

We are

90,000 employees helping solve some of the world's biggest challenges, connected by a single ambition.

#improvinglives

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“Today, some of our most important goals serve the needs of everyone on this planet.”

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

A message from Inge G. Thulin



As a company serving a multitude of industries in nearly every country on the planet, we recognize the opportunity we have: to grow our business while solving some of the world’s biggest problems.

This requires, first and foremost, collaboration — with our customers, partners, and stakeholders. It means understanding the everyday Sustainability challenges faced by our customers, the important commitments companies and governments have made, and how all of this impacts the bigger picture — the large, long-term societal issues that must be faced to empower generations to come.

We look forward to forging new approaches that serve both business and society.

At the same time, we recognize the progress we have made throughout 2016, which demonstrates the value of keeping Sustainability in our sights at all times, and in all of the places 3M operates:

- We continued using science to develop products that address challenges facing our customers and our global community, including enhancing human health, promoting access to clean water, increasing energy efficiency, and enabling safe work environments.
- We released a new parental leave policy that extends the amount of leave while including both biological and adoptive parents, which is designed to help all parents play active roles in their families.

- We partnered with the Smithsonian to open the new National Museum of African American History & Culture in Washington, D.C., by providing financial and product support.
- A survey by the National Institute of High School Scholars ranked 3M as the top place to work for millennials.
- We convened customer conversations focused on Sustainability, and embedded Sustainability into our business strategies across the company and the globe.

We also began our journey toward our 2025 Sustainability Goals, which include investing in sustainable materials, energy efficiency, and water management; helping our customers reduce their greenhouse gas emissions through the use of our products; promoting worker and patient safety in health care and industrial settings; and strengthening our workforce by doubling 3M’s pipeline of diverse leaders by 2025.

In collaboration with our customers, partners and stakeholders, 3M will reach these goals. We will continue to invest in developing products that help our customers reach their targets, while increasing our own Sustainability efforts in accordance with the UN Global Compact and its principles.

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

A message from our Chief Sustainability Officer, Jean Bennington Sweeney

As Chief Sustainability Officer, I get the opportunity to speak to a variety of audiences about Sustainability topics.

I've talked with students, investors, 3M employees, B2B and B2C companies, consumers, government leaders, from across industries and across the globe, and there is one topic that resonates everywhere: purpose.



It's inspiring to see how the idea of working toward a greater good, and doing so with creativity and collaboration, really moves people. How recognizing individual roles in creating positive change can drive business as well as personal fulfillment.

I get to share how at 3M we have a Vision statement from our CEO that directly states our overarching purpose: to improve every life. And how a sense of purpose is at the heart of everything we do — from products to policies to partnerships.

This commitment to the greater good is growing every year. We are looking at ways to build purpose into leadership and talent development across the company, to recognize business opportunities that help our 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, which in turn serves us all.

As you read this report, and learn more about the journey we are on toward a greater purpose, I encourage you to think about your strengths and passions, the capability you have to impact societal issues, as well as the capabilities of your sphere of influence — your employer, your social network, your community — and see if there is opportunity for more purposeful work.

If we all recognize our opportunities and take action accordingly, the resulting impact serves individuals and society, and is, quite frankly, good for business.

Thank you for learning more about what we at 3M are doing toward #improvinglives, and for the purpose you bring to each and every day.

Jean Bennington Sweeney
Chief Sustainability Officer

“At 3M, we are driving both business growth and societal impact through purpose.”

– Jean Bennington Sweeney
Chief Sustainability Officer



We are 90,000 employees with a single ambition.

Improving Every Life

It's our Vision statement. But more than that it's a personal calling for 3M employees everywhere. A daily prescription to apply our science, our curiosity and our resources to the world's challenges, problems, needs and opportunities.

Sometimes, the answers are just what people are looking for. Sometimes, they are game-changing. Always, they are the product of purposeful collaboration — between 3Mers, 3M and customers, 3M and other organizations who share our passion for creating a better world.

Of course, important achievements don't happen overnight. They're the result of a journey that involves constant learning, improving and innovating. Lessons are encountered along the way. Those lessons are applied to the task at hand. And, in the end, the stories we create, the achievements of which we're most proud, reflect the meaningful difference we are able to bring to every life.

3M is a most preferred potential workplace

2016 survey by National Society of High School Scholars

In our drive to improve every life, every employee counts.

If a single virtue can be credited for 3M's ability to bring positive change to the world, it is our drive to create an environment where people can work with purpose.

A Desirable Location for Millennials

In a 2016 survey of 13,000 students and young professionals in the U.S., conducted by the National Society of High School Scholars, 3M bumped 2015 leader Google out of the top spot for most preferred potential workplace. Millennials are now the largest segment in the U.S. workforce and are especially important as businesses look to fill openings created by growth and the retirement of Baby Boomers. 3M was joined in the top 10 by several other highly-reputed

employers, including Google, Apple, Amazon, St. Jude Children's Research Hospital and Walt Disney Company. According to Society President James W. Lewis, millennials hope to find "fair treatment, corporate social responsibility and strong company benefits, which include flexible work schedules" in the workplace. In addition, survey participants expressed a keen interest in science, technology, engineering and mathematics (STEM), areas that match well with 3M's diverse career paths.

Leadership Development Programs

Of the many innovations 3M produced in 2016, this one may, in the long term, be the most important: breaking ground with a new leadership development platform. The Catalyst program will help the company develop leaders who can develop other leaders, empower teams that can create and innovate on behalf of customers, and inspire all 3Mers to be their best. It moves leadership development from a limited, time-based event to a continuous journey over 12 months, incorporating multiple face-to-face learning opportunities with

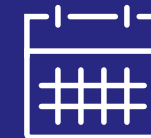
executive leaders, customers and peers, blended with online and mobile-enabled experiences. At the same time, the Amplify, Ignite and Spark programs will develop employees at all levels within the company. Participants will use real-time projects and spot coaching to develop their skills. They will also engage customers and community leaders throughout several phases of the program. In the end, Catalyst, Amplify, Ignite and Spark will develop 3M's global pipeline of talent while keeping the customer front and center.

New Expanded Parental Leave Benefits

“We listened to our employees. We’re looking at attracting and retaining talent. For us, it’s about creating a more engaged workforce.”


— Mike Anderson
3M Director of HR, Global Benefits

In 2016, 3M announced the expansion of its U.S. parental leave benefits. These benefits now extend to both biological and adoptive parents. Permitted time off has now been increased to 20 weeks, including 10 paid weeks. Biological mothers will also continue to receive six to eight weeks of short-term disability time off, for a total of up to 28 weeks of maternity leave. The expanded benefits are part of 3M's ongoing commitment to support greater work-life balance for employees across the company.



up to 28 weeks total maternity leave



15% 
promotes our innovation.

In 1948, 3M introduced a unique program that quickly became one of the signature elements of the company's reputation for innovation. The 15% program, which continues today, allows employees to dedicate up to six hours a week to their own projects, to range beyond the responsibilities of their job, hatch their own ideas and see what can become of them. The program is a perk that delivers benefits both to the individual and the company. Among other innovations, the company attributes the invention of Post-it® Brand notes to 15% time.

We see through the eyes and minds of children.

Child-like curiosity is one of the attributes we take seriously at 3M — and who better to demonstrate this quality than our own children. We featured them in a series of videos that demonstrate how we're working to address various global challenges. Suffice it to say, when it comes to improving lives, the next generation will be up to the task. See for yourself at: www.3M.com/Sustainability.



Our headquarters campus is always buzzing.

In some cases, the concept of Sustainability at 3M is viewed from afar. In other cases, it's right out our back door. Take the case of our St. Paul campus honey bee habitat, for example. A dramatic decline in the honey bee population through the early part of the 21st century has put the world's food production at risk — since about one-third of all crops are pollinated by honey bees. At 3M, some dedicated employees from the company's Mindfulness, Meditation and Leadership group have been doing their best to help turn things around for honey bees. They planted bee-friendly flower gardens on campus. And in June 2016, they took another big step, bringing two bee colonies to campus to help pollinate nearby trees and flowers. The colonies have become a hit with employees who walk the campus. As one employee says, "They're some of the smallest, but hardest working 3Mers yet."



We collaborate with customers. We innovate with purpose.

Clear Intentions and Cleaner Water in Flint

Few cities can attest to the importance of clean water, like Flint, Michigan. A city of about 100,000 people, 40 percent of whom live below the poverty line, Flint made national news headlines beginning in 2014 for problems its residents were having with the city's water supply. Inadequate treatment of the water, which came from the Flint River, had resulted in lead from aging service lines leaching into the water.

Lead exposure is not something to be taken lightly. In children, it can result in impaired cognition, behavioral

disorders, hearing problems and delayed puberty. In pregnant women, it can lead to reduced fetal growth. For anyone who's exposed, it can affect the heart, kidneys, and nervous system.

In Flint, testing by the U.S. Environmental Protection Agency (EPA) in 2015 revealed that the water in homes there carried from 50 to 150 parts per billion (ppb) of lead, up to 10 times more than the 15 ppb action level established by the EPA.

3M Innovation

About this same time, the 3M Separation and Purification Sciences Division was preparing plans to launch a new under sink water system, Filtrete™ Maximum Under Sink Water Filtration System 3US-MAX-S01H, offered at Lowe's and Walmart. Compared to other water systems offered in the retail market, the system is designed to connect to a faucet, filters up to 1,500 gallons of water up to a six-month life, and—most important—could claim a 99.3 percent lead reduction in water that passed through it.

