

Total water consumption has decreased 37.2 percent between 2005 and 2017 indexed to corporate-wide net sales. Results also indicate that 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 continue to improve our data accuracy through monitoring and measurement.
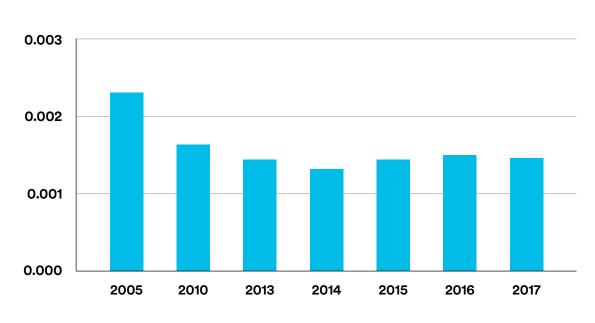
Water conservation efforts have been achieved through recycling, reuse, product redesigns, and improvements to our buildings and manufacturing processes. A majority of our water-intense manufacturing operations are located in the U.S. and Europe, in areas that are not water-stressed or water-scarce. 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.

Global Water Withdrawal
2017 Percentage

- Groundwater 46.2%
- Surface 22.8%
- Public Municipal 20.6%
- Other Sources 10.5%

Global Water Usage
Million Cubic Meters

Global Water Usage
Million Cubic Meters per MM USD Net Sales

Corporate Water Stewardship Team
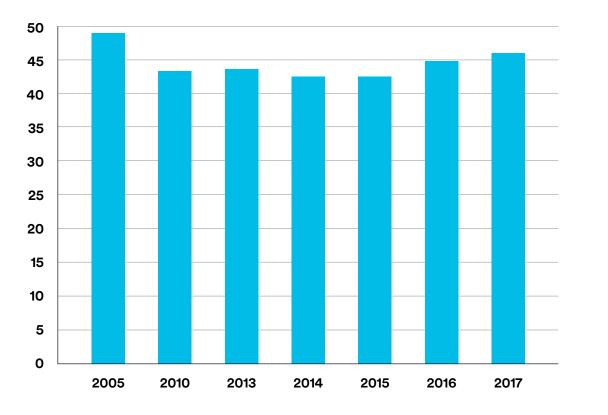
In 2017 our Corporate Water Stewardship team, with executive management sponsors, continues to review policies, programs, and procedures while expanding our global internal systems, to create, identify, and share best management practices related to water conservation.

As part of this team, we are closely working with our Corporate Energy Management group to evaluate the synergy between water and energy. Through this work we are implementing water reduction projects at targeted facilities. For further information on our actions in energy, see Climate and Energy.

Evaluating Opportunities in Industrial Water Reuse and Cost of Water

3M is a part of a team, working under the auspices of the Water Environment & Reuse Foundation (WERF), on a scorecard to evaluate opportunities in industrial water reuse. The team is working to develop a tool that can provide a facility-level estimate of the true cost of water, provide flow/cost breakdown by water use area and consistency in data requirements based on process-specific changes.

As part of these efforts, we are looking at alternative ways to evaluate baseline water usage and the potential water cost and savings provided by capital expenditures at our facilities, including efforts to pilot the tool at one of our U.S. facilities. We are taking our learnings from this tool and looking at ways to implement them within our water strategy.

Looking forward...

A 10-year plan to address global water challenges.

Our 10-year strategic plan will focus not only on water use reduction, but also on collaboration and social innovation in search of solutions for emerging global water challenges. In addition, we will consider the counterbalance between water reduction, water quality, and water-related risks to reflect the concept of 'respecting every drop'.

During the first part of 2018, as part of our Corporate Water Stewardship Team, we are currently evaluating and looking to update our Water Management Standard to reflect our efforts throughout our value chain.

Climate and Energy

Our Commitment

A steady focus on climate and energy conservation.

Through the years, 3M has been a proactive leader in addressing both the challenges and the opportunities presented by climate change and energy conservation.

Our proactive leadership is best defined by five areas of action:

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

Executive-Level Commitment

Climate change and energy efficiency are high-priority issues throughout 3M, up to the Corporate Operating Committee and Chief Executive Officer. The Corporate Environmental, Health and Safety (EHS) Committee has been empowered by company leadership to take proactive steps and be responsible for all final decisions on climate change and energy strategy, including setting company reduction goals and policies. For climate change strategy and GHG emission guidance, the Corporate EHS Committee has appointed a corporate Climate Change Steering Team.

Public Policy Engagement

3M endorses voluntary approaches to GHG emissions management. Any mandatory GHG emission reductions should be developed through international negotiations and follow these policy principles:

- Apply broadly to countries or groups of countries and GHG emission sources
- Be guided by science-based decision making
- Utilize a consistent, market-based approach
- Encourage investment and protect intellectual property to facilitate technology breakthroughs
- Include provisions for carbon emissions trading and/or alternative investment and compliance programs
- Provide full credit for early reductions in GHG emissions
- Balance multiple country-level priorities, including energy reliability and independence, national security, and economic growth and employment
- Include provisions that promote the efficient allocation of emissions reductions and assure all sectors contribute to reduction targets, with the effect of allowing fair competition and avoiding market distortions within industrial sectors or across national boundaries

3M is actively engaged in public policy development to address climate change concerns. For additional information, see our Engaging Our Stakeholders section.

Risk-Mitigation Planning

EC G4 **2**

Severe weather and long-term trends could affect 3M's operations and supply chain. To address these and other risks, 3M maintains a systematic Business Continuity and Planning Process and Crisis Management Program which coordinates efforts of local crisis management teams maintained at each 3M location and international subsidiary.

Corporate and local plans take into account the risk of natural disaster, infectious disease, employee safety, protection of assets, customer service, and other business continuity requirements.

Supply chain risks are mitigated using a variety of management practices, including:

- Multi-sourcing of raw materials
- Pre-qualification of potential outsource manufacturers
- Maintaining appropriate stocks of raw materials
- Contingency plans with key suppliers to assure allocation to 3M in the event of supply disruption

Science-Based Targets

3M, as a science-based company, supports a proactive approach of science-based GHG emission reduction targets. We have a long record of being proactive on this issue, as demonstrated by our 68.1 percent reduction in absolute Scope 1 and 2 (Location-based) GHG emissions from our operations through 2017, from a 2002 baseline. This ambitious reduction currently aligns with the concept of science-based goal setting, in that it far exceeds the reductions called for to date in the Inter-governmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4). See Looking forward below for additional information.

2025 Goal: Improve energy efficiency indexed to net sales by 30 percent.

Energy efficiency improvements help reduce energy use, associated costs, and GHG emissions.

3M has taken a broad approach to managing our energy footprint, which includes evaluating the impact of new products and manufacturing processes as well as new equipment and locations; and reducing the energy footprint of our manufacturing and administrative locations. In addition, we actively share information about our energy management program with external stakeholders, such as suppliers, customers, and other interested organizations.

2025 Goal: Increase renewable energy to 25 percent of total electricity use.

Achieving this goal will mean adding nearly 800,000 MWh of renewable energy use globally. The primary sources of this renewable energy will be wind and solar.

2025 Goal: Ensure GHG emissions at least 50 percent below our 2002 baseline, while growing our business.

3M is in a leadership position due to our early actions, starting more than 10 years ago, to reduce our GHG emissions. We are committed to continuing that leadership even as we grow the company in order to help our customers address the issue of climate change.

By conserving energy, reformulating products, and prioritizing opportunities, 3M has been able to achieve industry-leading GHG emission reductions. Other companies are setting goals to move closer to the achievements we have already realized.

2025 Goal: Help our customers reduce their GHGs by 250 million tons of CO$_2$ 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. For additional information on how we work with our customers, see Our Customers.

Our Actions

Energy Management

EN G4 3, 5, 6

Energy management at 3M goes beyond energy-efficiency efforts in factories and buildings. It is a team effort guided by the global Corporate Energy Policy and coordinated by the Corporate Energy Management team, with oversight by 3M's Corporate Energy Manager and Engineering Vice President, and active support from the Chief Executive Officer. The group based in St. Paul, Minnesota regularly engages with company-wide stakeholders to expand their global footprint and grow a culture of energy, forming a Corporate Energy Leadership Team. Members of this inter-departmental team come from Environmental Operations, Location Operations, Finance, Sourcing, Engineering, Energy Management, Corporate Marketing, and Public Affairs. Each department provides cross-functional contributions, assuring that:

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

3M reviews its Strategic Energy Management Plan annually to prioritize programs and meet global goals. The plan uses input from stakeholders, including manufacturing directors, plant managers, operations employees, and executive management. Goals of the plan include to continuously improve results, leverage engineering expertise and advances, drive facility-level efficiency improvements, maintain top management support, and protect 3M's reputation.

Catching Wind

In a continuing effort to increase the use of renewable energy sources, 3M signed an agreement to purchase 100 megawatts of wind energy from Akuo Energy. This agreement includes the sale of wind energy from a 150 megawatt wind turbine plant located near Rocksprings, Texas. This Akuo Energy project, which began operation

on September 1, 2017, includes 69 turbines on a 14,000-acre site.

This is the second wind energy agreement for 3M within the last two years. With this agreement, our total wind energy purchases now have reached 579 megawatt hours of wind energy or 17.9 percent of our company's total global electricity use.

Holding treasure hunts to find conservation opportunities

In 2016, 3M conducted energy treasure hunts at eight 3M locations, focused on building up energy-based project hoppers and, ultimately, making continuous improvement toward the company's 2025 goals.

In 2017, 16 more sites joined in the hunt. These sites identified approximately $5.0 million in energy savings opportunities, an average of 12.3 percent of their energy spend. Several more sites are scheduled in the future.

To see our efforts in action, see additional information under Energy Summit.

Combined heat and power

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 our combined direct Scope 1 and indirect Scope 2 GHG emissions. The implementation of advanced energy information systems in our manufacturing locations is expected to give operations personnel information they can use to more effectively manage energy use.

Learn more on how we are implementing these systems at our facilities: here.

ISO 50001

The internationally recognized ISO 50001 standard and the U.S. Department of Energy's (DOE) Superior Energy Performance (SEP™) certification program, help 3M locations become attuned to recognizing and seizing opportunities to increase energy efficiency in site

operations, and move from delivering energy projects in a loosely-organized fashion to a structured system of management. By integrating the systematic ISO-based framework of "plan-do-check-act" for the management of energy in on-site operations, our locations have seen savings in energy costs and consumption, expansion of employee engagement, and increased visibility to the tracking of site energy performance. 3M has been busy increasing its ISO 50001 and SEP-certified profile, with 28 locations now certified or working toward certification under those two programs.

In 2017, we were recognized by the Clean Energy Ministerial (CEM) Energy Management Leadership Awards program. 3M was one of 34 organizations, across 21 countries, to receive the Energy Management Insight Award. The award recognizes 3M's role in building awareness of ISO 50001 and contributing to global knowledge of energy management implementation. 3M has been invited to speak at two related events: joint China-U.S. Energy Efficiency forum at Denver in October; and the International Energy Agency (IEA) Workshop on Energy Management Systems and Digital Technologies for Industrial Energy Efficiency and Productivity, at Paris in December.

We are transforming the ways we use and evaluate energy

In 2017, 3M piloted a project at select facilities focusing on energy reduction opportunities in heating, ventilation, and air conditioning (HVAC) technology. We realized approximately $175,000 in savings with optimization of HVAC units completed at no cost. With the successful demonstration of this project, we seek to introduce this process at more 3M facilities in 2018.

Also in 2017, we have seen energy monitoring getting increased visibility and support within engineering on new projects and upgrades. This new metering technology will aid in the identification of energy costs associated with the manufacturing process and allow for better analysis to reduce energy costs both during production and non-production time periods.

In addition, we developed an energy analysis tool for use by all 3M locations. The tool is designed to provide quick analysis and identification of energy projects, and estimated payback periods. It uses actual site energy costs and weather data for analysis of energy costs in lighting, motors, makeup air, and compressed air.

We continued our Lighting Challenge in 2017, focused on 3M locations upgrading their lighting systems to light-emitting diode (LED) technology. It is estimated that over 250,000 lamps have been purchased for installation in 2017, producing a cost savings of approximately $3.2 million.

Plant Engineering and Energy Global Leadership Summit

In June 2017, leaders of our growing energy network met in St. Paul, Minnesota as a part of the Plant Engineering and Energy Global Leadership Summit. For the first time, 3M included a specific energy track, with inspirational results. More than 160 energy professionals who work at various levels throughout the corporation attended.

Over the course of three days, we had 12 energy-specific 3M presenters and seven poster session participants, with an electrical meter vendor and the Department of Energy offering unique breakout session opportunities. Topics covered included:

- How to Build a Cross-Functional Energy Team
- On-Site Solar at 3M Locations
- The Value of Energy Metering
- Energy Programs in Canada
- Energy Project Prioritization

On the final day of the conference, the 3M Cottage Grove, Minnesota facility hosted an Energy Treasure

2017 Plant Engineering & Energy Leadership Summit
June 13, 2017

Hunt training session. The 3M Corporate Environmental team gave its first live and in-person group training with a global team of participants, using tools, resources, and training for successful treasure hunt events. At the end of the day, participants identified an estimated $190,000 in annual energy cost savings.
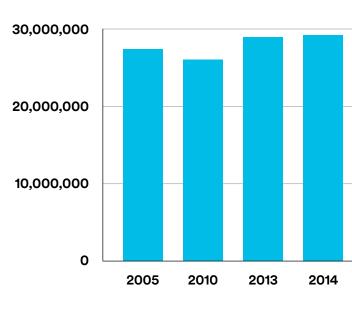
Energy Excellence Awards

The Energy Excellence Award honors individuals and teams that incorporate the goals of the Corporate Energy Program in engineering projects. The projects and individuals nominated actively demonstrate their commitment to include energy efficiency in the design of projects, in equipment selection, or in the use of alternative energy supplies. The award is one of global recognition within the 3M Engineering community. In May 2017, three awards were given at the 2017 Engineering Awards ceremony in St. Paul, Minnesota:

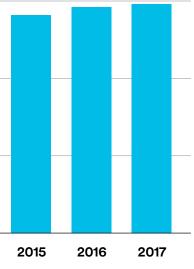- 3M Greenville, South Carolina for eliminating solvent from the curing process for box sealing tapes

- 3M Taiwan, for increasing solvent recovery efficiency and reducing steam consumption in solvent recovery units
- 3M India, for energy cost reductions related to the installation of a rooftop solar system that meets 10 percent of the Ranjangaon facility's power needs
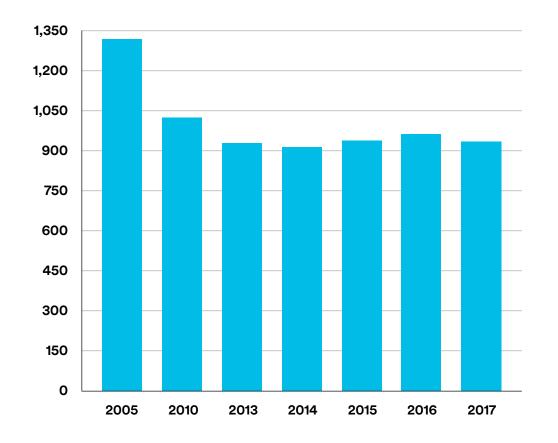
2017 Plant Energy Award

At the conclusion of each year, the Corporate Energy Management team recognizes the top facilities in our program for their results in energy metrics. To qualify, these facilities must demonstrate an active culture of energy management practices on-site, as evidenced by their delivered project savings, their energy team assessment score, and the resulting improved efficiency in energy intensity on-site. Fourteen platinum awards, six gold awards, and three silver awards were presented to facilities with the most impressive results.

Global Energy Use
MMBtu

Global Energy Use
MMBtu per MM USD Net Sales

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

GHG emission reductions are achieved through a variety of methods: 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. These methods, and more, are integral to the company's overall success and assist us with the challenge of helping to address global climate change concerns.