The 3M team felt this could be a compelling solution for the people in Flint and over 2,000 municipalities affected by lead contamination. So they fast-tracked the launch of the product and inquired about the possibility of donating systems to residents there. After passing a review process that included a donation review board with representatives from the mayor's office, the Michigan governor's office, the EPA, Michigan Dept. of Environmental Quality (MDEQ), the local United Way and local plumbers union, it was agreed that 3M would set up a pilot program in the fall of 2016 to provide systems to residents in around 20 homes in the city. The United Way and MDEQ determined residents in need. The local plumber's union agreed to donate services to install the systems along with new faucets. And, for the first time in months, residents of those homes were able to use their kitchen faucets, with filtered water flowing, a much preferable alternative to using bottled water for everything from cooking to drinking to bathing.

Test Results

Sixty days later, the Michigan Department of Environmental Quality tested the water in 13 of those homes. Lead levels in all 13 were below the detection limit. (Note: Residents of the other homes with the 3M system were also happy with the results, but chose not to have their water tested.)

3Mgives

Since then, 3M — through 3Mgives — has donated an additional 600 under sink systems and 600 water filters, a retail value of \$72,000, to the United Way-Genesee County. The local Habitat for Humanity is working with Flint residents in need (e.g. senior citizens, poverty-stricken parents) to install these 600 systems in the first half of 2017.

For the 3Mers who worked on this effort, the Flint program has been a memorable experience; a living demonstration of 3M Science. Applied to Life.™

The residents of Flint who have had the 3M system installed in their homes agree. Said one resident, "This is a very positive thing they're doing."

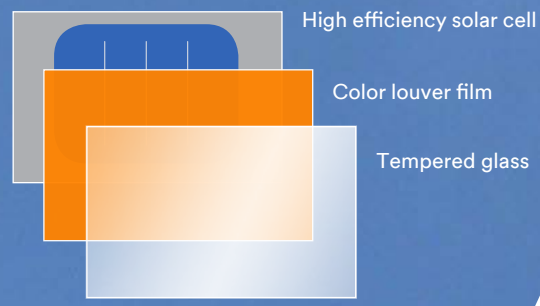


We're up on the roof rethinking solar.

A film developed by 3M scientists makes it possible for roof tiles to efficiently transform sunlight into electricity, all while taking on the appearance of classic, residential roof tiles.

The key to making this possible: 3M micro louver technology. The technology is like that used in 3M Privacy Filters, which prevent viewers at certain angles from seeing content on a mobile device or computer screen, but allow the user to see everything clearly. From a 90-degree angle, you can clearly see the solar cells on each solar roof tile, but from the ground, the tile appears like an average roofing tile.

3M scientists compare the technology to micro venetian blinds; allowing for efficient conversion of sunlight to energy, while also accommodating different aesthetic and architectural styles. Even better? Standard roofing tiles do not provide a fiscal benefit to a homeowner after installation. Imagine if solar roofs can help power households and even provide energy cost savings.



A life without identity often means a life without support — no social security, no health care, and no government subsidies. More than 300 million citizens in India know this only too well. This is a group without any ID documents to prove who they are, which makes it hard to distribute food, health care and farming subsidies to them. For the last two decades, the Indian government has made it a priority to get India's poorest citizens access to documented identity and all that comes with it. To this end, the government launched the National ID program to promote paperless identity in 2009. When government leaders looked for a partner to work with them on this, a 3M India team met the challenge. They started with a fingerprint scanner used in China and adapted it to meet the specific needs in India. The product had to be compatible with smart phones and accurate even when citizens — many of them laborers — have worn fingerprints. They set up a factory in six weeks and started producing the scanner locally.

Solutions for an Identity Crisis in India

L.A. cools down city's urban heat island effect.

On a sunny afternoon, the typically dark, impermeable surfaces of urban roofs and pavements can get warm in the sun and actually heat the air. It's called the urban heat island effect. Meanwhile, on the same sunny afternoon, the air temperature in nearby rural areas tends to be cooler — because rural surfaces are more reflective and permeable.

Urban heat islands (“UHIs”) can increase energy use, degrade air quality, and aggravate heat-related illnesses in cities. In addition, there is concern about UHIs contributing to climate change.

These issues led Los Angeles which has the highest UHI effect in California, to create an ordinance that mandates “cool roofs” for all new residential construction projects. 3M™ Cool Roofing Granules, based on a patented 3M

technology, are one way Los Angeles contractors are meeting the ordinance requirements. 3M Cool Roofing Granules reflect sunlight and heat that other shingles would typically absorb. This helps reduce urban heating as well as lower energy consumption in climates with year-round cooling needs — like Los Angeles. Many of the shingles that contain 3M Cool Roofing Granules meet Energy Star requirements, making them one of the premiere choices for green building.



Cool roofs
reduce electricity bills
and help protect lives.



Disposable Respirator Stockpile Maintenance Program

Managing inventories of personal protective equipment (PPE) for a major health care enterprise or government organization is a complex, time-consuming, and often costly task. 3M, in 2016, took a leadership role in helping organizations deal with these issues. Our Disposable Respirator Stockpile Maintenance Program helps reduce costs — while making sure respirator inventory stays up to date and ready to go when needed.

Elements of the program include: a rebate on purchases made to replenish preparedness inventory; information about product recycling, disposal options, and product donation alternatives; and a customized inventory management tool that provides enterprise-wide, real-time updates of inventory levels and shelf life status at each of an organization's locations.

To help organizations with older inventory that needed to be replaced, 3M partnered with a recycler that agreed to take shipments of expired product at no cost.

Reducing Healthcare Packaging Footprint



3M Healthcare removed the cardboard core in the comfort layer roll of 3M™ Coban™ 2 Layer Compression System, a therapeutic compression system used to manage venous leg ulcers, edema, and lymphedema — and reduced the thickness of the product package. These two steps eliminated over 75,000 pounds of packaging per year, or the weight of 18 average passenger cars.

**2 steps eliminated
75,000 lbs.
of packaging per year.**



Pain Relief for Incontinence Sufferers

As our aging population grows, nurses continue to see more instances of tough-to-manage skin breakdown due to incontinence. So they were thrilled when, in late 2016, 3M introduced revolutionary 3M™ Cavilon™ Advanced Skin Protectant, a high endurance skin protectant designed to stop, reverse and prevent the damaging effects of moderate to severe Incontinence Associated Dermatitis (IAD). This new product provides clinicians with compelling clinical and infection control benefits, while offering greater comfort and protection to patients, and giving institutions and nurses a more economical way to deliver effective, compassionate care. What's more, it provides an effective barrier for up to seven days and wears away naturally. Fewer reapplications are needed, compared to traditional pastes and ointments, and no need for removals means less potential disruption to fragile skin.



Net-Zero Energy

Net-zero buildings produce as much renewable energy as they consume. In Evanston, Illinois, you can shop in a brightly lit, energy efficient store — it's a Walgreens, and it's the chain's first net-zero energy store. Walgreens installed 3M's Daylight Redirecting Film on the store's west-facing windows; the innovative film is designed to diffuse and redirect sunlight up to the ceiling.

“By applying 3M Daylight Redirecting Film, we were able to solve our primary goal of reducing glare on our west-facing curtain wall,” says Jason Robbins, Manager of Mechanical Engineering, Walgreens, “while simultaneously saving energy by increasing the area we could use for daylight harvesting.”



We
engage
with the
community.

3M Legal Affairs Pro Bono Work

3M recognizes the importance of good corporate citizenship and supporting the communities in which it does business.

A shining example of this is 3M Legal Affairs, which supports pro bono service as a unique community service opportunity for legal professionals. Only legal professionals can address the unmet legal needs in the community. By leveraging legal skills and experience, 3M Legal Affairs helps bridge the gap and strengthen both the community and the justice system. In addition, engaging in pro bono service exposes legal professionals to new areas of the law and broadens perspectives while sharpening legal analysis and client communication skills. Pro bono services provide volunteers with a special level of personal fulfillment and the opportunity to engage with the community and new colleagues in a meaningful way. All of these benefits enhance 3M Legal Affairs, making it an attractive place to work and develop as legal professionals.

3M supports the National Museum of African American History & Culture.



The Smithsonian National Museum of African American History & Culture opened on the National Mall in Washington, D.C. in 2016.

3M is proud to be a Cornerstone Donor of the museum, investing more than \$5 million to help construct and enhance it, including \$1.6 million in 3M products. One of the enhancements: 100 3M touchscreens, positioned throughout the museum that help share American history through the lens of the African American experience. In the “Freedom Now: The Modern Civil Rights Movement 1945-1968” exhibit, for example, 3M touchscreens lead visitors through a question-and-answer application that informs them about the height of segregation, including stories about Freedom Marches and the Montgomery Bus Boycott. In all, the museum counts almost 37,000 artifacts in its extensive collection.

Total 3M investment
\$5 more than
million

GlobalGiving

In 2016, 3Mgives sponsored the purchase of more than \$20,000 in GlobalGiving gift cards which were then handed out at conferences and other events, such as Net Impact and South by Southwest,® allowing recipients to give the gift card amount to a GlobalGiving-approved charity or cause of their choice. GlobalGiving is the first and largest global crowdfunding community that connects nonprofits, donors, and companies in nearly every country around the world.