Greenhouse Gas Emissions, Scope 1 and Scope 2
Million Metric Tons CO_2 equivalents
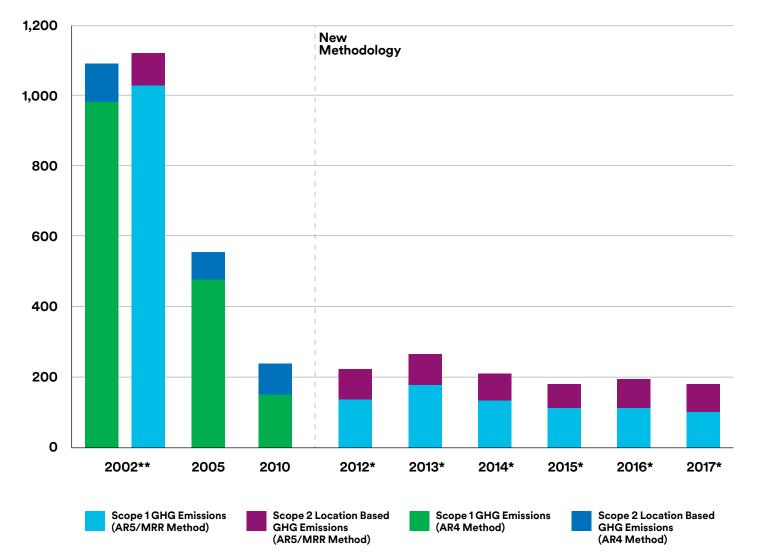

*2012-2017 U.S. EPA GHG-MRR/IPCC AR5 based inventory accounting is not directly comparable to 2002-2011 WRI/IPCC TAR, AR4 based GHG accounting
*Under U.S. EPA GHG-MRR/IPCC AR5 methodology, >95% of total reported emissions are from Kyoto gases
**2002 Inventory recalculated according to U.S. EPA GHG-MRR/IPCC AR5 methodology (2.7% Increase over original reported value)

Direct Emissions (Scope 1) and Indirect (Scope 2)

EN *G4 15-19*

Since 2002, 3M has reduced Scope 1 GHG emissions by 76.4 percent, providing a direct and immediate reduction in our impact on the environment. During this same timeframe, we have achieved a 68.1 percent reduction in absolute Scope 1 and 2 Location-based GHG emissions. What makes these reductions even more impressive is that they occurred even as the company grew sales and production during this timeframe.

The GHG inventory has been calculated from 2002 to the current year by the 3M EHS Laboratory in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Greenhouse Gas Accounting and Reporting Standard. The 3M EHS

Laboratory maintains an accreditation to ANSI/ ISO/ IEC 17025 through A2LA, an ILAC MRA signatory, for a number of laboratory methods. Although it is not possible to put 3M's GHG inventory methodology on the lab's scope of accreditation, our calculation methodology has been improved by working with a number of the quality system elements required by ANSI/ISO/IEC 17025, including:

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

Indexed Greenhouse Gas Emissions, Scope 1 and Scope 2
Metric Tons CO_2 equivalents per MM USD Net Sales

*2012-2017 U.S. EPA GHG-MRR/IPCC AR5 based inventory accounting is not directly comparable to 2002-2011 WRI/IPCC TAR, AR4 based GHG accounting
*Under U.S. EPA GHG-MRR/IPCC AR5 methodology, >95% of total reported emissions are from Kyoto gases
**2002 Inventory recalculated according to U.S. EPA GHG-MRR/IPCC AR5 methodology (2.7% Increase in absolute emissions over original reported value)

Greenhouse Gas Quality System

Relevance	Completeness	Consistency	Accuracy	Transparency
Clearly defined boundaries	Strive to calculate and report all GHG emissions; data coverage 99+ percent of inventory	Data based on approved scientific methods; should methods change, 3M will, wherever possible, recalculate prior years' inventory	Audit (internal and external) GHG emissions and calculations	Clear disclosure of processes, procedures, assumptions, and limitations of the GHG inventory

GHG Emissions from Our Suppliers and Customers (Scope 3)

EN G4 4, 17, 30 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. We place a high value on sound science and decision-making. When the complexity of the supply chain does not allow for direct calculation, an input/output model calculation method is used.

We continuously evaluate our methodology and auditing practices to assure meaningful, consistent, and accurate comparison of emissions over time. At this time, a base year has not yet been established for Scope 3 GHG emissions.

For this report, the model for our Scope 3 Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods) GHG emissions changed. The new model is based on the 2017 EPA United States environmentally-extended input-output model (USEEIO) factors (USEEIO: A new and transparent United States environmentally extended input-output model, Yi Yang, Wesley W. Ingwersen, Troy R. Hawkins, Michael Srocka, David E. Meyer. *Journal of Cleaner Production* 158 (2017) 308-318).

Recalculation of prior year's Scope 3, Category 1 and 2 GHG emissions, using this new model, is reflected in this year's report. Prior published Scope 3 data are not directly comparable to this report.

During an internal audit of these prior-year values, we identified a separate underreporting error for the 2016 reported values for our Scope 3 Category 1 and 2 GHG emissions of 7 percent and 4 percent, respectively. This error arose from incorrect raw data used in prior calculations using the old model. The recalculated data for 2016 corrects this error. It is reasonably likely that similar raw data input errors exist in previously published Scope 3, Category 1 and 2 data for 2015 and prior years.

For 3M, Categories 9 (Downstream Transportation and Distribution), 10 (Processing of Sold Products), 11 (Use of Sold Products), and 12 (End of Life Treatment of Sold Product) pose a unique challenge. This is due to the number and complexity of products we sell, and the diversity of their uses by businesses and consumers across the globe. Many of our approximately 55,000-plus product lines are "intermediates" with many potential downstream applications, each with a different GHG emissions profile, making it impossible to reasonably estimate downstream emissions associated with the use of these products.

Evaluating Customer GHG Emissions Reductions

EN G4 7 3M has a process in place to develop reasonable estimates for reductions in customer GHG emissions associated with use of 3M products. This process is based on the ISO 14064-2 standard for determining GHG emissions reductions. The standard compares emissions from the project scenario (3M product scenario) against a baseline scenario.
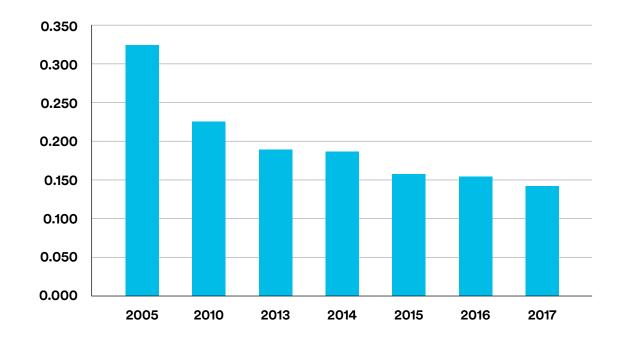
The boundary of the 3M product scenario is nature to end-of-use or nature to grave. Where reliable information is available, we include emissions associated with disposal of 3M products. The 3M product scenario uses high-level estimates and averages for manufacturing emissions (e.g., energy per pound of product produced at a location rather than more specific information).

The boundaries of the baseline scenario match the 3M product scenario, except that we apply conservative assumptions. Conservative is defined as a choice that creates a minimum in the GHG emissions of the baseline scenario. For example, if data does not exist for a chemical in the baseline scenario, we assume the emissions to be zero. In some cases, there is no equivalent to the 3M product, so the baseline scenario is the absence of the 3M product entirely.

The uncertainty for these studies is ±50 percent, which approximates data of fair to good quality as defined in the WRI/ WBCSD Product Life Cycle and Accounting Standard Quantitative Inventory Uncertainty Guide.

According to our calculations, in 2017 alone, our customers avoided emitting about 13 million metric tons CO_2 equivalents through use of various 3M product platforms calculated in accordance with the ISO 14064-2 and 3M EHS Laboratory standard operating procedures.

Global Volatile Organic Compounds (VOCs) Emissions
Metric Tons per MM USD Net Sales

Air Quality Management

EN 21

An important component to 3M's Sustainability strategy is our commitment to improving air quality globally.

As a company that uses many solvent-based materials, 3M inherently releases volatile organic compounds (VOCs) from many of our manufacturing processes. Because of this, many of our locations require permits with rigorous VOC tracking requirements. Even where tracking is not required from a regulatory perspective, 3M voluntarily tracks VOC usage and emissions from major sources of emissions in order to identify further opportunities for reduction. 3M has developed internal programs to minimize its VOC emissions. We track and report emissions based on raw material usage, engineering estimates, and stack test data.

For many 3M manufacturing processes, NO_x, SO_2, CO, and PM are emitted as products of combustion. These pollutants are tracked and reported externally where required by federal, state, or local regulations for individual locations. 3M internally tracks all fuel usage and calculates the combustion emission rates using accepted emission factors.

Main VOC by Source Type

- 3M's VOC emissions are primarily attributed to coating lines
- Reactors and mixing are also significant sources of VOC emissions

VOC by Location

- 90 percent of our locations emit less than 100 tons per year VOC
- 30 percent of our locations emit less than 1 ton per year VOC

Implementing and maintaining pollution control

3M has made significant progress in reducing air emissions – at the source, and by improving process efficiencies. Where emissions cannot be reduced within the process, 3M installs and maintains air emission control equipment as required by federal, state, and local regulations. We evaluate all equipment options, select those that are the most environmentally effective and cost-effective, and assure proper operation of emission control equipment. Technologies include Thermal Oxidization, Solvent Recovery, Carbon Adsorption, Biofiltration, Electrostatic Precipitators, Baghouses, Scrubbers, and Cyclones.

Ozone Depleting Substances

EN 20

The Montreal Protocol is the first worldwide agreement designed to protect human health and the environment against the adverse effects of the depletion of the stratospheric ozone layer. The Protocol identifies the list of ozone depleting substances (ODS) that are targeted for control practices, reductions, or total phase-outs and provides a phase-out schedule. In addition, some countries have established regulations regarding the management of refrigeration appliances.

3M has set forth requirements in order to provide a framework for how 3M operations are to manage their refrigeration appliances containing ODS in the context of applicable international protocols, local regulations, and current and future economic impacts. These requirements include conformance to the Montreal Protocol when applicable.

Clean Air Assistance Project Funding

In November 2016, 3M made a financial contribution to support the Environmental Initiative's Clean Air Assistance Project (CAAP) in Minnesota. The primary objective of this project was to assist small businesses with emission-reduction initiatives, primarily those involving volatile organic compounds (VOCs). In 2017, two solvent-based auto body shops in St. Paul, Minnesota were converted to waterborne paint systems. This change eliminated an estimated 2,950 pounds of VOC emissions annually. Public project funding, which leveraged 3M's initial contribution, was provided by government, community organizations, and companies connected to the two businesses.

Looking forward…

3M is supporting the further implementation of ISO 50001 though a collaborative effort with the Canadian, Mexican, and U.S. governments.

We will continue work to understand and evaluate methodologies for setting a science-based GHG emission target. One challenge is the current gap in availability of a certified reduction scheme for all entities. We have evaluated the methods currently provided by the Science Based Targets Initiative (SBTI) and determined that these may not support the operations of a large, highly diversified entity such as 3M. So we are now actively working to find a science-based approach that could be appropriately applied to a company with our broad set of product categories and markets served. Moving forward, we will continue to track how the SBTI expands its methodology offerings, and evaluate other options that may become available. However, above all, we will continue to work toward achieving our four existing climate and energy related goals.

We will continue to track the evolution of climate change related regulations globally. Through understanding from both internal and external perspectives, we can strengthen and develop corporate strategy, goals, targets, programs, initiatives, and engagement to advance Sustainability globally.

Suppliers

Defining and aligning Sustainability expectations for our supply chain around the world.
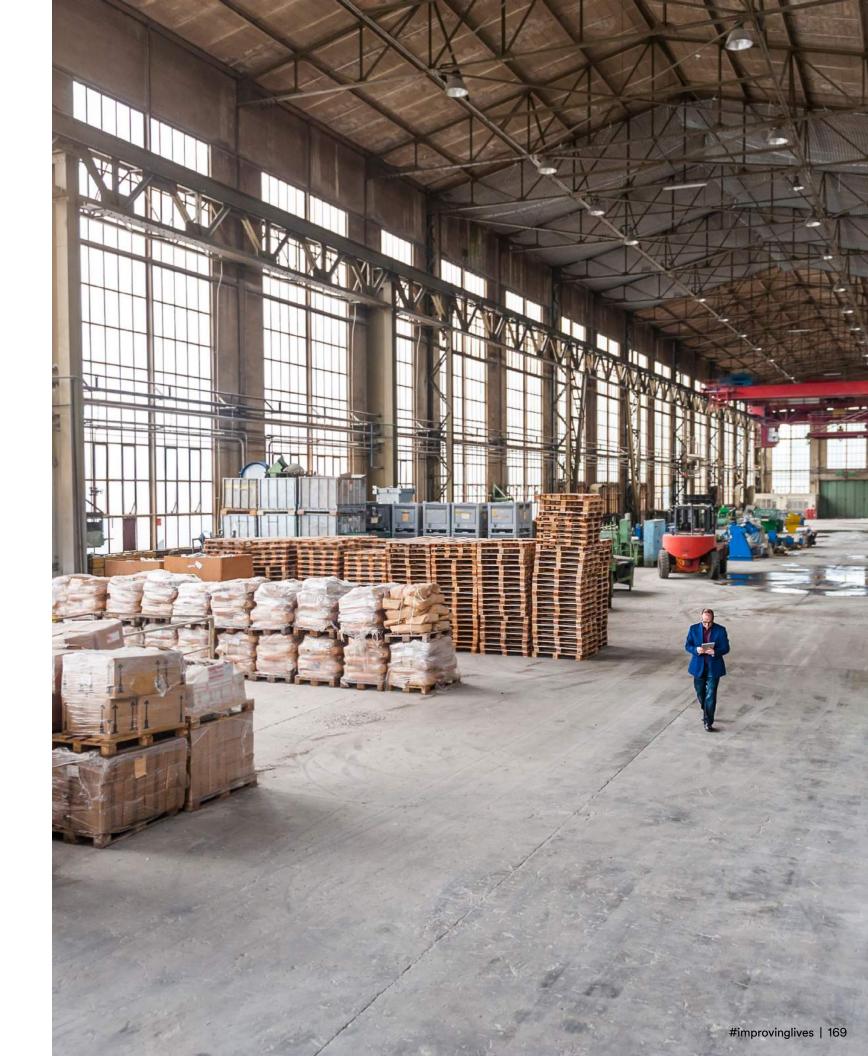
Our Commitment

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

SD We understand that our Sustainability impacts extend beyond our own operations. By purchasing raw materials and services from small and large companies all over the world, we participate in a global, complex, supply chain. And it doesn't stop there. Our suppliers have their own suppliers, extending back to the original source of each material we use.

At each step in the supply chain, there are benefits (like employment and community-building) as well as the potential for negative impacts (like pollution or unsafe or unfair labor practices). Our commitment is

to maximize the positives and mitigate the potential negatives by aligning our supplier expectations with our own corporate values. We expect our suppliers to be transparent about their environmental and social practices, provide improvement ideas, and work with us to transform our shared supply chain when needed.

We actively verify our new and existing suppliers' performance against our expectations on a risk-prioritized basis, using our Due Diligence Management System, which is modeled after the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Our Due Diligence Management System consists of the following elements, which aid with our continuous improvement efforts.

3M Supply Chain Due Diligence Management System

Values	Transparency	Transformation	Verification	Report
establish strong policies and 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
Our Commitment	**Our Action**	**Our Action**	**Our Action**	**Our Action**
3M Supplier Responsibility Code	90K suppliers	Paper Supply Chain Traceability Process	Cumulative Supplier Assessments	California Supply Chain Transparency Act Disclosure
3M Conflict Minerals Policy	120 countries		Technical Capabilities Close to Customers	UK Modern Slavery Act Statement
3M Pulp and Paper Sourcing Policy	200 sub-categories			Form SD
				Conflict Minerals Report
				3M Sustainable Forestry

Strong Policies aligned with our Values

The 3M Supplier Responsibility Code (SRC) outlines 3M's foundational social and environmental expectations in the following areas:

- Labor: requirements align with the 3M Human Rights Policy, and includes important concepts like freely chosen employment (no forced, bonded, or trafficked labor), restrictions on working age (no child labor), and appropriate working hours and wages. Setting these expectations helps assure our suppliers' actions will reflect 3M's values as well as the values underlying the International Labor Organization (ILO), and laws such as the California Transparency in Supply

Chains Act, the United Kingdom Modern Slavery Act, and the U.S. Federal Acquisition Regulations (FAR) on forced labor and human trafficking.

- Environment, Health, and Safety: we expect our suppliers to care as much about the safety of their workers and their communities as 3M does, and to implement proper procedures and controls to protect them.
- Ethics: expectations align to the 3M Code of Conduct holding our suppliers to the same high standards of honesty and integrity. Suppliers are to prohibit any form of bribery and corruption, and prevent conflicts of interest.
- Management Systems: we expect our suppliers to have processes in place to systematically conform to the 3M SRC, as well as all legal requirements, and to commit to continuous improvement.

The SRC is based on the 3M corporate values for sustainable and responsible operations and aligns with the 10 Principles of the United Nations Global Compact, of which 3M is a signatory. The SRC is also materially consistent with the Code of Conduct of the Responsible Business Alliance (RBA), formerly known as the Electronics Industry Citizenship Coalition (EICC).

The SRC, as with our previous 3M Supply Chain Policies, establishes 3M's expectations for new and existing suppliers anywhere in the world, and for any supplied material or service. Our new supplier vetting process includes review of the SRC expectations and confirmation that their programs and practices, as well as their subcontractors, involved in the supply of products and/or services conform to standards that are consistent with the SRC. Our contract agreements have included expectations from our Supply Chain Policies, and are now being updated to phase in and incorporate the SRC.

We expect our suppliers to establish and implement their own relevant policies and programs in alignment with this SRC, and to enforce these expectations with their own suppliers, thereby propagating our high Sustainability standards up our supply chains.

3M's Vice President of Strategic Sourcing and Packaging Solutions is accountable for 3M's Responsible Sourcing program. Executive leaders from Supply Chain, Compliance & Business Conduct, Strategic Sourcing, Legal, Sustainability, Human Resources, and Environmental, Health, and Safety (EHS) are updated at least semi-annually on the program's status and have the opportunity to provide input on the various programs and activities.

Supplier Risk Assessment & Supply Chain Transparency

Our general supplier performance verification process begins with a self-assessment questionnaire (SAQ). The SAQ is used to understand supplier programs and whether they are in conformance with 3M expectations. An on-site assessment may be conducted, by 3M or third party, and any deficiencies are ultimately corrected through a Corrective Action Preventive Action (CAPA) process, which may include announced or unannounced follow-up assessments.

If the assessment identifies gaps or findings, a Supplier Corrective Action Request (SCAR) is established to assure appropriate resolution and conformance with 3M's requirements. If a supplier is unwilling to work with 3M on the identified gaps or not able to close the issues within a reasonable timeframe, alternative actions are determined with a cross-functional business team to escalate and resolve the situation.

Additional Expectations for Higher-risk Supply Chains

In addition to the global SRC expectations for all suppliers, certain areas warrant additional and specific formal expectations to drive more sustainable responsible practices. In particular, 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 (pulp and paper).

Focus: Conflict Minerals

Another prioritized area in our raw material supply network is the responsible sourcing of minerals. 3M deplores the violence and inhumane treatment that has occurred in the Democratic Republic of Congo, adjoining countries, and other high-risk regions as defined by global regulatory bodies, and is committed to supporting responsible sourcing of 3TG (tin, tantalum, tungsten, and gold) from all such regions. In 2017, 3M refreshed its Conflict Minerals Policy, as well as 3TG-related objectives for our suppliers as part of our responsible sourcing expectations. 3M expects its suppliers to adopt a similar policy and due diligence management system, and require the same of their suppliers.

In addition, 3M is an active member of the Conflict-Free Sourcing Initiative (CFSI), now known as the Responsible Mineral Initiative (RMI), which develops tools and guidance for companies on conflict minerals.

Our membership in RMI and various sub-teams such as the Smelter Engagement Team (SET), Plenary Team, and special activities like the Due Diligence White Paper update have provided an opportunity for 3M to offer our ideas and learn from other member companies as we all work together on this important journey.

Focus: Pulp and Paper

3M has prioritized pulp and paper products as an area that warrants additional formal expectations, due to potential environmental risks like deforestation and habitat loss, potential human rights issues like infringement of indigenous peoples' rights, and potential unsafe labor practices. As a global paper purchaser and Sustainability leader, 3M is well-positioned to positively influence practices throughout the forest products' supply chain. We adopted our current Pulp and Paper Sourcing Policy in the spring of 2015 to set standards of excellence for our suppliers and their suppliers through all tiers of supply to the forest.

This policy makes it clear that we want to source paper products from suppliers who share our values and are committed to protecting the world's forests. Annually we evaluate our suppliers of pulp and paper raw materials, pulp and paper-based third-party manufactured products, and paper-based packaging to prioritize engagement with those most significant to our business, and those with the possibility of supply chain entities of higher environmental or social risk. Our engagement hinges on extensive communication and education of our suppliers on our policy expectations, and inquiries regarding our suppliers' policies and systems to assess the Sustainability of their supplier network and conformance to our code and policy. We also expect our suppliers to disclose the entities in their supply chain, all the way to the forest source. We believe that only through transparency can we truly identify potential Sustainability risks and collaborate to raise the performance of our shared supply chains.

We partner with The Forest Trust (TFT) for their expertise in developing and implementing responsible sourcing policies, and improving forest management practices across global supply chains. We also actively collaborate with other TFT responsible paper members, our suppliers, and peer companies to advance Sustainability in the global paper supply chain. In the big picture, our goal is to assure that the virgin wood fiber used in our pulp and 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.

Supplier Diversity

EC 9

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

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

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

3M establishes goals and regularly tracks the dollar value of goods and services purchased from small businesses and diverse suppliers in concert with goals set annually with the U.S. Federal Government as part of our Subcontracting Plan for Federal Government contracting.

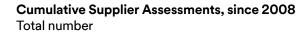To achieve our goals, 3M has implemented a four-part strategy aimed to:

1. Increase our spend with current diverse suppliers by reviewing our existing diverse suppliers by diversity category
2. Identify additional diverse suppliers in our existing supply base by reviewing our top non-diverse suppliers by spend category
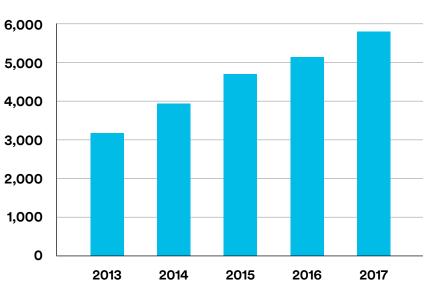3. Find "new-to-3M" diverse suppliers
4. Further disrupt the status quo by working to move some of our tier two dollars to tier one and focusing on diverse suppliers in our request for proposal (RFP) activity

In 2017, 3M spent $1.42 billion with small businesses, representing 26.4 percent of our U.S. domestic spend. We also spent $223 million with diverse suppliers, which represents 3.96 percent of U.S. domestic spend. Our progress is routinely communicated to leadership across the organization.

We remain committed to supporting small business and diverse suppliers and their positive impact on the economic viability of communities. 3M continues to reassess elements of our approach, working across the industry to glean best practices.

More on our Supply Diversity program can be found in the Partners and Suppliers Diversity section, here.

Our Actions

Responding to risks, transforming our supply chains

SD 12 **SO** 2

We are constantly managing changes in supply markets both where there is an opportunity to extract value and defensively where necessary to secure supply. As described above, we focus efforts on the salient issues in categories where human rights and environmental risks are the greatest. More broadly, we conduct robust risk prioritization to determine other suppliers we will engage via an assessment against our SRC, which includes policy and contract conformance.

3M has historically used industry indices to identify higher-risk supply chains and has recently adopted the use of a data-driven software solution in conjunction with industry information and Lean Six Sigma (LSS) tools to optimize and strengthen its risk management processes. The criteria matrix helps rank global suppliers, using multiple factors like: geographic, category, and business critical elements to determine where assessments should be performed.

Cumulative Supplier Assessments, since 2008
Total number

Verifying our Supplier Performance

EN G4 32
HR G4 10-11
LA G4 14-15

Applicable for all suppliers, we apply our supply chain risk assessment process to prioritized suppliers, each of which must complete a SAQ and/or be subject to an on-site assessment as specified in our SRC.

Through 2017, over 5,000 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 in the past six years.

Forced Labor and Human Trafficking

3M's efforts to eradicate forced labor and human trafficking from its direct supply chains are discussed in more detail in 3M's California Transparency in Supply Chains disclosure and 3M's United Kingdom Modern Slavery Act Statement. These disclosures communicate our commitment to legal and ethical practices through our membership in the United Nations Global Compact and implementation of 3M's Code of Conduct, and working with others to abolish human rights atrocities, especially as it relates to human trafficking, forced labor, modern slavery, etc. 3M is committed to doing our part to eradicate human trafficking in any form from the global supply chain. We have robust policies and systems in place to control these practices in our own operations and with our suppliers. As 3M sets a high bar for itself regarding labor and employment, it expects the same from its suppliers as articulated in the SRC.
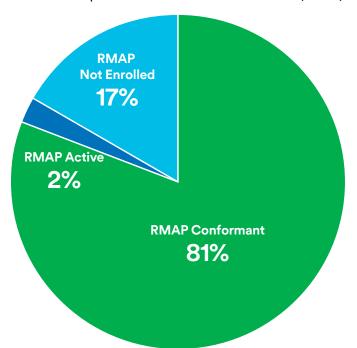
Conflict Mineral Actions

Forging ahead with continuous improvement

3M's Conflict Minerals program, now in its fifth year, has gone through continuous improvement, based on learnings from past campaigns and identifying ways to optimize and increase the effectiveness of program activities.

A 3M Six Sigma project was initiated in 2017 to define, measure, analyze, implement solutions, and define controls that will sustain gains in the Conflict Minerals program. As a result, numerous improvements were implemented including contracting with a Conflict Minerals third party provider to accelerate the process.

We make use of the RMI Conflict Minerals Reporting Template (CMRT) to help our prioritized 3TG suppliers gather and report information on the smelters and refiners in their supply chains. Our requests include links to 3M's Conflict Minerals website, which covers our Conflict Minerals Policy, and 3M training on how to attach their CMRT to 3M's website survey tool. In addition, the website directs suppliers to training resources available through the RMI.

Conflict Mineral Traceability Progress
*based on Responsible Minerals Assurance Process (RMAP)

RMAP Not Enrolled 17%
RMAP Active 2%
RMAP Conformant 81%

We're continuing to stay abreast of emerging and recent legislation such as the European Commission's regulation on conflict minerals, to assure that our conformance and due diligence management system are aligned. Members of our European Government Affairs team have been closely aligned with industry and government to understand the scope, impacts, and timing of the new European regulation. The team has proactively assessed potential applicability so 3M will be best prepared to implement the new rule.

Additional information can be found in the 3M Conflict Minerals Securities and Exchange Commission filings found on 3M Supplier Direct, Supplier Responsibility Expectations.
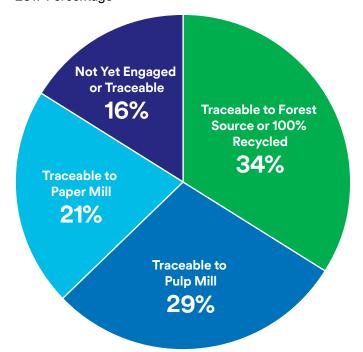
Pulp and Paper Actions

Pulp and Paper Policy implementation on the ground

Throughout our policy implementation, we have seen several examples of marked improvements in responsible sourcing practices as a result of our engagement with suppliers. These include:

- Meeting with suppliers' senior corporate executives on the importance of assuring responsible and sustainable supply chains, and agreeing to collaborate on that goal
- Suppliers establishing new Sustainability positions within their companies
- Significant increases in supply chain traceability and transparency
- Increased engagement by our suppliers with their upstream supply chain

Through an online survey, our suppliers can provide complete supply chain information all the way to the forest sources, or they can easily forward parts of the online survey to their suppliers (paper or pulp mills, for example) for completion. We aim to work with suppliers and peer companies to document as much of our global paper supply chain as possible, to amplify our efforts to drive sustainable practices throughout the supply chain.

Paper Supply Chain Traceability Process
2017 Percentage

Not Yet Engaged or Traceable 16%
Traceable to Forest Source or 100% Recycled 34%
Traceable to Paper Mill 21%
Traceable to Pulp Mill 29%

TFT helps us review information we obtain from our supplier surveys, and combines that with geography and industry-specific knowledge to conduct "desktop" risk assessments of our supply chains. We use these assessments to prioritize further engagement to learn more about our suppliers' responsible sourcing and sustainable forestry practices. This deeper engagement could take the form of a series of web conferences, in-person meetings, or field assessments at the mill and/or forest level. We do not limit this engagement to our direct suppliers. In fact, as appropriate, we will work directly with tier two or tier three suppliers on policy conformance verification work, with a goal of involving our direct (tier one) supplier(s) in these activities whenever possible.

With TFT, we have conducted 11 field assessments so far across all regions. Three of those assessments were of tier two pulp mills, which were also attended by a tier one supplier. 3M's participation on supplier field assessments with TFT helps us to understand first-hand the challenges faced by pulp and paper companies and forest managers around the world. This in turn enables us to actively participate in developing solutions and pushing forward conversations about responsible sourcing and sustainable forestry.

Pulp and Paper Assessment

Completed
- Austria (1)
- Brazil (1)
- Canada (2)
- China (3)
- Japan (1)
- Sweden (1)
- Taiwan (1)
- United States (1)

Planned
- Brazil
- Chile
- Russia

Each assessment results in a comprehensive report detailing the supplier's performance against our policy requirements, and action items to address any performance gaps. We expect each supplier to develop corrective action plans with reasonable timelines, and continue to collaborate with 3M on resolution of identified opportunities. More information on these assessments can be found in our Pulp and Paper Sourcing Policy progress reports.

Conservation in the Carolinas

In May, 3M helped launch the Carolinas Working Forest Conservation Collaborative (CWFCC) along with the American Forest Foundation, International Paper, and The Procter & Gamble.

We have joined this collaboration to engage directly with family woodland owners in the U.S. Coastal Carolinas Plain to support sustainable forestry, conservation of bottomland hardwood forests, and the enhancement of habitat for at-risk species. Through the CWFCC, we intend to accomplish the following objectives:

- Increase awareness and understanding of the importance of sustainable forestry and active management among 30,000 woodland owners who collectively own 2.4 million acres of forestland in the Coastal Carolinas Plain region

- Work with at least 450 landowners across 36,500 acres in the project counties to connect them with technical assistance and resources to get them started in forest management

- Engage at least 160 woodland owners within the project area to enhance, restore, or expand bottomland hardwood forests and quality habitat for at-risk species on at least 13,000 acres

- Certify at least 120 landowners in a recognized forest certification standard

Responsible Paper Summit in Shanghai

In November 2017, 3M co-sponsored a Responsible Paper Summit in Shanghai, China. Over 40 representatives from more than 20 pulp and paper product producers in the greater China area attended two days of discussions on what it means to be part of a responsible and sustainable global paper supply chain, and how to advance sustainable forestry and responsible paper sourcing in the Asia Pacific (APAC) region. An impressive list of ideas and proposed actions were generated during this summit, and has resulted in momentum toward more engagement and sustainable practices throughout these organizations and their supply chain partners.
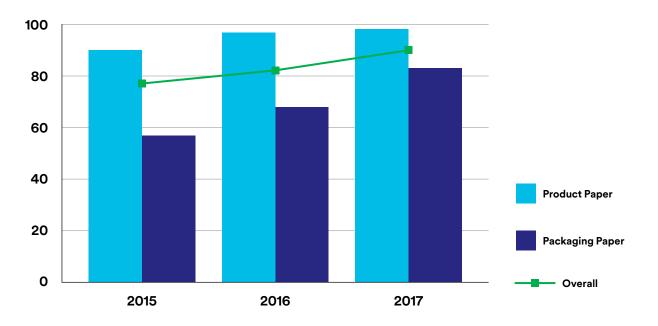
Collaboration for change

3M Brazil is a signatory to The National Pact to Eradicate Slave Labor, which was established in 2005, and is now institutionalized in InPACTO (the Institute for the National Pact) a trade association focused exclusively on collaborative efforts among members, including 3M, committed to the goals of the National Pact.