This isn't the end.
It's just the beginning.

\$ 20,000
in GlobalGiving
Gift Cards



75 member
countries & regions

45+ skills

WorldSkills™ Partnerships

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. WorldSkills represents more than 45 skills in 75 member countries and regions, all working together to help prepare the workforce and talent of today for the jobs of the future.

5 years
Global Industry Partner
WorldSkills™ International

We are setting ambitious goals.

Sustainability is nothing new at 3M.

It is a journey that we have been on, arguably, since the company began. As early as 1932, 3M began providing short-term and long-term disability coverage and a pension plan for employees. In the early 1950s, we formed the 3M Foundation and established the employee safety department. And of course, the Pollution Prevention Pays program which was started at 3M in 1975, fundamentally changed the way governments and companies across the globe think about waste and pollution.

This is unparalleled early leadership. And 3M has continued to show leadership and results around Sustainability, setting aggressive goals for own operations to be achieved by 2025. The 2025 goals range from investing in sustainable suppliers, materials and energy efficiency to community-wide approaches, water management, zero landfill status, and helping our customers reduce their greenhouse gas emissions through the use of our products. 3M has also set goals to build an even more diverse workforce and educate individuals on worker and patient safety in health care and industrial settings.



Renewable Energy Boost

3M took significant steps in 2016 toward accomplishing its goal of increasing renewable energy to 25 percent of total electricity use by 2025.

In Texas, the company signed an agreement to purchase 120 MW of wind energy from Invenegy, a leading worldwide supplier of renewable power. The agreement includes the sale of wind energy from the Gunsight Wind Energy Center, to help support our operations across North America.

Meanwhile, on the other side of the globe, the 3M plant in Ranjangaon, India recently began producing renewable energy after converting an unused 10,000 square meter rooftop to a solar power generation installation. More than 1,500 solar panel modules were installed on the rooftop, capable of generating 14,000 MWH of electricity and saving \$1.3 million over the projected 20-year life of the modules. The system also includes a provision to feed energy to the India power grid when not needed in-house.

3M and the United Nations Sustainable Development Goals

At 3M, the Sustainability goals we've set for 2025 are framed around global challenges.

This is apparent when one considers how well our goals align with the goals the United Nations released in their 2030 Agenda for Sustainable Development in 2015.

The U.N. created 17 Sustainable Development Goals (SDGs) 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.

To learn how our goals at 3M are #improvinglives in accordance with, and in support of, the 2030 SDGs be sure to visit www.3m.com/sustainability.



Our Every Life Ambition



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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 reliably available, people have access to education and opportunity, and communities are safe, healthy, connected and thriving.

We aim to help make that world a reality. 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.



As the population grows, particularly in emerging economies, challenges like energy availability and security, raw material scarcity, human health and safety, education, and development must be addressed to assure people across the globe can lead healthy, fulfilling lives. We recognize that our impact includes that of our own operations as well as the far greater impacts we can make through our efforts in local communities and for our customers through the products we offer.

Raw Materials



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

materials to renewable products. Companies that address this issue not only help the planet, but they also gain a competitive advantage in the marketplace.

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

Water



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

Water is our world's most valuable natural resource. Despite water's prevalence, freshwater makes up only



2.5 percent of our total global water supply. A majority of freshwater is used for irrigation purposes, but nearly 30 percent of it is used for domestic consumption and industrial functions. Aging infrastructure and increased demand places a premium on clean, accessible water for 3M, our customers and communities around the world.

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

Climate and Energy



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

to fossil fuels, 3M takes a proactive and collaborative approach to addressing energy demand and climate change — in our operations and for our customers. We partner with our customers to understand their needs and address those needs. The issues around effective use of energy resources and climate change are complex and interconnected.

At 3M, we are focused on seeking solutions that promote energy conservation, clean energy infrastructure, and reductions in greenhouse gas emissions. We already have several products and technologies that reduce the impact of energy use, promote energy efficiency, and help our customers reduce their greenhouse gas emissions. Our goal is to continue developing and implementing global concepts for the greatest long-term impact.

Health and Safety



Global health and safety issues are prevalent in workplaces around the world. Food poisoning and water-borne illnesses lead to the deaths of three million people across the globe each year. At the same

time, approximately one of every 20 hospitalized patients in low- and middle- income countries will contract an infection while under medical care.

Governments, corporations and consumers are driving global demand for safety, protection, health-care 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. At the same time, the company has embraced this commitment in its own operations.

Education and Development



Global unemployment rates are expected to remain steady through 2017, particularly among youth. Today's job market has fewer opportunities, with most available jobs too specialized for young people

and recent graduates. As a technology company, 3M recognizes the importance of well-trained science, technology, engineering and math (STEM) graduates — we need young minds to step into specialized roles and help our company solve future challenges.

Materiality

Our Commitment



At 3M, we look at Sustainability in terms of shared global needs and the future of our business. As the population grows, particularly in emerging economies, challenges like energy availability and security, raw material scarcity, human health and safety, education, and employment must be addressed to assure people across the globe can lead healthy, fulfilling lives.

For this reason, 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 Chief Sustainability Officer (CSO) reviews and approves our Sustainability Report.

Our 2025 Sustainability Goals were developed from our 2014 materiality assessment.



Our Actions



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 newest set of Sustainability Goals. These goals go well beyond advancing our environmental stewardship efforts. Our goals focus on Raw Materials, Water, Climate and Energy, Health and Safety and Education and Development.

We set these 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
<p>1</p> <p>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.</p>	<ul style="list-style-type: none"> Energy use Community safety and health Reducing waste Reducing toxic substances Water shortages Water quality Working conditions Ethical business 	<ul style="list-style-type: none"> Energy use Community safety and health Water quality Working conditions Ethical business Scarcity of raw materials Human rights Climate change Air quality Transparency
<p>2</p> <p>Tier 2 issues are areas in which 3M is expected to act, but that are perceived as less urgent.</p>	<ul style="list-style-type: none"> Availability of products and services with sustainability attributes Air quality Climate change Human rights Treatment of workers Transparency Scarcity of raw materials Human health 	<ul style="list-style-type: none"> Availability of products and services with sustainability attributes Treatment of workers Reducing toxic substances Water shortages Reducing waste from operations <i>Food safety*</i>
<p>3</p> <p>Tier 3 issues are perceived as least urgent for 3M to address, but are still material and often still drivers of our overall reputation.</p>	<ul style="list-style-type: none"> Engagement with citizens on sustainable behavior Employment Advocating laws supporting sustainability Supporting community building 	<ul style="list-style-type: none"> Engagement with citizens on sustainable behavior Employment Advocating laws supporting sustainability Supporting community building Human health <i>Workplace diversity*</i> <i>Improving access to education*</i> <i>Responding to natural disasters*</i>

*New attributes added in 2016

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

Transparency has 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 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...

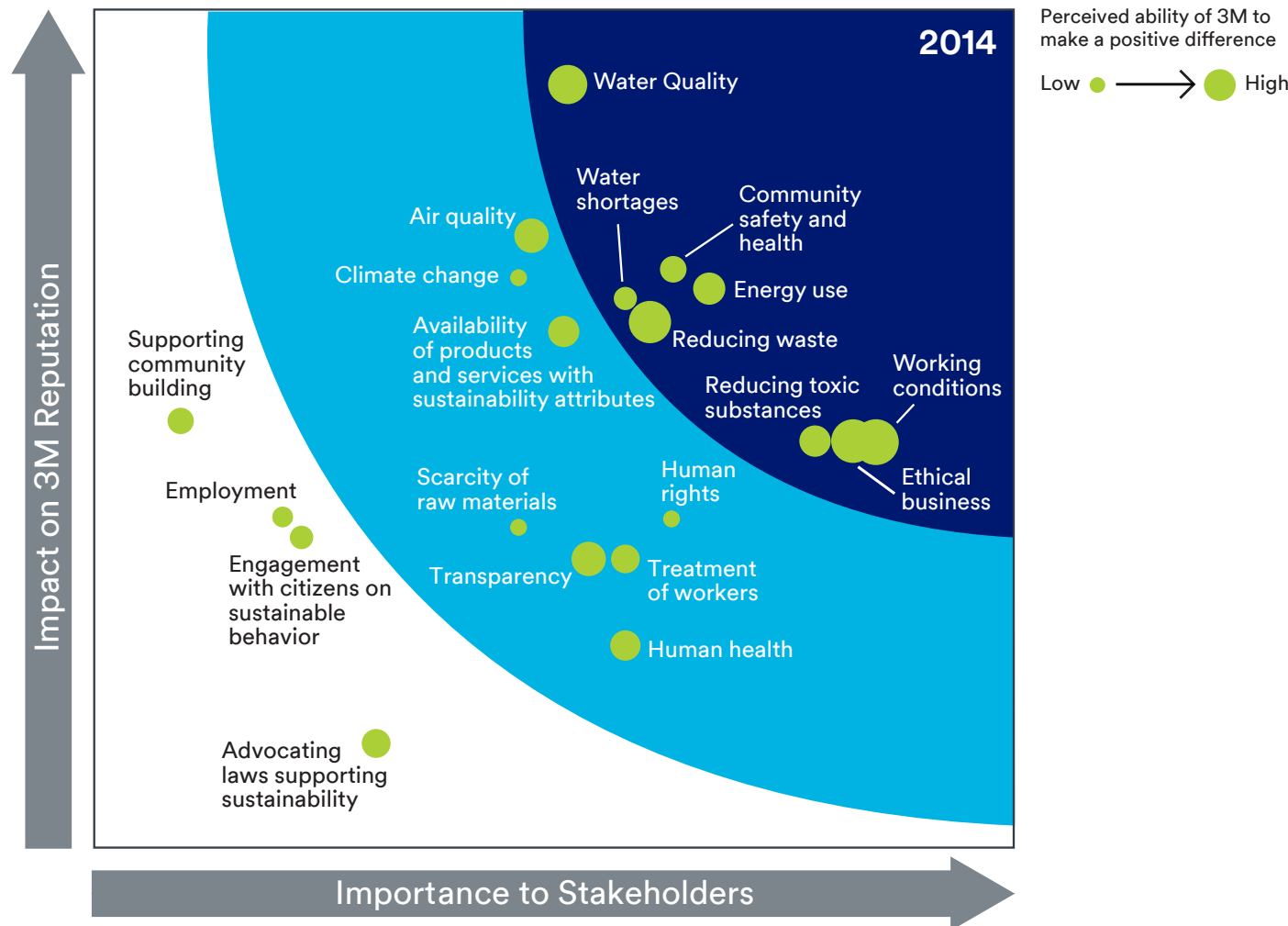
3M will continue to work hard on the four issues that are most material to the company and perceived to be most within our control: working conditions, ethical business, water quality and transparency.

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.

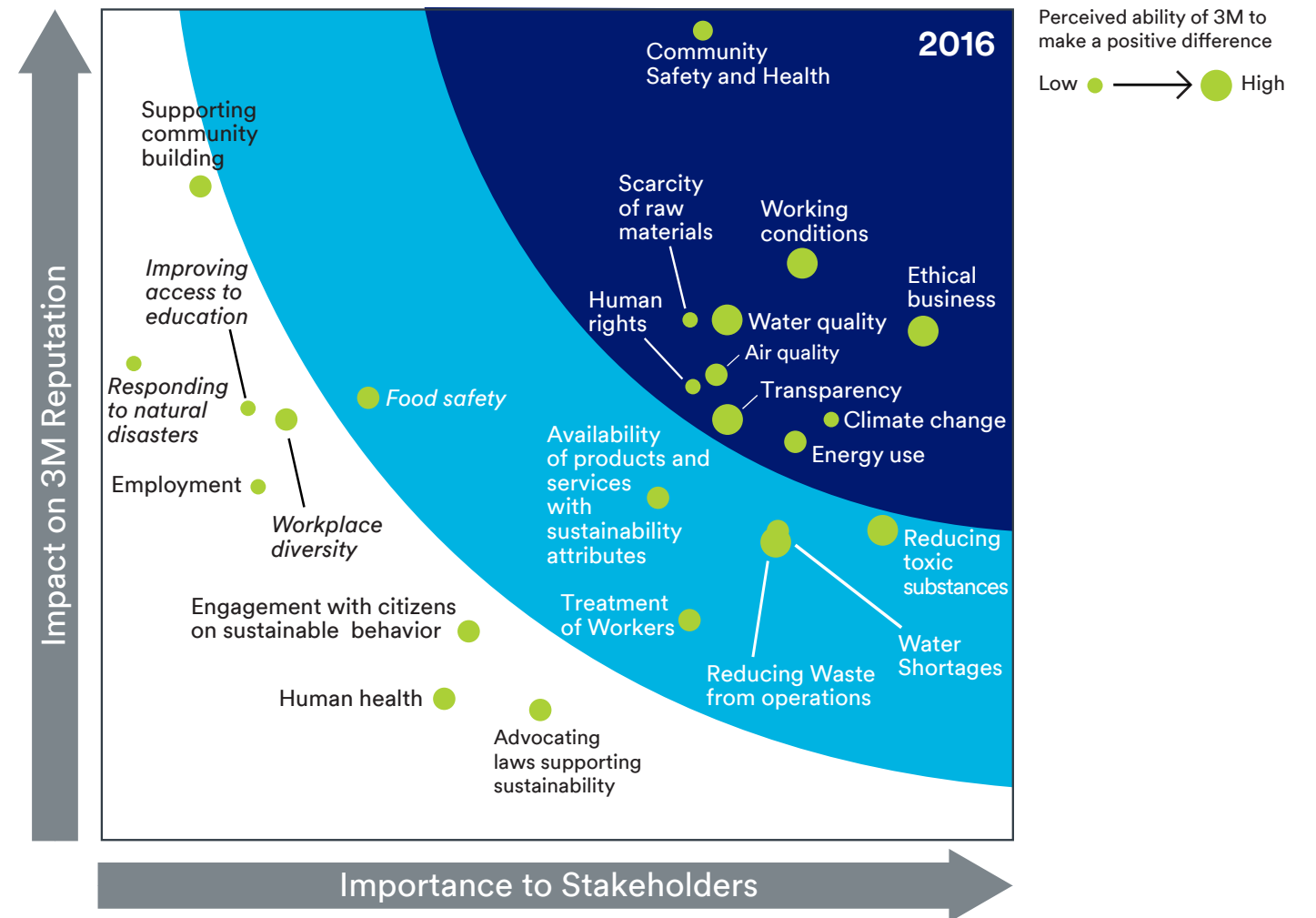
3M Sustainability Materiality Matrix 2014

View of Customers, External and Internal Stakeholders



3M Sustainability Materiality Matrix 2016

View of Customers, External and Internal Stakeholders



2025 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 2016, we entered the first year of an ambitious new ten-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.

When we set these goals, we said they were challenging, and we didn't know how we would achieve each of them. And to date, our data related to our progress has not been what we'd like. But it's only year one — and there are 91,600 of us here who love a challenge. Instead of scaling back our expectations, we plan to double down, to apply our science, to innovate new systems and solutions, and to continue to raise the bar for Sustainability.

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.



Invest

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

Achieve

global zero landfill status

at more than 30% of manufacturing sites.

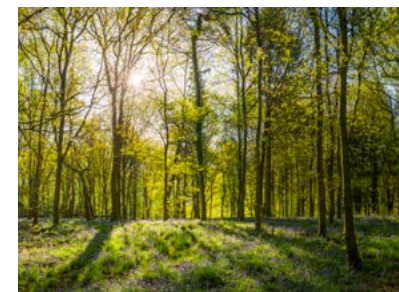


Reduce global manufacturing waste



10%

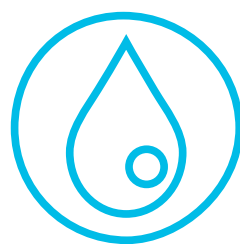
Reduce manufacturing waste by an additional 10%, indexed to sales.



Supply Chain

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





Reduce global water use

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



Improve energy efficiency

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

Engage Communities

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



Invest Cash and Products

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

Increase renewable energy

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



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



GHG emissions 50% below our 2002 baseline


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

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

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



Help our customers reduce **GHGs 250 million tons**


Help our customers reduce their GHGs by 250 million tons of CO₂ equivalent emissions through use of 3M products.

Who We Are

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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.

Who we are.

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 has led us to develop messages against these insights as part of global internal communications campaigns. In late 2016, for example, a global campaign led by our 3M Human Resource function asked each employee to do “one simple thing to improve lives.” We consider this opportunity for impact a critical part of current employee retention, but also part of our brand for attracting new employees. It sends a compelling message to both groups, particularly when 3M is a company uniquely positioned to change the world.

Our Awards

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

For the 17th 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. One of the most highly regarded rankings in terms of Sustainability performance, this index is created by research analysts who perform an in-depth study of environmental, social and economic performance.



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



For the second consecutive year, Practice Greenhealth, a leader in promoting environmental stewardship, presented a “Champion for Change” Award to 3M Health Care for the company's success in achieving environmental targets and for helping customers improve their environmental performance.

“At 3M, it's not enough to just win in business — it matters how you do it. Customers want to do business with companies they can trust, and achieving that trust requires the help of all employees. I'm proud to say our people live 3M's Code of Conduct every day by making ethical decisions and speaking up if they aren't sure what to do.”

Kristen Ludgate, 3M's Vice President, Associate General Counsel and Chief Compliance Officer

Top Product of the Year Award

3M Health Care also won a Top Product of the Year Award in 2016 at the Environmental Leader 2016 Conference in Denver, for 3M™ Petrifilm™ Plates. Compared to traditional agar test methods, 3M Petrifilm Plates offer users up to a 66 percent reduction in waste, use up to 76 percent less energy, up to 79 percent less water, and reduce greenhouse gas emissions up to 75 percent. Scores for the award were determined by a panel of experts in environmental and Sustainability management.

Ethisphere World's Most Ethical Companies® Honoree



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 19 countries and five continents. It was the fourth consecutive year 3M made the list.

3M Brazil: Pró Ética Certification Award

For the third 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.



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 is 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. 3M Chairman, President and CEO Inge Thulin accepted the award in New York in March. The other two winners were Rockwell Automation and BMO Financial Group.

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 Q1 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.