Supplier of the Year Award

In 2017, 3M recognized 15 top suppliers among thousands in its global supply base, for world class performance in providing products and/or services. These suppliers were identified and rated based on strategic spend, contract compliance, actions taken to improve 3M's relevance, and overall supplier performance (quality, delivery, responsiveness, cost, technology, and Sustainability roadmaps).
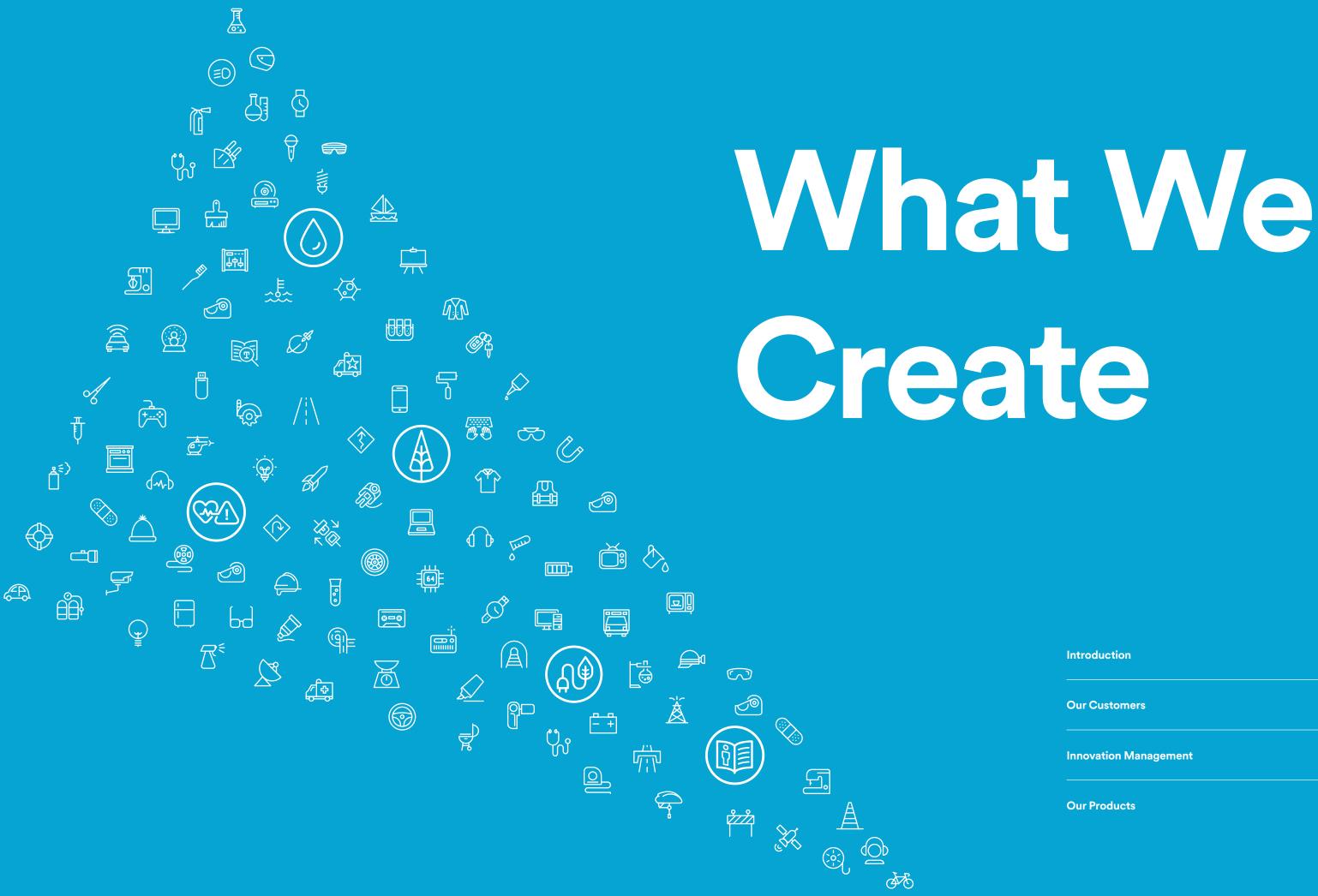
Learn more about the Supplier of the Year Award: here.

Looking forward…

Using LSS methodologies, a project is being conducted to develop a more efficient and effective way of obtaining, managing, and storing supplier-related information. The new 3M SRC Supplier Declaration will be included as part of this project. All suppliers will be required to complete the declaration, stating they understand the SRC and that they and their subcontractors will have programs and practices that are consistent with the SRC. The process will be rolled out globally in 2018, reflecting the increased supplier expectations related to Labor, Ethics, EHS, and Management Systems.

We recognize there are risks in the supply chains of other materials. Through our partners like RMI, TFT, and InPACTO, we are continuing to increase our understanding and options to mitigate risks through collaboration. For example, RMI is actively working on formulating risk mitigation tools for the cobalt industry. 3M is committed to expanding our due diligence efforts for higher risk materials to further mitigate risk to our business and advance responsible supply chains.

Pulp and Paper Sourcing Policy
Engagement Status, Percentage

Legend:
- Product Paper
- Packaging Paper
- Overall

What We Create

Introduction

What We Create

Our customers' challenges are our challenges. Using our 46 technology platforms and collaborative culture, we invent products that help our customers solve the issues they are facing in many areas, including health, safety, and energy.

We are not stopping here. We have established aggressive goals for 2025, ranging from investing in sustainable materials and energy efficiency, to community-wide approaches to water management and helping our customers reduce their greenhouse gas emissions. We have also set 2025 goals around building a diverse workforce and educating individuals on worker and patient safety in healthcare and industrial settings.

Our Customers

3M science impacts the world around us in real ways every day.

Our Commitment

We leverage our 46 core technology platforms to improve lives in a variety of ways. 3M is:

- The light management technology making road signs brighter and easier to read, and electronic displays more vivid and colorful…while drawing less power

- The adhesive technology holding your car, hotel, and cellphone together; our adhesive platform is applied in many other areas, from medical dressings and dental fillings to Scotch® tapes and Post-it® notes

- The filtration technology that protects people's health and safety, from respirators and masks for industrial and health care workers to air filters and water treatment systems for home

3M has the resources, reach, and responsibility to improve the marketplace and society.

Where many companies view the topic of Sustainability in product development as a challenge, at 3M we have taken an offensive approach, working to identify and understand future Sustainability needs, and to expand our portfolio of products with Sustainability advantages.

By embedding Sustainability into our research and development (R&D) process, our brands and the mindset of our suppliers and customers, we're able to move 3M's growth to new levels and advance our commitment to improving our business, our planet, and every life.

2025 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.

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

We will continue to support empowerment and enrichment for global health and safety issues through our commitment to improve the health and safety of people worldwide so we can all focus on what matters most to us. To measure progress against this goal, we will track the number of training instances through our Health Care and Personal Safety Academies.

Our Actions

We have an initiative called Customer First that's all about understanding our customers' business models, what they have promised their customers, and what our role is in the value chain. Found throughout our 3M Playbook, it is helping our customers deliver on their promises. It is our Vision, as we aspire to advance every company, enhance every home, and improve every life.

Here are some examples of our Customer First approach in action.

Business Transformation starts and ends with our customers

3M Business Transformation leverages our strengths in technology, manufacturing, and global capabilities, to provide a more positive overall experience for our customers. This transformation centers around the creation of one global, seamlessly integrated platform coupled with standardized business processes, resulting in:

• Improved service delivery
• On-demand capabilities
• Better responsiveness
• Enhanced collaboration
• Increased customer intimacy

In short, Business Transformation is helping us build strength on strength, drive to higher levels of customer satisfaction, and to:

• Move to a simpler, more automated environment
• Standardize global, end-to-end processes
• Leverage Lean Six Sigma (LSS)
• Strengthen governance

Leveraging unique capabilities to create value for our customers

Technology itself is not sufficient to create differentiated products and solutions. Our innovation truly comes from the confluence of customer and market insights, technology, and our culture of collaboration and entrepreneurship. We strive to invent things that are not only new, but useful. That is why collaborating with customers is essential. It assures we are in tune with their needs. Our most successful products are infused with strategic customer insights throughout the entire product development process.

Two different models for gathering insights

"Customer-inspired innovation"

Back in the 1920's when one of our scientists visited the local body shop of a customer, he watched workers struggling to get clean lines for two-tone paint jobs. His observation led to the invention of Scotch® masking tape.

Today, in 36 international labs – and in 54 technical centers – our scientists work directly with local customers to solve their unique challenges. We take the time to get to know them, to learn how they live and work – and to understand what we can do to improve their lives.

This includes challenges our customers have come to us for help with, as well as challenges they didn't even know they had, as the 3M scientist behind our creative medical dressings can tell you. His division had a program that allowed scientists to be embedded in a hospital for an entire week. While there, he observed nurses repeatedly lifting up bandages to inspect wounds and intravenous (IV) sites. A simple idea struck him: Why not make the bandage transparent? That led to

3M's market-leading medical Tegaderm™ transparent dressings, which fit snug, breathe easy, and allow for painless inspection.

"Insights to Innovation" (i2i)

3M works "eye-to-eye" with end-user customers to invent solutions to their unique problems.

This model often makes use of the 3M Insights to Innovation process, a process that involves exploration, optimization, validation and ideation, and ultimately allows new business teams to move from "I think" to "I know."

Insights to Innovation includes a close focus on both global and local megatrends. The way we look at it, with new market needs come new opportunities to deliver value to our customer.

Technical capabilities close to customers

As an organization, we believe that the best way to acquire insights is to be close to the customers. With that in mind, we have built a large global presence and infrastructure as well as technical capabilities close to our customers.

We have 54 customer technical centers across the globe where our customers can experience firsthand the breadth of 3M technologies and how they can benefit from them. We also have labs in 36 countries where our scientists work closely with our customers to develop solutions for their specific problems.

Some of the problems addressed in our technical centers and labs are connected to regional and local megatrends. Globally, for example, rapid population growth in urban areas is creating challenges related to energy efficiency, clean water, and environmental protection. Our local scientists leverage our technologies to develop relevant solutions that are unique to their region, often collaborating with local customers.

Addressing customer Sustainability expectations

We know many of our customers have strong Sustainability and corporate responsibility expectations for their suppliers, just as we do for ours. 3M always wants to be the supplier of choice for our customers. As demonstrated in this report, we set our sights on world-class performance in Sustainability and corporate

Technical Capabilities Close to Customers
54 customer technical centers and labs in 36 countries.

● Customer technical center
○ Laboratory

More than 100,000 customers visited this year.

responsibility, and we believe we meet or exceed customer requirements in these areas.

As proud as we are to share our Sustainability story with our customers, we are also motivated to influence and encourage alignment and harmonization among the proliferation of industry standards and partner to drive real Sustainability improvements where they are needed.

Education that inspires, credibility that empowers

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 enhance access to training on worker and patient safety in both healthcare and industrial settings.

Through the 3M Academy, learning is designed to suit the users: on-demand education, live webinars, in-person events, and education resources. Our site or yours, training delivered where and when you want it and in the way you need it.

As a manufacturer of health care devices and supplies, 3M not only provides great products, we also deliver education and training on worker health and safety and to health care professionals at hospitals and clinics, professional conferences, and via online webinars – all around the world, through the 3M℠ Health Care Academy. In 2017 alone, we offered over 350 learning modules. That's not only important to helping customers get the most out of our products, it's our commitment to helping professionals improve outcomes for their patients and customers.

The same holds true for our Personal Safety Division where we understand the most important part of every product is keeping people safe and healthy. In a rapidly evolving business and occupational health and safety landscape, one thing remains the same, the need for effective training and education to help create and maintain a healthy and safe workplace. Our education and training programs can instruct workers on: workplace safety hazards and health risks; regulatory personal protection equipment (Occupational Safety and Health Administration, OSHA); and proper use and maintenance of 3M products. This includes a mobile training and demonstration center in the U.S. that will appear at numerous locations thought out the year.

Looking forward...

To succeed in today's fast-moving world, we must continue to see around the corner to where the market is going. We gain insights by understanding megatrends:

- Reimagining natural resources: supply and demand of natural resources, including fossil fuels, minerals, renewables, water, and food will experience a powerful transformation

- Shifting demographics: a gradual but powerful shift in the composition, location, and sheer size of the Earth's population is at the core of nearly all observable global trends

- Expanding digital economy: digitization is fundamentally changing how businesses and individuals interact, make decisions, and conduct daily operations

- Evolving economic landscape: the center of world economic influence is transitioning from dominance of developed countries toward an increasingly multipolar environment

We will continue to leverage our diversified technology portfolio to create innovative solutions for our customers and markets. We are evolving our technology platforms for the changing and anticipated needs of high-growth markets, and we are augmenting our material science expertise with digital where appropriate to create value for our customers and for 3M.

Educating customers on worker and patient safety

We will continue our efforts to drive growth by engaging our customers in a trusted, best-in class education offerings and delivery systems. In 2018 and beyond, our focus is to provide our customers and partners relevant and timely education in a contemporary, flexible format. We look to create value for our customers and partners through workforce development and retention, and personalization, through an efficient global platform. This will expand upon current online and in-person events via eLearning webinars, modules, and product application training. This efficient global education platform also will help promote accurate and transparent reporting as we strive toward our 2025 worker and patient safety training goal.

3M Science. Applied to Life.™

#improvinglives means making life easier and more productive at home and at work.

We are creating innovative products that keep homes clean, offices organized, and buildings well-maintained.

Consumer

Innovation Management

Applying science to solve problems and improve lives.

Our Commitment

At 3M, we believe science is just science – until you use it to improve the world. That is
3M Science. Applied to Life.™

We are a company rooted in scientific exploration and discovery. We believe that every problem has a solution. All our businesses are connected by our fundamental strengths – technology, manufacturing, global capabilities, and our brand – which allow us to invent, build, and sell products across our vast global network.

Research and development (R&D) is our heartbeat. We continue to invest in R&D, in close partnership with our customers and the marketplace. R&D fosters a constant stream of unique and cutting-edge products, which drive organic growth. In fact, in 2017, we invested 1.87 billion (USD) or nearly 6 percent of our sales back into R&D. We are committed to continue our investment in R&D.
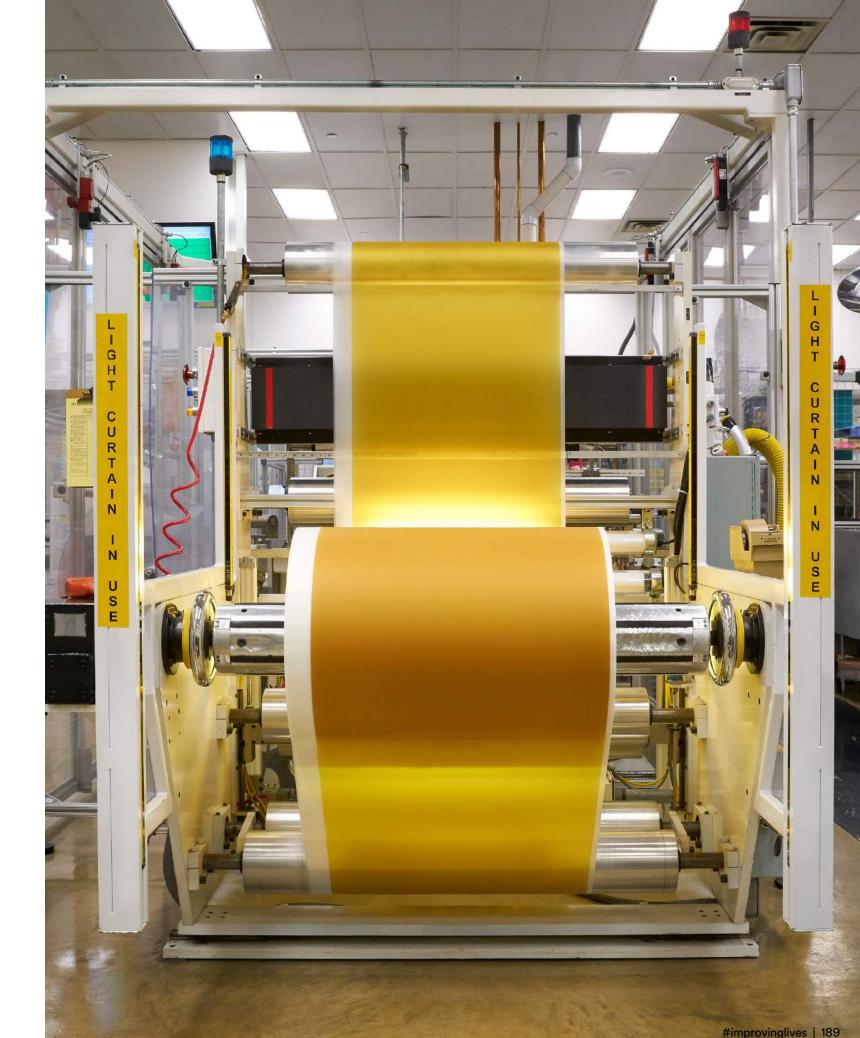
There are no silos – our 46 technology platforms are shared and combined across businesses and regions to invent unique products for a variety of industries. No single business owns any of these platforms. They are owned by the company and can be leveraged by any of the businesses to serve their respective customers or markets.