Best Places to Work for LGBT Equality

Human Rights Campaign Foundation’s 2016 Corporate Equality Index is the national benchmarking tool on corporate policies and practices pertinent to lesbian, gay, bisexual and transgender (LGBT) employees. For the sixth 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 second annual Disability Equality Index® (DEI®) survey, 3M ranked among the top-scoring companies with a 90 percent score.

2020 Women on Boards Winner

3M was named a “V” company, with 17 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.

Companies Where Top Millennials Most Want to Work

National Society of High School Scholars (NSHSS) 9th Annual Career Survey, conducted by Hanover Research identified 3M as the #1 most dream company to work for among respondents in 2016.

Inge Thulin receives Ethical Leadership Award

In April, 2016, 3M Chairman, President and CEO Inge Thulin was awarded the 2016 Hendrickson Medal for Ethical Leadership, sponsored by St. Mary’s University of Minnesota. The Hendrickson Medal honors an individual who, through his or her work, has demonstrated the principles of ethical leadership. According to the university’s press release, Thulin has been an exceptional leader for 3M and the community, for, among other things, strengthening 3M’s commitment to Sustainability and ethical business practices.

Other Featured Awards

The Top Ten Most Innovative Companies

3M has been named one of the top ten most innovative companies in the world, ranked #3 by Strategy and Price Waterhouse Coopers.

Newsweek Global Green Rankings

3M ranked in Newsweek global 2016 Green Rankings report recognizing the greenest companies in the world. In the industrial category, 3M ranked 16th among companies in the U.S. and 21st worldwide.

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 2016:

- 3M Brazil is ranked #38
- 3M Canada is ranked #35
- 3M Greece is ranked #9
- 3M Poland is ranked #15
- 3M Central America is ranked a Best Multinational of Central America #29

- 3M Costa Rica is ranked #28 for the country and #57 for the Central American region
- 3M Nicaragua is ranked #8 for the country and #44 for the Central American region
- 3M Guatemala is ranked #28 for the country and #40 for the Central American region
- 3M El Salvador is ranked #12 for the country and #43 for the Central American region
- 3M Honduras is ranked #19 for the country and #48 for the Central American region
- 3M Panama is ranked #28 for the country and #53 for the Central American region
- 3M Ireland is ranked #3
- 3M Portugal is ranked #11
- 3M Italy is ranked #11
- 3M UAE is ranked #13

3M Employee Recognition:

- Diversity Journal, Women Worth Watching Award®: Tamie Minami (2016)
- Savoy Magazine’s “2016 Top Influential Women in Corporate America”: Kim Price and Cindy Kent
- 2016 Global Women’s Envoy, National Association for Female Executives, Marlene McGrath
- Montana State University honorary doctorate in engineering: Jean Bennington Sweeney

Our Corporate Values and Vision

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

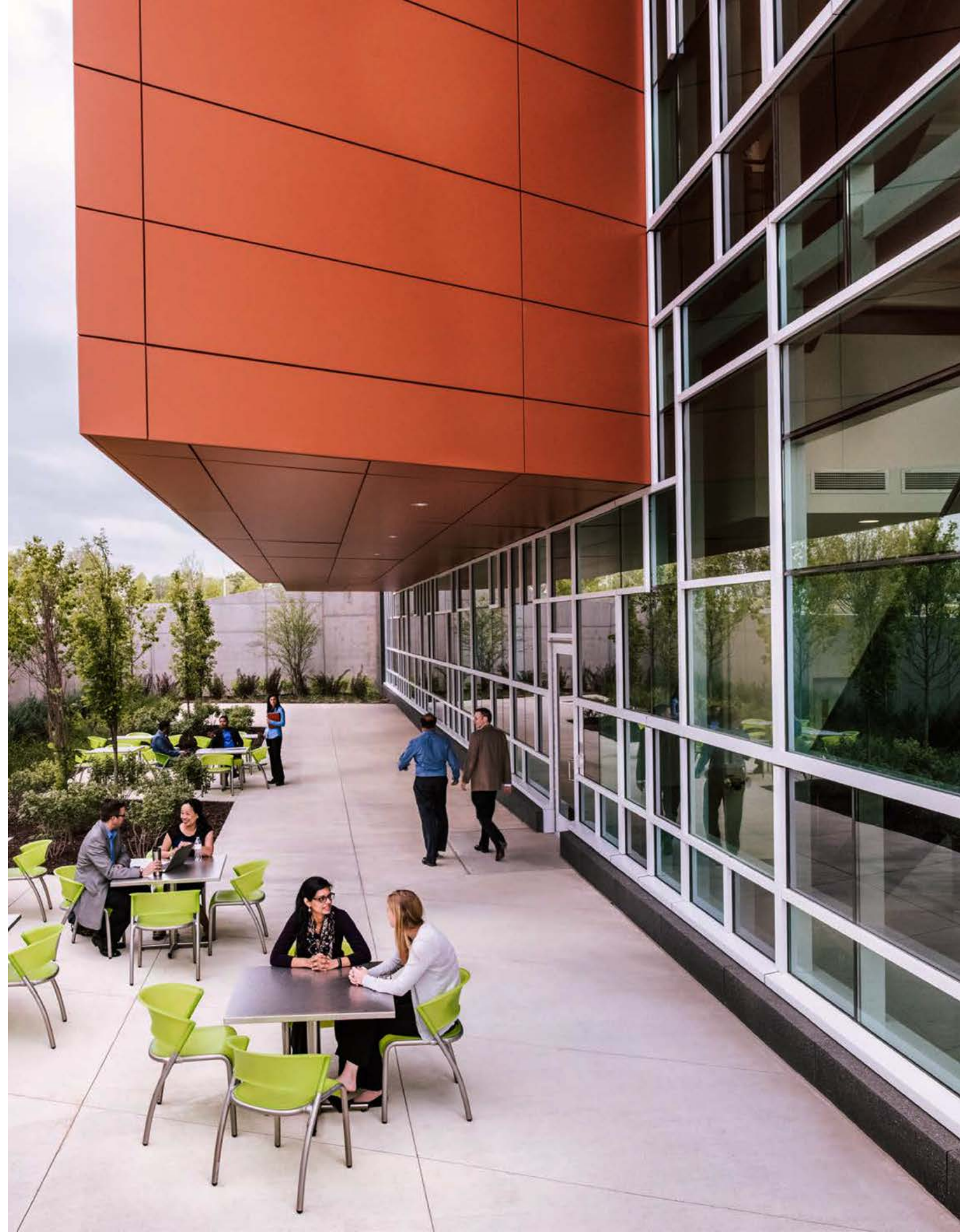
3M continues to be inspired and motivated by our corporate vision:

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

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 114 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.



Communities

Our Commitment

Through 3Mgives, we make a positive impact on our world.



3Mgives helps build sustainable communities through strategic investments, business expertise and the thoughtful engagement of 3Mers worldwide, who volunteer and leverage their knowledge and experience to make a difference. The impact of these actions is because of our collaboration with partner organizations that have a proven track record for delivering results.

As the social investment arm of 3M, 3Mgives is governed by the 3M Foundation Board of Directors and the Corporate Contributions Committee comprised of senior level executives in the company. The 3M Foundation Board of Directors guides our social investment strategy by identifying areas of focus, allocating budget and providing high-level strategic advice for implementation by 3Mgives staff.

3Mgives strategy focuses on three important areas.

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



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

We will continue to invest in increasing access for people worldwide to achieve greater skills in STEM and business, and to improving lives through investments in environment, health and safety programs. Cash, in-kind donations, sponsorships, and volunteerism will remain core to our 3Mgives strategy. Since 1953, we have invested \$1.45 billion in cash and product donations in 3M communities.

Our Actions

Education

As a company that has thrived on applying science to life, we understand the importance of inspiring the next generation of scientists, innovators and inventors. Our educational investments, through 3Mgives, support our brand promise by investing in initiatives that help young people understand how science impacts their daily lives and encourages and supports interest in STEM. Our goals: 1) to increase student interest and achievement in STEM and business, especially in underrepresented populations, 2) to build a diverse pipeline of global talent and 3) to increase access to quality education for all communities and to improve education outcomes.

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. Based in Spain, WorldSkills represents more than 45 skills in 75 member countries and regions, all working together to help prepare the workforce and talent of today for the jobs of the future.

DonorsChoose.org

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. In 2016, 3M investments reached 560 schools, 771 projects and more than 87,000 students in support of STEM projects that enhanced learning.

Frontline Sales Initiative

During the summer of 2016, 35 students from 17 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 3M products for one of 14 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.



Frontline Sales Initiative

Young Scientist Challenge

The Discovery Education 3M Young Scientist Challenge is the United States' premier science competition for grades 5-8, launched in 1999 by Discovery Communications and 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 United States. Students are invited to create a 1-2 minute video describing a new, innovative solution

that could solve an everyday problem. After all videos have been judged, ten finalists are given an opportunity to participate in a summer mentorship program with 3M scientists, and travel to 3M headquarters to compete in the final event.

See the winning 2016 [video](#) from Maanasa Mendu, an eighth grader from Mason, Ohio.

3M Visiting Wizards

3M Visiting Wizards encourage young people globally in grades 1-6 to become interested in science and technology by providing interesting science demonstrations and hands-on experiments on a variety of topics, such as the properties of light and color, cryogenics, microbiology, thermodynamics and electricity, all courtesy of a group of 3M volunteers.

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 2016, more than 28,000 students attended a Visiting Wizards demonstration. More than 800,000 have participated in presentations since the program's inception in 1985.

See a typical Visiting Wizards demonstration: [In the Lab with 3M 4Kids: Magnets.](#)

Higher Education

As a science company, 3M recognizes the importance of building a strong and diverse pipeline of global talent in STEM and business disciplines. Therefore, we partner with relevant vocational schools, colleges and universities to support post-secondary programs that effectively attract, retain and graduate students.

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 2016, 3M invested \$810,000 to 54 non-tenured faculty members.

Community

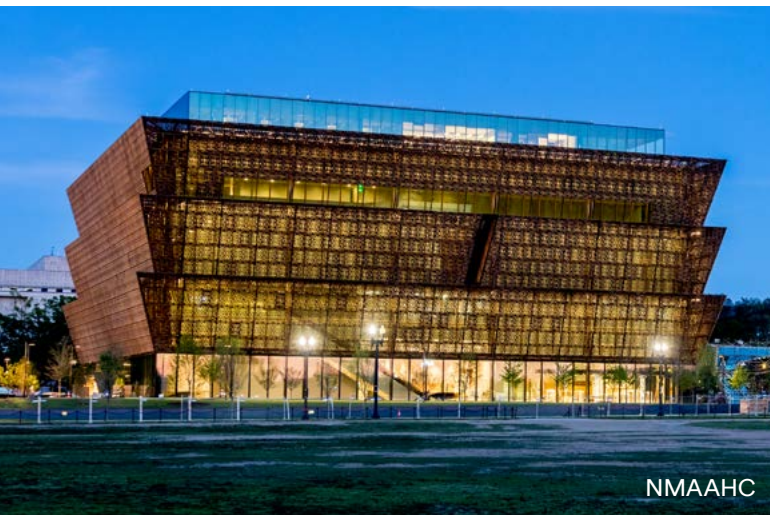
3M strives to build and maintain trust and reputation in the places where 3M does business by contributing to the development of sustainable communities. 3M contributes to communities through support of the arts, youth development, and basic needs and provides humanitarian aid in times of need. These efforts help assure our communities are attractive places to live and work.

Humanitarian Aid

3M enhances community vibrancy by supporting individuals and families affected by global crises. We strive to help meet the immediate needs of those impacted, and to assure all those affected by a natural disaster receive the care necessary to re-establish self-sufficiency. We engage our most valuable assets — our people and our products — to help people get back on their feet. In 2016, 3M and 3Mers invested more than \$1 million in cash and products to support communities in crisis — including investments in the U.S., Canada, Ecuador, Haiti and Japan.



Product Donations for Haiti



NMAAHC

Smithsonian National Museum of African American History & Culture

The National Museum of African American History & Culture (NMAAHC), located on the National Mall in Washington, D.C., commemorates the African American experience as seen through the eyes of those who lived it. Established by an Act of Congress in 2003, the NMAAHC counts almost 37,000 artifacts in its extensive collection.

3M is proud to be a cornerstone donor to this important institution, which opened to the public in September 2016. We are equally pleased that 100 3M touchscreens throughout the museum help guide visitors through the exhibits. In the “Freedom Now: The Modern Civil Rights Movement 1945-1968” exhibit, 3M touchscreens lead visitors through an interactive question and answer program that informs visitors about segregation, including stories about Freedom Marches and the Montgomery Bus Boycott.

3M Volunteers and Global Volunteer Day

In September 2016, 3M marked its third annual Global Volunteer Day in 3M communities around the world. For example, more than 100 3M volunteers from the company’s service center in San Jose, Costa Rica created a playground for students at a local school. In Hong Kong and Singapore, volunteers delivered baskets of 3M home and health care products to families in need. In France, volunteers created a therapeutic garden for retirement home residents.

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 \$6.36 million on behalf of over 28,000 volunteers to more than 3,000 organizations in 50 states.



Hong Kong, 3M Global Volunteer Day



Costa Rica, 3M Global Volunteer Day

Collaborative Community Engagement

3M partners with innovative nonprofit partners like GlobalGiving.org to crowdsource investment decisions from key stakeholders, including both customers and 3Mers. For example, 3M empowered attendees at the South by Southwest™ Music Festival and the Net Impact Conference to direct corporate contributions to global nonprofits aligned to 3M Sustainability priorities. In response to the devastation of Hurricane Matthew and

the earthquakes in Japan and Ecuador, 3M matched employee contributions through key partners, like GlobalGiving.org and American Red Cross, to inspire 3Mers to double their impact in those affected communities.

Dorothy Day Center

The Dorothy Day Center transforms lives for underserved individuals in St. Paul, Minnesota, providing meals, mental health services, medical care, showers, and emergency shelter for people experiencing homelessness. In 2016, 3M committed \$1 million worth of cash and products to the Dorothy Day Center—a two-building campus designed to prevent and end homelessness with emergency shelter, supportive services, access to resources and permanent supportive housing. This project is based on models that have shown documented success in moving those individuals most in need along the continuum from crisis to stability to self-sufficiency. It’s a prime example of an innovative investment in the 3M headquarters community.

Local Community Engagement

G4 SO 3M partners with nonprofit organizations at headquarters and plant locations around the world. In 2016, this included a \$100,000 investment in Prairie du Chien, Wisconsin Public Library as a part of the “Ready, Set, Grow” capital campaign—assuring the development of STEM education efforts for generations to come. A similar investment was made in Decatur, Alabama for the Cook Museum of Natural Science—building an opportunity to provide children in the region with ongoing positive perceptions of science and math in nature. 3M also invested internationally—establishing meaningful partnerships through the 3M International Giving Fund in China, Morocco, Costa Rica, and Benelux, among other locations.

Environment

G4 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 (PRI) that will be paid back to the Closed Loop Foundation to recycle funds back into the community in the future.

The Nature Conservancy

3M has joined The Nature Conservancy in transforming how forest resources are managed in Canada’s Boreal Forest, which occupies 55 percent of the land in Canada. This project is a model for the sustainable supply of economically viable fiber, while also providing jobs for local communities. In addition, it helps protect natural and high conservation value forests and peatlands, along with the threatened species that depend on them, while respecting the rights of Indigenous peoples and enhancing their role in direct management and decision-making. This new paradigm in Indigenous management of natural resources will create an unprecedented and globally significant network of conservation areas, a future of healthy and self-sustaining woodland caribou herds, and the largest Forest Stewardship Council (FSC)-certified forest tenure in North America.

Looking forward...

Based on input from global 3Mers, 3Mgives is evolving our approach to engaging our most impactful asset—our people. 3Mgives is launching a new volunteer technology platform in 2017 to respond to 3Mers’ desire for more opportunities to support local organizations through volunteerism. In addition, 3Mgives continues to build programs that will leverage 3Mers’ skills and technologies to address some of the world’s most pressing problems. For example, 3Mgives’ newest volunteer program, 3M Impact, will deploy some of 3M’s talented

and engaged employees to global markets to work with community partnerships focused on improving lives.

In 2017, 3Mgives will also expand its focus on STEM education to develop specific programs relating to advanced manufacturing skills positions. These programs will increase high school student awareness

of the opportunities available in manufacturing, and 3M will partner with technical schools and community colleges to develop curriculum and internships. Our goal is to increase the pipeline of manufacturing talent, particularly veterans and groups underrepresented in the manufacturing industry.



2016 Giving by Focus Area

	Cash	In-Kind	Total	%	Volunteer Hours
Education	\$16,000,000	\$8,480,000	\$24,500,000	36.6%	74,400
Community	\$16,200,000	\$24,000,000	\$40,200,000	59.5%	265,000
Environment	\$2,540,000	\$61,000	\$2,600,000	3.90%	8,450
Total	\$34,800,000	\$32,500,000	\$67,300,000	100%	348,000

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

2016 Global Giving by Region

	Charitable Corporate Cash Donations (USD)	Charitable Foundation Cash Donations (USD)	In-Kind Donations (USD)	Total Donations (USD)
Asia Pacific	269,000	450,000	2,330,000	3,040,000
Canada	1,180,000	197,000	583,000	1,960,000
Europe/Middle East/Africa	617,000	80,000	109,000	806,000
Latin America	882,000	0	674,000	1,560,000
United States	12,600,000	18,400,000	28,800,000	59,900,000
Total	15,600,000	19,200,000	32,500,000	67,300,000

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



#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.