Our "15% Culture" – instituted six decades ago – inspires creativity, risk-taking, and collaboration. It gives 3Mers the freedom to take risks, and learn from our mistakes. That freedom is essential to scientific discovery. 3Mers have the freedom to spend 15% of their time on projects that interest them. Out of that time come new ideas that might eventually become successful new 3M products.

3M has earned more than 109,000 patents over the years, a testament to the strength of our innovation engine. Every year, on average, 3M earns 3,000 patents.

We are in nearly 200 countries, with two thirds of our workforce and sales outside the U.S. Employing integration and collaboration across businesses, geographies, and scientific disciplines helps us effectively and efficiently bring new ideas and products from the lab to the factory to customer's homes and businesses.

With operations in about 70 counties, we can serve our customers wherever they are. We are expanding our technology capabilities around the world. We collaborate with customers to discover solutions together and identify challenges that they may not be aware of, finding answers by utilizing 3M's technology, manufacturing, and global capabilities.

The policies and standards that guide the design, manufacture, and marketing of 3M products share a common foundation: the 3M Code of Conduct.

The Code of Conduct is an overarching guide to the appropriate decisions and actions of 3M individuals and teams as they go about their work. It defines our values and the responsibilities 3M employees and 3M suppliers have to live up to them.

Under this broad umbrella of values are principles that more specifically outline what 3M believes is the ethical approach to various work situations, including situations that involve innovation management of 3M products.

Product Safety, Quality, and Stewardship Principle

SD 14 | **EN** 27 | **PR** 1-3,6   In the Code of Conduct, one principle reinforces our commitment to product safety, quality, and stewardship: the Product Safety, Quality, and Stewardship Principle. Product safety, quality, and stewardship must always be primary considerations during design, manufacture, marketing, and sales of 3M products. 3M employees must know and follow all applicable laws, regulations, and 3M policies, standards, and procedures for product safety, quality, and stewardship and must report and respond to concerns in a diligent manner. 3M management is responsible for addressing reported concerns and ensuring that 3M employees are properly trained in applicable laws and regulations and 3M policies, standards, and procedures.

As well, we look at it as our responsibility to produce products with superior environmental performance across their entire life cycle, and to work with our suppliers and business partners so that their operations support these same objectives.

Product Safety, Compliance, and Stewardship Policy

3M's Product Safety, Compliance, and Stewardship Policy underscores our commitment to commercializing and selling products that are safe for their intended use(s), compliant with all applicable Environmental Health and Safety (EHS) regulations and 3M expectations, and developed with a goal to continuously improve the EHS performance of products and corresponding manufacturing processes. Other elements of this policy:

- Each 3M Business Unit must maintain processes for the effective global review of product safety, compliance, and stewardship requirements. This includes consideration of EHS aspects relevant throughout the life cycle of a product, including raw material selection, product design, formulation, manufacture, marketing, sale, intended and anticipated use or misuse, recycling, and disposal.

- Business processes must be incorporated into New Product Introduction (NPI) and Management of Change (MOC) procedures, and product safety, compliance, and stewardship requirements must be integrated into the development, commercialization, and sale of 3M products.

Hazard Communication and Composition Disclosure

PR 2-3,6   Communicating the potential hazards of 3M materials supports 3M's core values and is an integral part of keeping stakeholders informed about 3M materials. The vehicles for communicating these hazards and product chemical components include Safety Data Sheets (SDS), product labels, product literature, transportation classification documentation, and other communications tools. Each business unit must evaluate the potential hazards of 3M materials and transmit, in local country language(s), information about the hazards to employees, contractors, and customers, to meet all regulatory requirements and 3M standards and guidelines, and to promote informed decisions about the materials' proper and safe handling, use, and disposal.

Alternatives to Animal Testing

3M is a major advocate for the use of alternative test methods (non-animal) to help develop safe products wherever practical. 3M is currently utilizing many of these alternative methods, such as computational toxicology and in vitro testing using isolated tissues or cells. We are also investing in the internal and external development of new methodologies that replace animal testing. Where animal testing is required, we follow our Animal Welfare in Testing and Research Policy.

Additional policies

PR 3,6
- Human Subject Research Policy
- Advertising/Product Representation Policy

Our Actions

To understand 3M you have to understand our four fundamental strengths which are leveraged across the entire enterprise: technology, manufacturing, global capabilities, and our brand.

We are not a conglomerate with distinct and disconnected businesses. Our model is different. All our businesses are connected by these four strengths which allow us to invent, build and sell products across our vast global network.

3M's Fundamental Strengths

Technology
Ability to share and combine elements of 3M's broad technology portfolio to produce unique, differentiated products, translating to premium margins.

Manufacturing
Utilization of 3M manufacturing footprint and technology, including process trade secrets, leading to higher-performing products and lower unit costs.

Global Capabilities
Subsidiary front and back office footprint that allows for the effective development, adaptation, and commercialization of products.
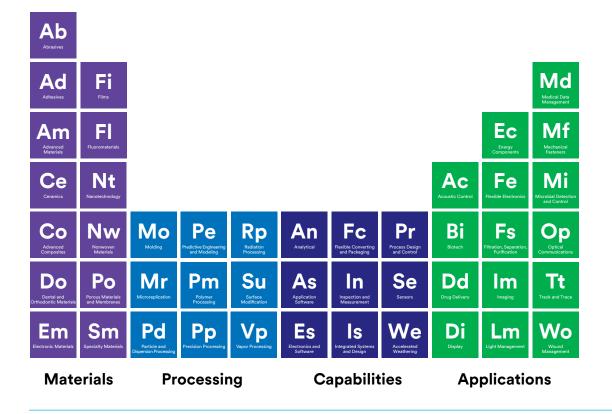
Brand
Brand equity in the 3M brand and in strategic brands that are shared across business groups.

Technology Programs

3M science is comprised of 46 technology platforms, ranging from adhesives and abrasives, to microreplication, and nonwoven materials.

Ab Abrasives

Ad Adhesives **Fi** Films

Am Advanced Materials **Fl** Fluoromaterials

Ce Ceramics **Nt** Nanotechnology

Co Advanced Composites **Nw** Nonwoven Materials **Mo** Molding **Pe** Predictive Engineering and Modeling **Rp** Radiation Processing **An** Analytical **Fc** Flexible Converting and Packaging **Pr** Process Design and Control **Bi** Biotech **Fs** Filtration, Separation, Purification **Op** Optical Communications

Do Dental and Orthodontic Materials **Po** Porous Materials and Membranes **Mr** Microreplication **Pm** Polymer Processing **Su** Surface Modification **As** Application Software **In** Inspection and Measurement **Se** Sensors **Dd** Drug Delivery **Im** Imaging **Tt** Track and Trace

Em Electronic Materials **Sm** Specialty Materials **Pd** Particle and Dispersion Processing **Pp** Precision Processing **Vp** Vapor Processing **Es** Electronics and Software **Is** Integrated Systems and Design **We** Accelerated Weathering **Di** Display **Lm** Light Management **Wo** Wound Management

Md Medical Data Management **Ec** Energy Components **Mf** Mechanical Fasteners **Ac** Acoustic Control **Fe** Flexible Electronics **Mi** Microbial Detection and Control

Materials   **Processing**   **Capabilities**   **Applications**

Our Technology

These technology platforms are owned by the company. Development teams within each of our businesses and corporate research laboratories draw from these technologies to develop unique solutions for their customers and markets.

Here's an example of how one 3M technology platform, adhesives, is applied to different markets through our various businesses.

We engineer our adhesives to be strong enough to hold planes, cars, and hotels in one piece.

At the same time, we engineer them to be gentle enough for human skin… as you'll find in our medical tapes and dressings.
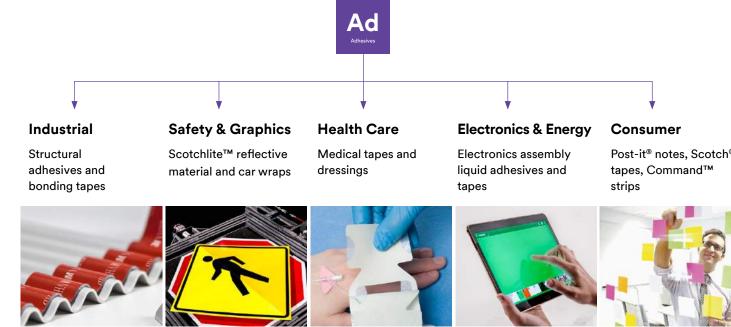
And versatile enough to virtually eliminate the needs for screws inside your smartphone, making it stronger, lighter, and more durable.

And of course, our adhesives are found in the 3M products you're most familiar with like Post-it® Notes, Scotch® Tape, and Command™ Strips.

Imagine: that's just one technology. There are similar stories with each of the 46 platforms.

Imagine, too: if a single technology platform can be leveraged in that many ways and across that many markets, think of the endless possibilities when we combine them.

Leveraging Technologies Across Our Business

Ad Adhesives

Industrial
Structural adhesives and bonding tapes

Safety & Graphics
Scotchlite™ reflective material and car wraps

Health Care
Medical tapes and dressings

Electronics & Energy
Electronics assembly liquid adhesives and tapes

Consumer
Post-it® notes, Scotch® tapes, Command™ strips

New-to-the-World Solutions from Combining Technologies

High-Performance Window Film

Ad Adhesives **Fi** Films **Nt** Nanotechnology **Lm** Light Management

Medical Dressings

Ad Adhesives **Fi** Films **Fc** Flexible Converting and Packaging **Nw** Nonwoven Materials
Sm Specialty Materials **Wo** Wound Management **Su** Surface Modification **Pm** Polymer Processing

Filtek™ Dental Adhesives, Restoratives and Crowns

Am Advanced Materials **Ce** Ceramics **Nt** Nanotechnology **Do** Dental and Orthodontic Materials
Co Advanced Composites **Bi** Biotech **Pd** Particle and Dispersion Processing **Su** Surface Modification

Driving success today, while building for the future.

We are always making investments to make our company even stronger, which includes our technology capabilities. That is why we invest close to 6 percent of our sales in R&D, which in 2017 equaled $1.87 billion.

As our Chief Executive Officer says, he leads 3M with one eye on the microscope – driving results day to day, month to month, quarter to quarter –and the other eye on the telescope, making sure we are making investments for five, 10, 15 years down the road.

Product Design Criteria

In 2017, we have been working to bring additional clarity and consistency to the policies and standards that support the Product Safety, Quality, and Stewardship Principle.

Product Stewardship Audits

3M has been on the leading edge of product stewardship audits, beginning with self-assessments in international regions in 2007, and incorporating global on-site audits in 2014. These audits evaluate, among other elements, product hazard and risk assessment, chemical control, lifecycle management, and consumer product safety. The goal of these audits is to assure that regions are meeting corporate standards, and to share best practices globally.

Collaboration

One of many things that makes 3M a singular company is our commitment to collaboration. There are no silos here. We collaborate with each other. Across businesses. Across technologies. Across oceans and continents.

Case in point: the 3M Tech Forum, a self-directed and self-organized catalyst for the 10,000-plus people in 3M's technical community. Begun more than 60 years ago, the Tech Forum gives 3M researchers the opportunity to compare notes with global colleagues, collaborate around the company's 46 technology platforms, and develop

new ideas that fuel the 3M innovation pipeline. The collaborating takes place at an annual global event, spring symposiums, recognition programs, and many chapter events held throughout the year. Included among our Tech Forum chapters are the Global Product Stewardship and the Green Chemistry chapters.

Deliver efficient growth

By leveraging strategic partnerships with several stakeholders internally and externally, 3M is able to transform diverse ideas and creativity into superior technologies, business assets, and innovative product platforms.
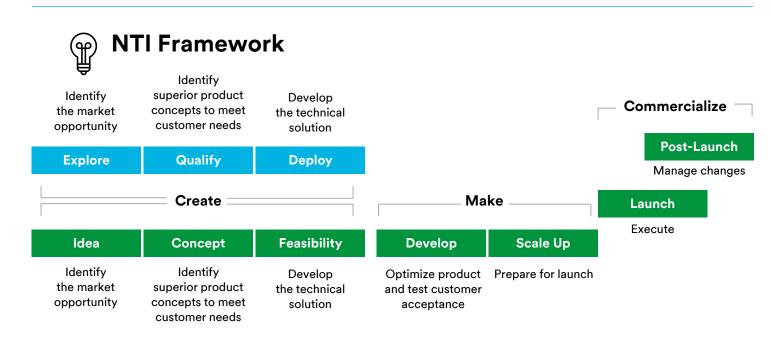
Our New Technology Introduction (NTI) framework helps us manage the design and development of a new technology which may be used in several different new products.

Meanwhile, our seven-phase New Product Introduction (NPI) process provides the robust framework for developing products from idea to launch.

Together, 3M's NTI and NPI processes provide a common framework for technology and product commercialization for all global business. Information is required at every step, or gate, in the process, along with deliverable tasks. Having consistent practices throughout the company for technology and product creation assists in risk analysis by providing a common language from which to share tools and best practices and manage project portfolios.

Life Cycle Management

Life cycle management (LCM) is 3M's approach to assuring that EHS and associated regulatory considerations are integrated into the development and commercialization of 3M products through 3M's NPI process. At each of the seven phases of NPI, our business teams provide LCM deliverables. Likewise, we evaluate LCM impacts from product modifications through our corporate Management of Change process. We leverage these LCM processes to continuously improve the EHS performance of our products.

NTI Framework

Identify the market opportunity · Identify superior product concepts to meet customer needs · Develop the technical solution

Explore · **Qualify** · **Deploy**

Create

Idea · **Concept** · **Feasibility**

Identify the market opportunity · Identify superior product concepts to meet customer needs · Develop the technical solution

Make

Develop · **Scale Up**

Optimize product and test customer acceptance · Prepare for launch

Commercialize

Post-Launch · Manage changes

Launch · Execute

NPI Framework

Product Stewardship

PR | Responsibility for product stewardship at 3M is shared across a broad spectrum of functions positioned within businesses, regions, and corporate staff groups. Together, individuals across this spectrum 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, regulatory, and Sustainability. They help assure our products meet or exceed requirements stemming from 3M policies, governmental regulations, and from our customers.

In 2017, we continued our efforts to further enhance the extent to which our new products improve lives in socio-environmental terms. For example, we introduced a Sustainability Attributes Analyzer tool 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. This builds on our long-standing LCM process to further integrate Sustainability into the core of who we are at 3M.

Life Cycle Management

Research & Development · Manufacturing & Production · Distribution & Transportation · Protect Use & Reuse · Disposal Recycling · Raw Materials Acquisition

Life Cycle Assessments (LCA)

In addition to the LCM program which applies to all 3M products, we also complete ISO 14040-compliant LCAs for select 3M products. At 3M, we primarily complete cradle-to-gate LCAs, since the majority of our products have use and disposal life cycle stages that are difficult to characterize. We also complete cradle-to-gate LCAs

for a number of internally-produced chemicals that are used in manufacturing of 3M products. While it is not possible to complete full LCAs for all 55,000-plus unique 3M products, evaluation of these intermediates allows us to have a better understanding of the potential environmental impacts of key components and processes.

Global certification of our LCA process

In 2017, 3M LCA teams in the U.S. and Europe renewed their process certifications from The International EPD® System to demonstrate that appropriate procedures are in place to produce scientifically-sound, technically-defensible LCAs and EPDs (Environmental Product Declarations). Rather than conduct independent third-party reviews for each individual product LCA or EPD, the teams will continue to undergo an annual recertification process which evaluates conformance of the underlying management system with the program rules and ISO standards. This global certification of the LCA process for multiple parts of our organization is thought to be the first of its kind. It streamlines our processes and reduces time and cost, which enables us to complete LCAs for a larger portion of our diverse product portfolio.

Lifecycle approach in packaging design

G4 EN 28 In 2017, we continued our long-standing commitment to efficient paper and packaging use. Over the last four years, globally, we have reduced designed packaging weight of more than 12,000 metric tons, over half of which has come from paper-based packaging.

Packaging Solutions support starts early at 3M, with engagement within our NPI and LCM processes. In an effort to help 3Mers design packaging using a lifecycle approach, a new model was piloted in 2016 through 2017. This model demonstrated encouraging results and will be deployed in 2018.