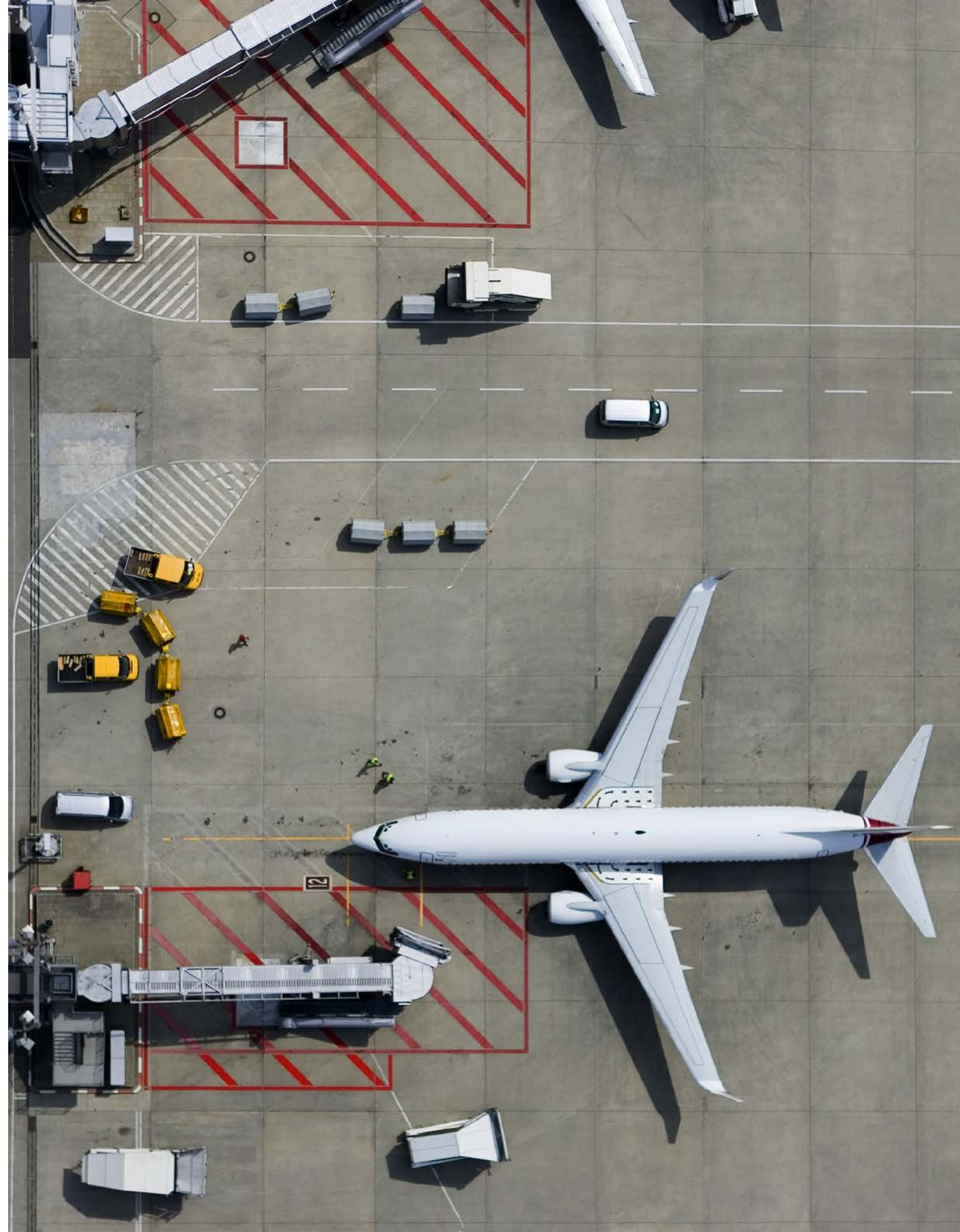
Stakeholder engagement can help guide companies on doing business the right way. It can also have a direct impact on a company's financial success (sales, share price and investments), on its operations, and on its reputation. 3M has created a robust, stakeholder-driven approach to sustainability materiality 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.



To help assure the external organizations that we partner with share our commitment to business integrity, in 2016 we introduced a third-party business conduct assessment process.

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 new 3M 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.

Who Nonprofit Organizations and NGOs

- Why**
 - Partnering to understand societal concerns
 - Providing support to advance and solve global issues
- How**
 - Alliance to Save Energy
 - Forum for the Future
 - Friends of EU Emissions Trading Scheme (ETS)
 - TFT (The Forest Trust)
 - The Nature Conservancy
 - Net Impact
 - Practice Greenhealth
 - World Resources Institute (WRI)
 - WorldSkills
 - World Wildlife Fund (WWF)

Who Investors

- 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

Who Employees

- 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

Who Government/Regulators

- Why**
 - Complying with laws, regulations and policies
 - Supporting and engaging on development and modification changes
- How**
 - The Commission for Environmental Cooperation
 - United Nations Global Compact
 - U.S. Department of Energy (DOE)
 - U.S. EPA Green Power Partnership
 - U.S. EPA Energy Star Program

Who Local Communities

- 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**
 - United Way
 - Habitat for Humanity
 - American Red Cross
 - Feed my Starving Children
 - Numerous others local to our manufacturing operations around the world
 - Much more information can be found in the [Collaborating with Our Communities](#) section of this report

Who Academia and Scientific Organizations

- 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

Who Customers

- 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

Who Suppliers, Contractors, Industry Associations

- 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
 - CAPS Research
 - The Conference Board
 - The Conflict Free Sourcing Initiative (CFSI)
 - European Chemistry Industry Council (CEFIC)
 - Green Chemistry & Commerce Council (GC3)
 - London Benchmarking Group
 - Minnesota Chamber of Commerce
 - National Association of EHS Managers
 - National Association of Manufacturers (NAM)
 - National Climate Coalition
 - Pressure Sensitive Tape Council

Who Media

- Why**
 - Ensuring 3M is represented accurately with current information
- How**
 - Sustainable Life Media

Diversity and Inclusion

Our Commitment

At 3M, we are a collaborative, diverse group of people whose ideas transform the future. 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 — is a competitive advantage.

This advantage helps us relate more closely to the needs of all 3M customers, suppliers and channel partners around the world reflective of our customers and markets. At the same time, it helps fuel our curiosity, our creativity and our growth as a company.

3M is committed to fostering an inclusive environment, built on our [Respectful Workplace Principle](#), where employees thrive, feel safe and respected, involved, valued, and free to be their real selves. Additional information on our Respectful Workplace Principle can be found in our [Human Rights section](#).

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 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.

“Diversity and inclusion allows everyone in the workplace to bring his or her ‘full self’ to work and be respected and valued.”

Ivan Fong, Senior Vice President
Legal Affairs & General Counsel, 3M Company



Our Actions

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

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

In addition to our day-to-day efforts to support diversity in 2016, we also actively promoted initiatives to both engage our people and attract the best talent.

Engaging our People

It takes every single person in 3M to strengthen our inclusive culture. Inclusive behaviors are included in the descriptors of the Leadership Behaviors and expected of everyone. 3M is providing education to strengthen cultural agility and limit unconscious bias, reinforced by a strong global communication campaign, “I’m in”.

I’m in

I’m in, using a series of ‘in’ words, is a global initiative that was designed to create awareness and understanding of diversity and inclusion in our employees worldwide, and to encourage the actions of every 3M leader and employee to positively influence our culture. Launched in 2014 in 50 countries, ‘I’m in’ strengthens and builds upon a culture where all employees feel valued and free to bring their authentic selves to work each day. In addition to its use of programs from the center of 3M, organizations are encouraged to use the campaign as part of their own group’s work. In 2016, the company expanded the program to include an ‘I’m in’ Conversation Series, a quarterly opportunity for employees to engage in frank conversation around diversity issues.

Employee Resource Networks

Employee Resource Networks (ERNs) are employee-led groups that serve as an integral part of recruiting, engaging and retaining diverse talent and mindsets

aligned with our corporate Vision and Strategies. 3M ERNs enable employees to enhance their leadership skills and collaborate across cultures, lifestyles and genders. These communities also work with our businesses to provide relevant customer insights that can expand our marketplace reach. 3M has ERNs established in St. Paul, Austin and other international locations.

- A3CTION — For Asians and Asian Americans
- African American Network
- disAbility Awareness Network
- GLBT + Allies Network
- Latino Resource Network
- Military Support Network
- Native American Network
- New Employee Opportunity Network (NEON)

3M Women’s Leadership Forum

The Women’s Leadership Forum (WLF) is a global organization whose mission is to attract and develop female leaders at every level of the organization and to accelerate the inclusion and advancement of women globally to reflect our customers and markets and grow our business. 3M has 78 WLF chapters worldwide. Chapter leaders include women and men volunteers who customize action plans and events to meet the unique needs of their locations. Chapters collaborate with ERNs and other Forums to drive culture change.

Celebrating Diversity

3M locations everywhere plan and implement special campaigns and events to raise awareness, involve and inspire action among our people.

International Women’s Day

International Women’s Day was created by the United Nations General Assembly in 1977. In March 2016, 3M recognized International Women’s Day celebrations in 64 countries, during which employees were encouraged to wear red and honor the women who have inspired them.

World Day for Cultural Diversity

In 2002, the United Nations General Assembly declared May 21 to be annual World Day for Cultural Diversity, which encourages people around the world to be proactive in supporting diversity and inclusion. The “Do One Thing” campaign was launched worldwide. 3M has been a strong supporter of this campaign from the beginning.

3M Global Inclusion Month

The month of September is designated as Global Inclusion Month at 3M. Several events and activities are held at 3M sites around the world to show how employees can contribute to an inclusive environment, and to raise awareness about unconscious bias.

Inclusion Steering Team

In 2016, we created an Inclusion Steering Team in the U.S. to create opportunities for increased visibility of the WLF and the ERNs.

Members of this steering team are a diverse group of senior leaders who represent our five business groups and our corporate functional organizations. They take an active role in both defining and following up on the strategic actions connected with our 2025 Sustainability goal of doubling the pipeline of diverse talent in management.