Packaging Solutions provides continuous support throughout the value chain: collaboration with 3M R&D on potential packaging solutions; work with suppliers to optimize incoming packaging; work with supply chain to minimize scrap packaging and support sourcing's efforts to audit; and tracking conformance of top suppliers.

Looking forward...

In 2018, we will be implementing our newly adopted Chemical Management Policy. This policy reflects the evolving values of 3M and our stakeholders. Under this policy, to continually improve the EHS attributes of our products, 3M had identified specific chemicals whose use in products and manufacturing processes is subject to approval by the Corporate EHS Committee.

Building on our legacy of environmental stewardship, we are actively enhancing Sustainability in 3M product development, new product introduction (NPI), and a redesigned version of Life Cycle Management (LCM). As part of this effort, we are looking at global Sustainability issues as a source for innovation, more sustainable component selection as well as chemical and Sustainability touchpoints in NPI. In 2018 and 2019, we expect to be able to identify 3M products that carry Sustainability advantages and to enhance customer visibility of 3M chemical management achievements.

We will continue to deploy our "7 R" approach to sustainable packaging – remove, reduce, reuse, recycle, renew, revenue, and research – and identify opportunities to integrate life cycle thinking and processes into packaging development. We will also work with key suppliers to identify opportunities on Sustainability initiatives and continue collaboration efforts with cross-functional stakeholders.

3M Science. Applied to Life.™

#improvinglives means enabling a connected world from energy and the grid to electronics.

We are dedicated to creating products that improve not just the electronics we have today, but our ability to innovate and advance the technology of tomorrow - from efficient electronic devices, to assuring reliable sources of power.

Electronics & Energy

Our Products

SD We bring all of our solutions to different markets through our five business groups, which increases speed and efficiency by sharing technology, manufacturing, marketing, and other resources across all business groups.

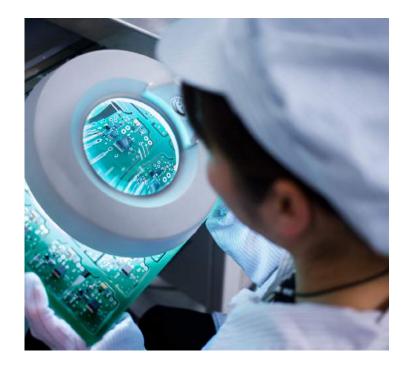## $31.7 billion sales

Consumer

Making life easier and more productive at home and work

Supplying an array of innovative products that keep homes cleaner, offices organized, and buildings well-maintained, our consumer business is home to some of our most iconic brands and well-known products, including Post-it,® Scotch,® Scotch-Brite,® Filtrete,™ O-Cel-O,™ Nexcare,™ and Command.™

$4.59 billion sales

Electronics & Energy
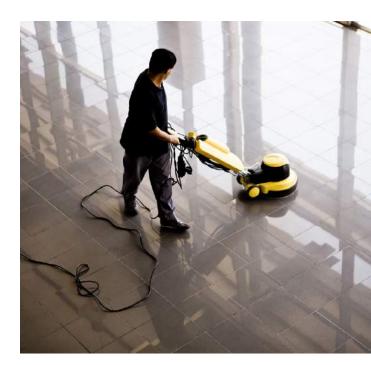
Advancing a connected world

We turn 3M technology into difference-making solutions for customers in electronics and energy markets around the world. We contribute to reliable sources of power including solutions that improve the dependability, cost-effectiveness, and performance of electronic devices; electrical products, including infrastructure protection, and power generation and distribution helping connect the world's power grid.

$5.16 billion sales

Industrial

From purification to aerospace, we change how industry works

We provide thousands of innovative products including tapes, abrasives, adhesives, specialty materials and filtration systems to dozens of diverse markets – from aerospace and automotive to purification and construction to general manufacturing. All, with a transformed approach to customer engagement.

$10.9 billion sales

Health Care

From preventing infections and protecting wounds, to improving oral health and ensuring food quality

Supplying innovative and reliable products that help health care professionals improve the quality and efficiency of care, we are a global leader in medical and oral care products, and drug delivery and health information systems. We are also bringing enhanced contaminant screening technology to the food safety table.

$5.81 billion sales

Safety & Graphics

From protecting people and improving road safety and mobility to enhancing visual and design communication

Our products – personal protective equipment, safety and security products, track and trace solutions and more – increase the safety, security, and productivity of people, locations and systems around the world. Also, we inspire creative communication and design with a broad portfolio of graphic solutions that enhance visual impact.

$6.15 billion sales

About Report

About Report

Report Scope and Boundaries

Report Schedule and Period

Current Issue: May 8, 2018
Next Issue: Scheduled for May 2019
Previous Issue: May 9, 2017

Before 2010, 3M's Sustainability Report was a fully integrated website. Therefore, copies before 2010 are not available.

This report provides a summary of the activities in fiscal year 2017 (January 1, 2017, to December 31, 2017).

Organizational Boundaries

This report covers 3M's owned manufacturing facilities and leased facilities worldwide, including joint ventures (if greater than 50 percent 3M ownership) and partially owned subsidiaries (if greater than 50 percent 3M ownership) where 3M has full operational control. Acquisitions are included in data sets once legally owned and fully integrated onto 3M systems. All data included in the report is global data unless otherwise specified. Any significant organization changes are identified in the Annual Report 2017 and 2018 Notice of Annual Meeting & 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 2017. For some performance indicators, the previous year's data are 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 Annual Report 2017

- **Environmental, Health and Safety (EHS) Data:** The EHS data in this report is related to release to the environment, safety performance, management systems implementation and regulatory compliance. Data collection systems are in place at applicable sites to track and collect environmental, health and safety data through the corporate-wide EHS reporting systems (e.g., Environmental Targets Database, Worldwide Incident Management System, etc.)

- **Social Data:** The data related to employee metrics, metrics, social practices, and community programs has been derived from various databases from within the Human Resources and 3Mgives organizations. The data have 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 before being acquired; however, on average integration ranges between one to three years.

Base Year and Other Adjustments

3M's Annual Report 2017 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 assure 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.

Whenever feasible, 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 disclosed in the report. Significant changes are defined by 3M's Sustainability Report as changes greater than 5 percent of the original data point.

Reporting year 2017 unionized global workforce value is 45 percent lower than previously reported in last year's Sustainability Report. This change is due to an improved internal global database system and potential historical calculation error. This change was identified during an internal audit.

Between 2005 and 2010, 3M adopted a holistic 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. 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).

3M's 2025 goal program utilizes 2015 as the base-year. Starting with this program, waste disposed and waste by disposal type does not include waste-to-energy. Total hazardous and total non-hazardous includes waste-to-energy.

Reporting year 2016 offsite reuse values represented in this report are 5.8 percent lower than previously reported in our 2017 Sustainability Report. This change is due to a data error identified during an onsite audit and review of our internal definition for offsite reuse values.

Data Verification

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

- Accuracy and completeness of data
- Reliability of systems used to measure and record data
- Reliability of ratios compiled from underlying data
- Adherence to the GRI G4 Reporting Guidelines
- Implementation of internal policies and related management systems as reported
- Presentation of a complete and fair picture in the report as a whole

Third-Party Verification: Bureau Veritas ["Assurance Provider"] provided independent third-party assurance for this report covering activities January 1, 2017 to December 31, 2017. Bureau Veritas provided moderate level of assurance in accordance with AA100AS-2008, Type 2. Bureau Veritas' assurance letter can be found in the report under 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 the Annual Report 2017, 2018 Notice of Annual Meeting & Proxy or other noted sources on 3M's Investor Relations website.

Our material aspects are identified in the GRI Index and reflected in our 2025 goals with focus on raw materials, water, climate and energy, health and safety, and

education and development. 3M self-declares the 2018 report as "In Accordance-Core".

United Nations Global Compact Communication on Progress

The United Nations 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 United Nations Global Compact principles in early 2014. This report includes an index of our Communication on Progress implementing the 10 principles as well as alignment with the United Nations 2030 Sustainable Development Goals (SDGs) within the content of this 2018 Sustainability Report.

Global Reporting Initiative Reporting Guidelines

3M has developed this report using the Global Reporting Initiatives' G4 Guidelines. The GRI Index table outlines where specific GRI reporting elements and indicators are addressed in the report.

United Nations Global Compact Principles and 2030 Sustainable Development Goals

Refer to the GRI Index table for cross-references of content in this report with the 10 Principles of the United Nations Global Compact, as well as alignment with the United Nations 2030 Sustainable Development Goals (SDGs).

Contact 3M

It is through collaboration and partnerships that 3M can accelerate Sustainability in our company to improve every life. You can contact 3M Sustainability at Sustainability@mmm.com.

GRI Index

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

SD	EC	EN	HR	LA	PR	SO
Standard Disclosure	Economic	Environment	Human Rights	Labor Practices	Product Responsibility	Society

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
COMMUNICATION ON PROGRESS

SD General Standard Disclosure

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-1	Statement from the most senior decision-maker of the organization	Message from our Chief Executive Officer	6	●	
G4-2	Description of key impacts, risks, and opportunities	Message from our Chief Executive Officer Global Challenges Materiality	6 46 48	●	

Organization Profile

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-3	Name of organization	3M Company		●	
G4-4	Primary brands, products, and services	Our Products Annual Report, 10-K, pages 4-7	198	●	
G4-5	Location of the organization's headquarters	3M Company 3M Center St. Paul, Minnesota, United States		●	
G4-6	Number of countries operating in, and countries with significant operations	70-plus Corporate Code of Conduct Annual Report, 10-K, page 10	 98	●	
G4-7	Nature of ownership and legal form	Annual Report, 10-K, page 4		●	
G4-8	Markets served	Our Products Annual Report, 10-K, pages 4-7	198	●	
G4-9	Scale of organization	Employee Programs Sustainability Metric Tables Annual Report, 10-K, pages 4-7	118 226	●	
G4-10	Total number of employees	91,500 Corporate Code of Conduct Health and Safety Sustainability Metric Tables Annual Report, 10-K, page 4	 98 130 226	◖	UNGC Principle 6 SDG 8
G4-11	Percentage of employees covered by collective bargaining	16 percent Human Rights	 106	●	UNGC Principle 6 SDG 8
G4-12	Description of supply chain	Suppliers	168	◖	
G4-13	Significant changes in organization during reporting period	Annual Report, 10-K, pages 74-78		●	
G4-14	Precautionary approach	Global Challenges Environmental Management Innovation Management	46 138 188	●	

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-15	External Sustainability charters, principles or initiatives	Stakeholders Human Rights	72 106	◐	
G4-16	List memberships of associations and organizations	Stakeholders	72	●	

Identified Material Aspects and Boundaries

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-17	Entities in consolidated financial statement	Annual Report, 10-K, pages 4-10 and 71-75		●	
G4-18	Process for defining the report content and aspect boundaries	Materiality	48	●	
G4-19	Material aspects	Materiality	48	●	
G4-20	Aspect boundary within	Materiality	48	●	
G4-21	Aspect boundary outside	Materiality	48	●	
G4-22	Effect of restatement of information	About Report	204	●	
G4-23	Report significant changes in the scope and aspect boundaries	No significant changes to applicable operational boundaries, scope, or measurement methodology.		●	

Stakeholder Engagement

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-24	List of stakeholders engaged	Stakeholders	72	●	
G4-25	Basis for stakeholder identification	Stakeholders	72	●	
G4-26	Approach to stakeholder engagement	Stakeholders	72	◐	
G4-27	Key topics of concern raised by stakeholders	Materiality	48	◐	

Report Profile

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-28	Reporting period	About Report	204	●	
G4-29	Date of most previous report	About Report	204	●	
G4-30	Reporting cycle	About Report	204	●	
G4-31	Contact point for questions	About Report	204	●	
G4-32	In accordance option	About Report	204	●	
G4-33	External assurance for report	About Report External Assurance Statement	204 220	●	

Governance

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-34	Governance structure	Corporate Governance	86	●	
G4-35	Delegation of authority for Sustainability topics	Corporate Governance	86	●	
G4-36	Executive level position for Sustainability topics	Corporate Governance	86	●	
G4-37	Process for stakeholder feedback to highest governance body	Corporate Governance	86	◐	SDG 16
G4-38	Composition of board	Corporate Governance 3M Board of Directors and Committee Composition	86	●	SDG 5, 16
G4-39	Chair is executive officer	Inge G. Thulin, Chairman of the Board and Chief Executive Officer Corporate Governance	6 86	●	SDG 16
G4-40	Nomination and selection process for board	Corporate Governance 3M Company Board of Directors Nominating and Governance Committee Charter	86	●	SDG 5, 16
G4-41	Conflicts of interest avoidance for board	Corporate Governance	86	●	SDG 16
G4-42	Governance body's role in development of values, mission statement, etc.	Corporate Governance	86	●	
G4-43	Measures to improve board's understanding of Sustainability impacts	Corporate Governance	86	●	
G4-44	Evaluation of board with respect to Sustainability impacts	Corporate Governance Nominating and Governance Committee Charter	86	◐	
G4-45	Board's role in identification and management of Sustainability risks	Corporate Governance	86	◐	SDG 16
G4-46	Board's role in reviewing organization's risk management for Sustainability risks	Corporate Governance Enterprise Risk	86 94	◐	
G4-47	Frequency of the board's review of Sustainability risks	Corporate Governance	86	●	
G4-48	Highest governing body's role in reviewing report and material aspects	Corporate Governance	86	●	
G4-49	Process for communicating critical concerns to board	Corporate Governance	86	●	
G4-50	Nature and number of concerns reported to board	This information is considered Business Confidential.		○	
G4-51	Remuneration policy for board	Compensation Proxy Statement, page 29 and 56	114	●	

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-52	Process for determining remuneration of board	Compensation Proxy Statement, page 31	114	●	
G4-53	Stakeholders' views sought for board remuneration policies	Compensation Annual Report, 10-K	114	●	SDG 16
G4-54	Ratio of annual compensation for highest paid individual versus median	Proxy Statement, page 70		●	
G4-55	Percentage increase of compensation for highest paid individual	The ratio of Chief Executive Officer pay to other positions is not a labor indicator currently tracked and disclosed. Our practice is to set pay targets at all levels, from the Chief Executive Officer on down, based on competitive external market data.		○	
G4-56	Organization's values, principles and standards	Corporate Code of Conduct	98	●	UNGC Principle 10 SDG 16
G4-57	Mechanisms for seeking advice on organizational integrity	Corporate Code of Conduct	98	●	UNGC Principle 10 SDG 16
G4-58	Mechanisms for reporting concerns about unethical behavior	Corporate Code of Conduct	98	●	UNGC Principle 10 SDG 16

EC Economic

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-EC1	Direct economic value generated and distributed	2017 Metrics 3M Interactive Analyst Center	226	●	SDG 2, 5, 7, 8, 9
G4-EC2	Financial risks due to climate change	Climate Change and Energy Annual Report, 10-K, page 11	156	◐	SDG 13
G4-EC3	Coverage of benefits plan obligations	Employee Programs Annual Report, 10-K, pages 89-100	118	●	
G4-EC4	Financial assistance received from government	3M does not receive significant financial assistance from the government. For some information about tax holidays and the U.S. research and development credit, refer to Note 9, Income Taxes, in Annual Report, 10-K, pages 86 to 90.		●	
G4-EC5	Ratio of entry level wage by gender compared to local minimum wage	3M sets and administers compensation based on external market competitiveness without regard to gender.		○	
G4-EC6	Proportion of senior management hired from local community	This information is considered Business Confidential.		○	

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-EC7	Development and impact of infrastructure investments	Communities	64	◐	SDG 2, 5, 7, 9
G4-EC8	Significant indirect economic impacts, including extent	Communities	64	◐	SDG 8, 10, 17
G4-EC9	Proportion of spending on local suppliers	Supplier spend by location is considered Business Confidential.		○	SDG 12

EC Environment

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-EN1	Materials used by weight and volume	Due to the diversity and complexity of manufacturing of 3M's products and associated materials portfolio, this data is not collected (by weight/volume) and aggregated to the extent it would indicate relevance at a corporate level.		○	
G4-EN2	Percentage of materials used that are recycled input materials	Due to the diversity and complexity of manufacturing of 3M's products and associated materials portfolio, this data is not collected (percent of recycled materials) and aggregated to the extent it would indicate relevance at a corporate level.		○	
G4-EN3	Energy consumption within the organization	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 7, 8 SDG 7, 8, 12, 13
G4-EN4	Energy consumption outside of the organization	Climate and Energy 2017 Metrics	156 226	◐	UNGC Principle 8 SDG 7, 8, 12, 13
G4-EN5	Energy intensity	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 8 SDG 7, 8, 12, 13
G4-EN6	Reduction of energy consumption	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 8 SDG 7, 8, 12, 13
G4-EN7	Reductions in energy requirements of products and services	Climate and Energy	156	●	UNGC Principle 8, 9 SDG 7, 8, 11, 12, 13
G4-EN8	Total water withdrawal by source	Water 2017 Metrics	152 226	●	UNGC Principle 7, 8 SDG 6

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-EN9	Water sources significant affected by withdrawal	Water	152	◑	UNGC Principle 8 SDG 6
G4-EN10	Percentage and total volume of water recycled and reused	Water	152	●	UNGC Principle 8 SDG 6, 8, 12
G4-EN11	Operational sites near protected or high biodiversity areas	Water	152	◑	
G4-EN12	Significant impacts on biodiversity	Environmental Management Water Significant impacts on biodiversity would be discussed in our Annual Report, 10-K .	138 152	◑	
G4-EN13	Habitats protected	Communities Environmental Management Supply Chain	64 138 168	◑	UNGC Principle 8 SDG 6, 14, 15
G4-EN14	Endangered species habitats near operational sites	Water 3M conducts environmental assessments of our operational sites, whereby biodiverse areas may be identified. Where applicable, a public database search is completed, which includes a wetland database. Site visits also identify rivers, creeks, potential wetlands, etc. that are on or near the facility being assessed.	152	◑	
G4-EN15	Direct GHG emissions	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
G4-EN16	Energy indirect GHG emissions	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
G4-EN17	Other indirect GHG emissions	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
G4-EN18	GHG consumption intensity	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 8 SDG 13, 14, 15
G4-EN19	Reduction of GHG emissions	Climate and Energy 2017 Metrics	156 226	●	UNGC Principle 8, 9 SDG 13, 14, 15
G4-EN20	Emissions of ozone depleting substances	Climate and Energy	156	◑	UNGC Principle 7, 8 SDG 3, 12
G4-EN21	NOx, SOx, and other significant air emissions	Climate and Energy	156	◑	UNGC Principle 7, 8 SDG 3, 12, 14, 15

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-EN22	Total water discharged by quality and destination	3M 2025 water goals are focused on water conservation and community engagement. The 3M Business Conduct requirements and the Environmental Policy require compliance with all applicable jurisdictional laws and regulations, including those on water discharge.		○	
G4-EN23	Total weight of waste by type and disposal method	Raw Materials 2017 Metrics	144 226	●	UNGC Principle 8 SDG 3, 6, 12
G4-EN24	Total number and volume of significant spills	Environmental Management 3M did not have any significant spills in 2017 that met the GRI definition of reportable in the organizations financial report (due to resulting liabilities).	138	●	UNGC Principle 8 SDG 3, 6, 12, 14
G4-EN25	Weight of hazardous waste	2017 Metrics The 3M Business Conduct requirements and the Environmental Policy require compliance with all applicable jurisdictional laws and regulations, including those on hazardous waste transportation.	226	◑	
G4-EN26	Water bodies affected by organization's water discharges	3M conducts environmental assessments of our operational sites, whereby biodiverse areas may be identified. Where applicable, a public database search is completed, which includes a wetland database. Site visits also identify rivers, creeks, potential wetlands, etc. that are on or near the facility being assessed.		○	
G4-EN27	Mitigation of environmental impacts of products	Innovation Management 3M Product Safety, Quality, and Stewardship Principle	188	◑	UNGC Principle 7, 8, 9 SDG 6, 8, 12, 13, 14, 15
G4-EN28	Percentage of products and packaging materials that are reclaimed	Raw Materials Innovation Management	144	◑	UNGC Principle 8 SDG 8, 12
G4-EN29	Fines for non-compliance with environmental regulation	Environmental Management 2017 Metrics	138 226	●	UNGC Principle 8 SDG 8, 16
G4-EN30	Environmental impacts of transporting products and members of workforce	Climate and Energy 2017 Metrics	156 226	◑	UNGC Principle 8 SDG 11, 13
G4-EN31	Total environmental protection expenditures and investments by type	Environmental Management	138	●	
G4-EN32	Percentage of new suppliers screened using environmental criteria	Suppliers	168	●	UNGC Principle 8
G4-EN33	Negative environmental impacts in the supply chain and actions taken	Suppliers	168	◑	UNGC Principle 8 SDG 15
G4-EN34	Number of grievances about environmental impacts	This information is considered Business Confidential.		○	

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GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-LA15	Negative labor practices impacts in the supply chain and actions taken	Supplier	168	◖	SDG 8, 16
G4-LA16	Grievances about labor practices	This information is considered Business Confidential.		○	

PR Product Responsibility

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-PR1	Percentage of product categories for which health and safety impacts are assessed/improved	Innovation Management Product Safety, Quality, and Stewardship Principle	188	◖	
G4-PR2	Non-compliance concerning health and safety impacts of products	Corporate Code of Conduct Innovation Management Product Safety, Quality, and Stewardship Principle	98 188	◖	
G4-PR3	Organization's procedures for product labeling	Corporate Code of Conduct Innovation Management Product Safety, Quality, and Stewardship Principle Advertising and Product Representation Principle	98 188	●	SDG 12
G4-PR4	Number of incidents for non-compliance with labeling	Significant non-compliance with labeling would be discussed in our Annual Report, 10-K.		◖	SDG 16
G4-PR5	Results of customer satisfaction surveys	This information is considered Business Confidential.		○	
G4-PR6	Sale of banned or disputed products	Innovation Management Product Safety, Quality, and Stewardship Principle Advertising and Product Representation Principle	188	●	
G4-PR7	Non-compliance concerning marketing communications	Significant non-compliance concerning market communications would be discussed in our Annual Report, 10-K.		◖	
G4-PR8	Substantiated complaints regarding breaches of customer privacy	3M respects customers' right to privacy: see 3M Global Internet Privacy Policy. Significant non-compliance concerning substantiated complaints regarding breaches of customer privacy would be discussed in our Annual Report, 10-K.		○	
G4-PR9	Significant fines for non-compliance with provision and use of product	Significant fines for non-compliance with provision and use of product would be discussed in our Annual Report, 10-K.		◖	SDG 16

SO Society

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-SO1	Percentage of operations with local community engagement, etc	Communities	64	◖	UNGC Principle 1
G4-SO2	Operations with significant impact on local communities	Environmental Management Raw Materials Water Climate and Energy Suppliers Human Rights	138 144 152 156 168 106	◖	UNGC Principle 1
G4-SO3	Percentage of operations assessed for risks related to corruption	Corporate Code of Conduct Be Honest	98	◖	UNGC Principle 10 SDG 16
G4-SO4	Communications and training of anti-corruption policies	Corporate Code of Conduct Be Honest	98	◖	UNGC Principle 10 SDG 16
G4-SO5	Confirmed incidents of corruption and actions taken	Corporate Code of Conduct	98	◖	UNGC Principle 10 SDG 16
G4-SO6	Value of political contributions by country and recipient	Corporate Governance Corporate Code of Conduct Lobbying and Political Activities Principle	86 98	◖	UNGC Principle 10 SDG 16
G4-SO7	Legal actions for anti-competitive behavior	Significant legal actions for anti-competitive behavior, anti-trust and monopoly practices would be discussed in our Annual Report, 10-K.		○	
G4-SO8	Monetary value of significant fines	Environmental Management Significant fines would be discussed in our Annual Report, 10-K.		◖	SDG 16
G4-SO9	Percentage of new suppliers screened for impacts on society	Suppliers	168	◖	
G4-SO10	Negative impacts on society in the supply chain and actions taken	This information is considered Business Confidential.		○	
G4-SO11	Grievances about impacts on society	This information is considered Business Confidential.		○	

Disclosure Levels

● Full　◖ Partial　○ Not Disclosed　　*United Nations Global Compact Principles　　*United Nations Sustainable Development Goals

Assurance Statement

INDEPENDENT ASSURANCE STATEMENT

Introduction and objectives of work

Bureau Veritas North America, Inc. (Bureau Veritas) was engaged by 3M Corporation (3M) to conduct an independent assurance of its 2018 3M Sustainability Report (the Report). This Assurance Statement applies to the related information included within the scope of work described below. The intended users of the assurance statement are the stakeholders of 3M. The overall aim of this process is to provide assurance to 3M's stakeholders on the accuracy, reliability and objectivity of the information included in the Report as described in the scope of work. The assurance process also evaluated 3M's management of sustainability in accordance with the principles of inclusivity, materiality and responsiveness.

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

Scope of work

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

- Data included in the Report for the calendar year 2017 reporting period as shown in the attached Summary of Assured Information;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze and review the data subject to the assurance process; and
- Evaluation of the Report in accordance with the Assurance Standard AA1000AS (2008)[1] Type 2 assurance.

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

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

Methodology

Bureau Veritas undertook the following activities during the assurance process:

1. Interviews with relevant personnel of 3M (including managers and staff members at the corporate and site level);
2. Review of internal and external documentary evidence produced by 3M;
3. Audit of performance data presented in the Report including a detailed review of a sample of data;
4. Visits to manufacturing sites located in Cottage Grove, MN; Aberdeen, SD; and Stafford Springs, CT;
5. Remote data reviews for manufacturing sites located in Gendorf, Germany; Tuas, Singapore; and Sumaré, Brazil;
6. Visit to 3M headquarters office located in Maplewood, Minnesota; and

[1] Published by AccountAbility: The Institute of Social and Ethical Accountability

7. Review of 3M data and information systems for collection, aggregation, analysis and internal verification and review.

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

Our findings

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

▪ Nothing has come to our attention to indicate that the reviewed information within the scope of our verification is not materially correct.

▪ Nothing has come to our attention to indicate that the reviewed information is not a fair representation of the actual environmental and health and safety data for calendar year 2017.

▪ It is our opinion that 3M has established appropriate systems for the collection, aggregation and analysis of quantitative data, including energy use, direct and indirect greenhouse gas (GHG) emissions, water consumption, waste quantities and disposition, injury and illness rate, lost day rate, severity rate and number of environmental violations.

A summary of data within the scope of assurance for 2017 is attached.

Adherence to the AA1000 Accountability Principles

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

Inclusivity

Based on discussions with 3M, their processes appear to be inclusive of stakeholders. In 2016, 3M commissioned a third party provider to update their materiality assessment and has since been using that assessment to identify and engage stakeholders. Some of the stakeholder groups that 3M has identified to include in their sustainability processes include 3M employees, customers, non-governmental organizations, investors and the public.

Materiality

3M updated their materiality assessment in 2016. The Chief Technology Officer serves a leadership role for the company's Science, Technology and Sustainability (STS) committee, which consists of a small group of key 3M leadership that continues to consider the materiality of sustainability issues. Background information on the STS can be found in the 3M proxy statement:

http://s2.q4cdn.com/974527301/files/doc_financials/2017/Annual/2018_3M_Company_Proxy.pdf

Responsiveness

3M receives questions regarding sustainability from customers, investors, non-governmental organizations and others through various channels. The company has guidance for responding to customer inquiries on sustainability issues and uses this guidance for responding to other groups as well. Responses to surveys are coordinated by the corporate sustainability group. Each business group also has sustainability leads who assist with responding to stakeholders.

Key Observations for 2017

▪ Data systems at 3M allow for consolidation and review of environmental, safety, and energy data at the corporate level for reporting.

▪ Plants in water stressed areas have developed water plans and 3M is working to continue to improve the plans through standardization and working with regional groups.

▪ With corporate staff support, plants are developing project plans that have quantified expected results to meet overall reduction goals with respect to waste and water. This provides additional support to the planning for achieving goals.

▪ 3M continued its commitment to considering sustainability in the development of new products by conducting life cycle assessments to determine water consumption and GHG emissions from new products compared to existing products used for the same purpose.

▪ Control of emissions of high global warming potential compounds from manufacturing processes is continuing to evolve to reduce process-related GHG emissions.

▪ Community giving is aligned with core organizational values to improve lives with a focus on education, community and the environment. 3M provides community support through various engagements in the community. Corporately, the 3M Foundation provides funding to charitable organizations. 3M also makes in-kind donations.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual 2017 revenue of 4.69 Billion Euros.

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

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

Attestation:

John A. Rohde Lead Verifier
Senior Project Manager
Sustainability and Climate Change Services

Candice Derks, Technical Reviewer
Technical Director
Climate Change Services

Bureau Veritas North America, Inc.
Denver, Colorado
April 30, 2018

AA1000
Licensed Assurance Provider
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Summary of Assured Information
Reporting Year 2017
3M Company

Demographic Metrics	Units	Value
Total Global Full-time Equivalent (Headcount)	Total Number	91,500
Total Global Employees at Year-End (Headcount)	Total Number	92,400
Total Number Part-Time Employees	Total Number	2,330
Total Number Full-Time Employees	Total Number	90,000
Percentage of Female Employees to Total Employees	%	34.7
Percentage of Female Employees in Management Positions	%	29.1

Environmental Management System Metrics	Units	Value
Total Number of Significant Spills (Spills reported in 10K reporting)	Total Number	0
Number of Significant Fines (Fine or penalty >$10,000)	Total Number	2
Total Monetary Value of Significant Fines	Million $USD	0.090
Environmental Liability Accrued at Year End	Million $USD	0

Health and Safety Metrics	Units	Value
Global Lost Time Incident Rate	Per 100 3M employees (200,000 work hours)	0.344
Global Recordable Incident Rate	Per 100 3M employees (200,000 work hours)	1.16
Work Related Fatalities - 3M Employees	Total Number	0
Work Related Fatalities - 3M Contractors	Total Number	1
Work Related Fatalities - Total Number	Total Number	1

Waste Metrics	Units	Value
Zero Landfill	% of Total Manufacturing Sites	28%
Waste Disposed: Landfill, Treatment and Incineration (Absolute)	Metric Tons	159,000
Waste by Disposal Type, Incineration	Metric Tons	45,100
Waste by Disposal Type, Landfilled	Metric Tons	114,000
Total Hazardous Waste (Absolute)	Metric Tons	43,800
Total Nonhazardous Waste (Absolute)	Metric Tons	187,000
Total Waste Diverted (Absolute)	Metric Tons	306,000
Waste-to-Energy	Metric Tons	71,800
Onsite Recycle & Reuse	Metric Tons	60,300
Offsite Reuse	Metric Tons	31,600
Offsite Recycle	Metric Tons	142,000

Water Metrics	Units	Value
Total Water Use (Absolute)	Million Cubic Meters	46
Sites located in Water Stress/Scarce Areas; water sources significantly affected by withdrawal of water with water	Total Number	25

Supplier Responsibility Metrics	Units	Value
Total Number of Suppliers	Total Number	85,100
Total Number of Supplier Reviews	Cumulative Number since 2008	5,790

Energy Metrics	Units	Value
Total Energy Use (Absolute)	MMBTUs	29,600,000
Total Energy Use (Absolute)	MWh	8,670,000
Total Fuel Oil #1, #2, #6	MMBTUs	1,130,000
Total Jet Fuel	MMBTUs	138,000
Total Propane	MMBTUs	177,000
Total Gasoline and Diesel	MMBTUs	155,000
Total Coal	MMBTUs	0
Total Natural Gas	MMBTUs	15,700,000
Total Electricity Consumption	MMBTUs	11,100,000
Total Steam Consumption	MMBTUs	1,220,000

Other Metrics	Units	Value
Customer GHG Avoidance through 3M Product Use	Million Metric Tons CO2e	13

Air Emissions Metrics	Units	Value
Absolute Scope 1 Emissions (Direct)	Metric Tons CO2e	3,960,000
Absolute Scope 2 Location-based Emissions (Indirect)	Metric Tons CO2e	1,880,000
Absolute Scope 2 Market-based Emissions (Indirect)	Metric Tons CO2e	1,650,000
Absolute Scope 1 and Scope 2 Market-based Emissions (Indirect)	Metric Tons CO2e	5,610,000
Total Scope 3 GHG Emissions (Upstream)	Metric Tons CO2e	9,340,000
Category 1 - Purchased Goods and Services	Metric Tons CO2e	6,570,000
Category 2 - Capital Goods	Metric Tons CO2e	436,000
Category 3 - Fuel and Energy Related Activities	Metric Tons CO2e	631,000
Category 4 - Upstream Transportation and Distribution	Metric Tons CO2e	1,050,000
Category 5 - Waste Generated in Operations	Metric Tons CO2e	279,000
Category 6 - Business Travel	Metric Tons CO2e	40,900
Category 7 - Employee Commuting	Metric Tons CO2e	332,000
Category 13 - Downstream Leased Assets	Metric Tons CO2e	<1000
Total Volatile Organic Compound Emissions (Absolute)	Metric Tons	4,500

Metric Tables

3M Historical Metrics

Metric	Metric Units	RY-2002	RY-2005	RY-2010	RY-2015	RY-2017	Historical Reporting Change %
Net Sales	Million $USD	16,300	26,700	29,600	30,300	31,700	94.5
Environmental Footprint							
Absolute Scope 1 Emissions (Direct)	Metric Tons CO_2e	16,800,000	10,100,000	4,280,000	3,770,000	3,960,000	-76.4
Absolute Scope 2 Location-based Emissions (Indirect)	Metric Tons CO_2e	1,540,000	1,700,000	1,940,000	1,860,000	1,880,000	22.1
Total GHG Emissions (Indexed to Net Sales, Location-based)	Metric Tons per Net Sales (MM $USD)	1,120	559	233	186	184	-83.6
2012-2016 U.S. EPA GHG-MRR/IPCC AR5 based inventory accounting is not directly comparable to 2002-2011 WRI/IPCC TAR, AR4 based GHG accounting. 2002 inventory recalculated according to U.S. EPA GHG-MRR/IPCC AR5 methodology (2.7% increase in absolute emissions over original reported value).							
Total Volatile Organic Compound Emissions (Absolute)	Metric Tons		6,800	6,070	4,800	4,500	-33.8
Total Volatile Organic Compounds Emissions (Indexed to Net Sales)	Metric Tons per Net Sales (MM $USD)		0.321	0.228	0.158	0.142	-55.8
Total Energy Use (Absolute)	MMBTUs		27,900,000	26,800,000	28,400,000	29,600,000	6.09
Total Energy Use (Absolute)	MWh		8,170,000	7,860,000	8,320,000	8,670,000	6.12
Total Energy (Indexed to Net Sales)	MMBTUs per Net Sales(MM $USD)		1,320	1,010	937	935	-29.2
Waste Disposed: Landfill, Treatment and Incineration (Absolute)	Metric Tons		145,000	136,000	158,000	159,000	9.66
Waste Disposed: Landfill, Treatment and Incineration (Indexed to Net Sales)	Metric Tons per Net Sales (MM $USD)		6.83	5.09	5.21	5.03	-26.4
Starting in 2016, waste disposed and waste by disposal type does not include waste-to-energy. Total hazardous and total nonhazardous waste below includes waste-to-energy.							
Total Hazardous Waste (Absolute)	Metric Tons		47,700	42,300	45,400	43,800	-8.18
Total Nonhazardous Waste (Absolute)	Metric Tons		132,000	134,000	172,000	187,000	41.7
Total Water Use (Absolute)	Million Cubic Meters		49.0	43.0	42.2	46.0	-6.12
Total Water Use (Indexed to Net Sales)	Million Cubic Meters per Net Sales (MM $USD)		0.00231	0.00161	0.00139	0.00145	-37.2
Health and Safety							
Global Lost Time Incident Rate	Per 100 3M Employees (200,000 work hours)		0.594	0.364	0.321	0.344	-42.1
Global Recordable Incident Rate	Per 100 3M Employees (200,000 work hours)		1.85	1.56	1.22	1.16	-37.1

Social Performance, Employees

Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Global Full-time Equivalent Employees	Total Number	88,700	89,800	89,400	91,600	91,500	-0.109	3.16
Global Employee (Headcount)	Total Number	89,600	90,700	90,400	92,500	92,400	-0.108	3.13
Total Number Part-Time Employees	Total Number	2,580	2,560	2,520	2,390	2,330	-2.51	-9.69
Total Number Full-Time Employees	Total Number	87,000	88,200	87,900	90,100	90,000	-0.111	3.45
Percentage of Female Employees to Total Employees	%	33.7	33.9	33.9	34.8	34.7	-0.287	2.97
Percentage of Female Employees in Management Positions	%	25.3	26.1	26.9	27.8	29.1	4.68	15.0

Financial Performance

Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Net Sales	Million $USD	30,900	31,800	30,300	30,100	31,700	5.32	2.59
Operating Income[1]	Million $USD			6,980	7,030	7,690	9.39	
Research, Development and Related Expenses[1]	Million $USD			1,760	1,760	1,870	6.25	
Total Operating Expenses[1]	Million $USD			23,300	23,100	24,000	3.90	
Net Income Attributable to 3M	Million $USD	4,660	4,960	4,830	5,050	4,860	-3.76	4.29
Per Share-Basic	Actual $USD	6.83	7.63	7.72	8.35	8.13	-2.63	19.0
Per Share-Diluted	Actual $USD	6.72	7.49	7.58	8.16	7.93	-2.82	18.0
Capital Expenditures	Million $USD	1,670	1,490	1,460	1,420	1,370	-3.52	-18.0
Dividends Paid to Shareholders and Cash Interest Payments	Million $USD	1,900	2,390	2,700	2,870	3,020	5.23	58.9
Provision for Income Taxes	Million $USD	1,840	2,030	1,980	2,000	2,680	34.0	45.7

1. Amounts for Operating Income; Research, Development, and Related Expenses; and Total Operating Expenses were reclassified back to 2015 to reflect the adoption of an accounting standard (ASU No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost) effective January 1, 2018 on a retrospective basis. Amounts prior to 2015 have not been reclassified.

Community Engagement

Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Total Global Giving	Million $USD	61.6	81.3	72.8	67.3	73.5	9.21	19.3
Total Cash Donations	Million $USD	30.3	30.3	34.1	34.8	35.9	3.16	18.5
Total In-Kind Donations	Million $USD	31.3	51.0	38.4	32.5	37.6	15.7	20.1

Environmental Performance

Environmental Management System — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017
Total Number of Significant Spills	Total Number	0	0	0	0	0
		Significant spill: spills included in the organization's financial statement.				
Number of Significant Fines	Total Number	2	1	0	0	2
		Significant fine: fine or penalty over $10,000.				
Total Monetary Value of Significant Fines	Million $USD	0.0630	0.113	0	0	0.0900
Environmental Liability Accrued at Year End	Million $USD	0	0	0	0	0

Greenhouse Gas — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Absolute Scope 1 Emissions (Direct)	Metric Tons CO_2e	5,590,000	4,390,000	3,770,000	4,140,000	3,960,000	-4.35	-29.2
Absolute Scope 2 Location-based Emissions (Indirect)	Metric Tons CO_2e.	2,360,000	2,240,000	1,860,000	1,840,000	1,880,000	2.17	-20.3
Absolute Scope 2 Market-based Emissions (Indirect)	Metric Tons CO_2e				1,780,000	1,650,000	-7.30	
Total Scope 1 and 2 GHG Emissions: Market-based Accounting	Metric Tons CO_2e				5,920,000	5,610,000	-5.24	
Total GHG Emissions (Indexed to Net Sales, Location-based)	Metric Tons per Net Sales (MM $USD)	258	208	186	199	184	-7.54	-28.7
Customer GHG Reduction Through Use of Various 3M Product Platforms	Million Metric Tons CO_2e			14	13	13		

Net GHG emissions based on the categories evaluated. Due to change in boundaries, Scope 3 upstream emissions should not be compared on a year-on-year basis. Baseline reporting year has not been established for our Scope 3 emissions.

Greenhouse Gas — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	Notes
Total Scope 3 Emissions (Upstream)	Metric Tons CO_2e	8,760,000	9,260,000	8,690,000	9,490,000	9,340,000	
Total Scope 3 Emissions (Downstream)	Metric Tons CO_2e	All downstream categories either do not apply or are de minimis.					
Scope 3, Category 1 (Purchased Goods and Services)	Metric Tons CO_2e	6,730,000	6,830,000	6,200,000	7,120,000	6,570,000	Methodology updated to calculate values based on 3M spend using U.S. EPA EEIO factors. All historical values recalculated.
Scope 3, Category 2 (Capital Goods)	Metric Tons CO_2e	424,000	499,000	452,000	423,000	436,000	
Scope 3, Category 3 (Fuel and Energy Related Activities; Not Including Scope 1 or Scope 2 Emissions)	Metric Tons CO_2e	Partially included in Scope 1 and Scope 2 emissions reporting.	551,000	621,000	607,000	631,000	

Greenhouse Gas — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Scope 3, Category 4 (Upstream Transportation and Distribution)	Metric Tons CO_2e	1,230,000	995,000	780,000	699,000	1,050,000	Emissions disclosed in previous years (2013-2014) were miscategorized as Category 9; data does not include emissions from transportation of raw materials from suppliers.	
Scope 3, Category 5 (Waste Generated in Operations)	Metric Tons CO_2e	Insufficient data		254,000	248,000	279,000	Calculated from 3M primary data on waste by facility size or number of employees.	
Scope 3, Category 6 (Business Travel)	Metric Tons CO_2e	56,900	61,100	55,800	61,800	40,900	Calculated from 3M primary data on business travel.	
Scope 3, Category 7 (Employee Commuting)	Metric Tons CO_2e	322,000	326,000	325,000	332,000	332,000	Methodology updated to calculate values based on 3M employee headcount with U.S. EPA GHG Emission Factors. All historical values recalculated.	
Scope 3, Category 8 (Upstream, Leased Assets)	Metric Tons CO_2e	Included in Scope 1 and Scope 2 emissions reporting.					These emissions are included in Scope 1 and 2, because they are all under 3M operational control.	
Scope 3, Category 9 (Downstream Transportation and Distribution)	Metric Tons CO_2e							
Scope 3, Category 10 (Processing of Sold Products)	Metric Tons CO_2e	Not evaluated; most of 3M's products are intermediates with many potential end uses. According to the GHG Protocol Scope 3 Calculation and Guidance, a company that produces intermediate products with many potential downstream applications, each with a potentially different GHG emission profile, cannot reasonably estimate the downstream emissions associated with the various end uses of the intermediate products.						
Scope 3, Category 11 (Use of Sold Products)	Metric Tons CO_2e							
Scope 3, Category 12 (End of Life Treatment of Sold Products)	Metric Tons CO_2e							
Scope 3, Category 13 (Downstream Leased Assets)	Metric Tons CO_2e	Included in Scope 1 or Scope 2 emissions reporting.		<1,000	<1,000	<1,000	Prior to 2015, 3M reported facilities leased to third parties under Scope 1 and 2.	
Scope 3, Category 14 (Franchises)	Metric Tons CO_2e	0	0	0	0	0	No franchises under 3M financial control.	
Scope 3, Category 15 (Investments)	Metric Tons CO_2e	0	0	0	0	0	No investments under 3M financial control.	

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.

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

Greenhouse Gas — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Total Volatile Organic Compound Emissions (Absolute)	Metric Tons	5,430	5,550	4,780	4,630	4,500	-2.81	-17.1
Total Volatile Organic Compounds Emissions (Indexed to Net Sales)	Metric Tons per Net Sales (MM $USD)	0.176	0.174	0.158	0.154	0.142	-7.79	-19.3

Energy — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Total Energy Use (Absolute)	MMBtus	28,700,000	29,100,000	28,400,000	29,000,000	29,600,000	2.07	3.14
Total Energy Use (Absolute)	MWh	8,400,000	8,850,000	8,320,000	8,490,000	8,670,000		
Total Energy (Indexed to Net Sales)	MMBtus per Net Sales (MM $USD)	929	913	937	962	935	-2.81	0.646
Renewable Energy	% of Total Electricity Use			0.50	7.60	17.9	136	
Total Fuel Oil #1, #2, #6	MMBtus	1,490,000	1,630,000	1,330,000	1,200,000	1,130,000	-5.83	-24.2
Total Jet Fuel	MMBtus	143,000	161,000	153,000	159,000	138,000	-13.2	-3.50
Total Propane	MMBtus	138,000	192,000	170,000	190,000	177,000	-6.84	28.3
Total Gasoline and Diesel	MMBtus	190,000	209,000	270,000	155,000	155,000	0.00	-18.4
Total Coal	MMBtus	0	0	0	0	0		
Total Natural Gas	MMBtus	15,500,000	15,900,000	14,700,000	15,400,000	15,700,000	1.95	1.29
Total Electricity Consumption	MMBtus	10,300,000	11,100,000	10,600,000	10,700,000	11,100,000	3.74	7.77
Total Steam Consumption	MMBtus	902,000	1,010,000	1,130,000	1,180,000	1,220,000	3.39	35.3
Total Heating Consumption	MMBtus	18,300,000	19,100,000	17,700,000	18,300,000	18,500,000	1.09	1.09
Total Heating Consumption	MWh	5,370,000	5,590,000	5,190,000	5,360,000	5,430,000		

Waste — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Zero Landfill	% of Total Manufacturing Sites			28.2	26.6	27.9	4.89	
Waste Disposed: Landfill, Treatment and Incineration (Absolute)	Metric Tons	146,000	153,000	158,000	160,000	159,000	-0.625	8.90
Waste Disposed: Landfill, Treatment and Incineration (Indexed to Net Sales)	Metric Tons per Net Sales (MM $USD)	4.74	4.80	5.21	5.33	5.03	-5.63	6.12
Waste by Disposal Type, Incineration	Metric Tons	43,200	44,200	45,200	44,800	45,100	0.670	4.40
Waste by Disposal Type, Landfilled	Metric Tons	103,000	109,000	112,000	116,000	114,000	-1.72	10.7
% Data Coverage Total Waste (Absolute)	%	97	98	97	98	98	0.00	1.03

Starting in 2016, waste disposed and waste by disposal type does not include waste-to-energy. Total hazardous and total nonhazardous waste below includes waste-to-energy.

Waste — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Total Hazardous Waste (Absolute)	Metric Tons	39,400	41,100	45,400	43,800	43,800	0.00	11.2
Total Nonhazardous Waste (Absolute)	Metric Tons	153,000	164,000	172,000	180,000	187,000	3.89	22.2
Total Waste Diverted (Absolute)	Metric Tons	274,000	287,000	296,000	284,000	306,000	7.75	11.7
Waste-to-Energy	Metric Tons	45,700	51,900	60,000	63,400	71,800	13.2	57.1
Onsite Recycle & Reuse	Metric Tons	66,000	69,500	65,500	56,600	60,300	6.54	-8.64
Offsite Reuse	Metric Tons	32,000	31,900	31,300	27,600	31,600	14.5	-1.25
Offsite Recycle	Metric Tons	131,000	134,000	139,000	136,000	142,000	4.41	8.40

Water — Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Total Water Use (Absolute)	Million Cubic Meters	43.3	42.5	42.2	44.8	46.0	2.68	6.24
Total Water Use (Indexed to Net Sales)	Million Cubic Meters per Net Sales (MM $USD)	0.00140	0.00134	0.00139	0.00149	0.00145	-2.68	3.57
Sites located in water stress/scarce areas; water sources significantly affected by withdrawal of water with water conservation planning efforts	Total Number	22	27	25	25	25	0.00	13.6

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

Supplier Responsibility

Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Total Number of Suppliers	Total Number	107,000	95,800	98,500	88,200	85,100	-3.51	-20.5
Total Number of Supplier Reviews	Cumulative Number (since 2008)	3,210	3,880	4,570	5,120	5,790	13.1	80.4

Health and Safety

Metric	Metric Units	RY-2013	RY-2014	RY-2015	RY-2016	RY-2017	2016-2017 Annual Change %	2013-2017 Five Year Change %
Global Lost Time Incident Rate	Per 100 3M Employees (200,000 work hours)	0.339	0.355	0.321	0.304	0.344	13.2	1.47
Global Recordable Incident Rate	Per 100 3M Employees (200,000 work hours)	1.41	1.45	1.22	1.20	1.16	-3.33	-17.7
Work Related Fatalities - 3M Employees	Total Number	1	0	0	1	0		
Work Related Fatalities - 3M Contractors	Total Number	1	0	0	0	1		
Work Related Fatalities - Total Number	Total Number	2	0	0	1	1		

"This has been a real eye-opening process for these kids. You can see the light bulbs go off when they realize there are people out there who do the kinds of things they want to do professionally someday.

Projects like this help us, and companies like 3M and BBDO, learn how to build a partnership that exposes more kids of color in our community to this potential career field. That's a really powerful thing."

Bobby Rogers
JXTA Graphic Design Lab Lead