Attracting Global Talent

During 2016, we participated in several recruiting events to connect with people and talk about employment opportunities at 3M, including:

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

- Society of Women Engineers (National and Regional events)
- U.S. Business Leadership Network

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 2016, students in 14 countries competed in the local round. Twenty-seven finalists were then flown to the U.S. for the global case competition finals at 3M’s world headquarters in St. Paul. The final winning team received a 6-month mentorship with 3M senior leaders in their respective countries. Another positive outcome of the competition: more than 25 students were hired for full-time positions with the company.



2016 Invent a New Future Challenge Students

Working with those who have served

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

Hiring Our Heroes is a nationwide initiative that helps 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.

The Employer Support of the Guard and Reserve (ESGR) Patriot Award recognizes the efforts made to support citizen warriors through a wide-range of measures including flexible schedules, time off prior to and after deployment, caring for families, and granting leaves of absence if needed. 3M manager Joe Garvin was presented with this award in 2016, after being nominated by his Reserve Component employee, Capt. Jami Roux.



(left to right) Capt. Jami Roux, Joe Garvin, and Dick Warren of Minnesota Employer Support of the Guard and Reserve

The Forum on Workplace Inclusion

3M was a principal sponsor of the 2016 Forum on Workplace Inclusion, hosted by the University of St. Thomas in Minneapolis. This 3-day conference was designed to engage attendees, advance ideas and ignite change around the topics of diversity, inclusion and equity. More than 750 people and 180 speakers attended.

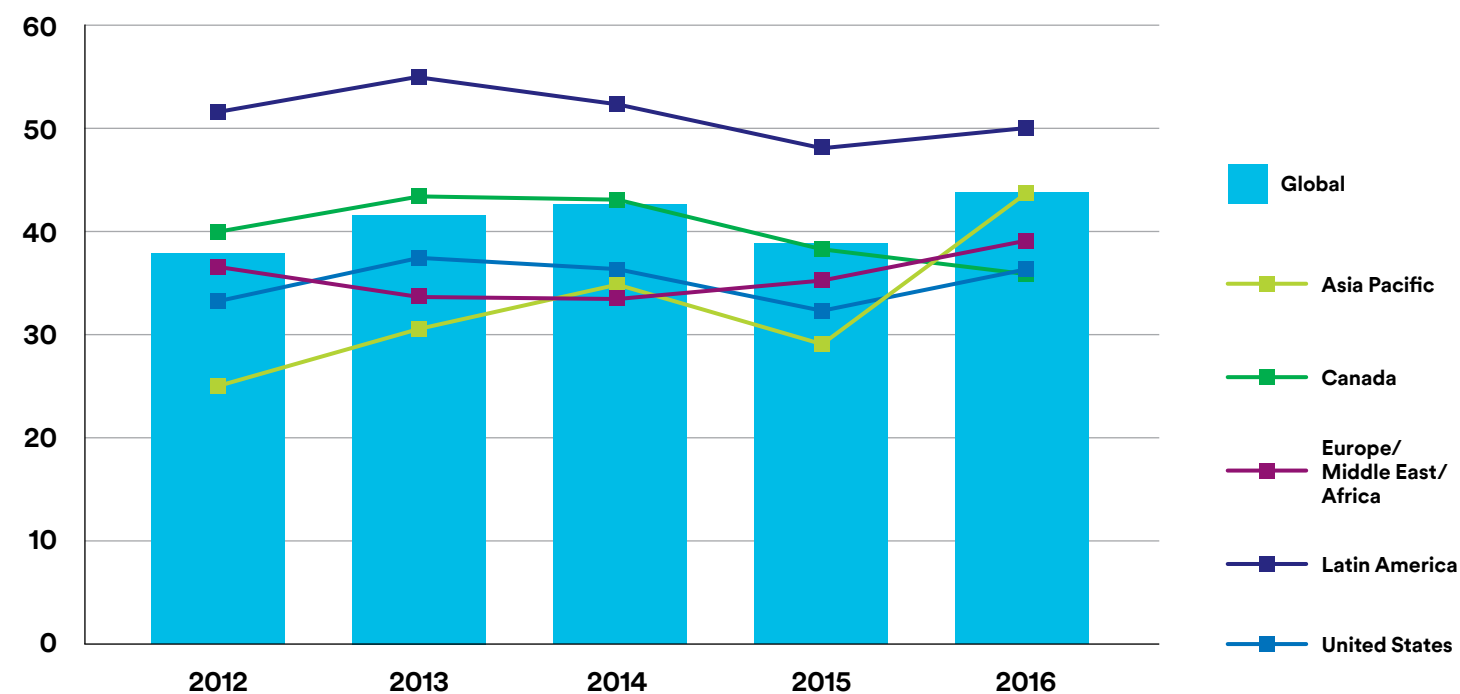
Looking forward...

In 2017, 3M will continue to reinforce and build upon inclusion through efforts to bring down unconscious bias and through open dialogue spaces for employees that have been created through the "I'm In" Conversation Series.

Applying a diverse lens to business processes will continue to be an area of focus as we strive to reflect our customers and markets.



3M Global Female Hires by Region
Percentage of Total Hires



How We Work

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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.

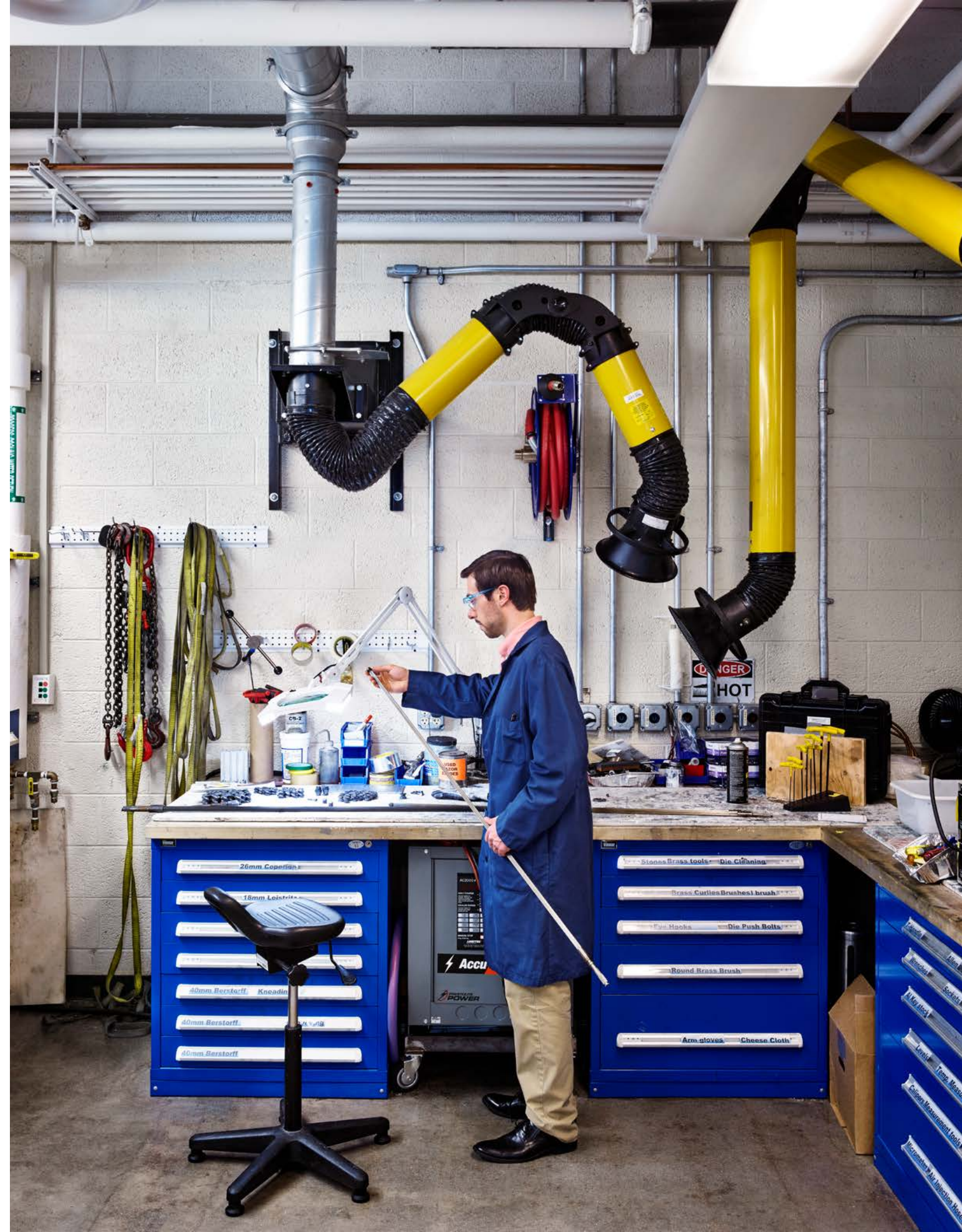
R&D at 3M is a little different: we separate the R and the D.

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 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

Our Commitment

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 honesty and integrity.



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 [Code of Conduct](#) provide the framework for the governance of the Company and are available on our Web site at www.3M.com, under [Investor Relations — Governance](#).

The Board's leadership structure is characterized by:

- a combined Chairman of the Board and CEO;
- a strong, independent, and highly experienced Lead Director with well-defined responsibilities that support the Board's oversight responsibilities;
- a robust committee structure consisting entirely of independent directors with oversight of various types of risks; and
- an engaged and independent Board.



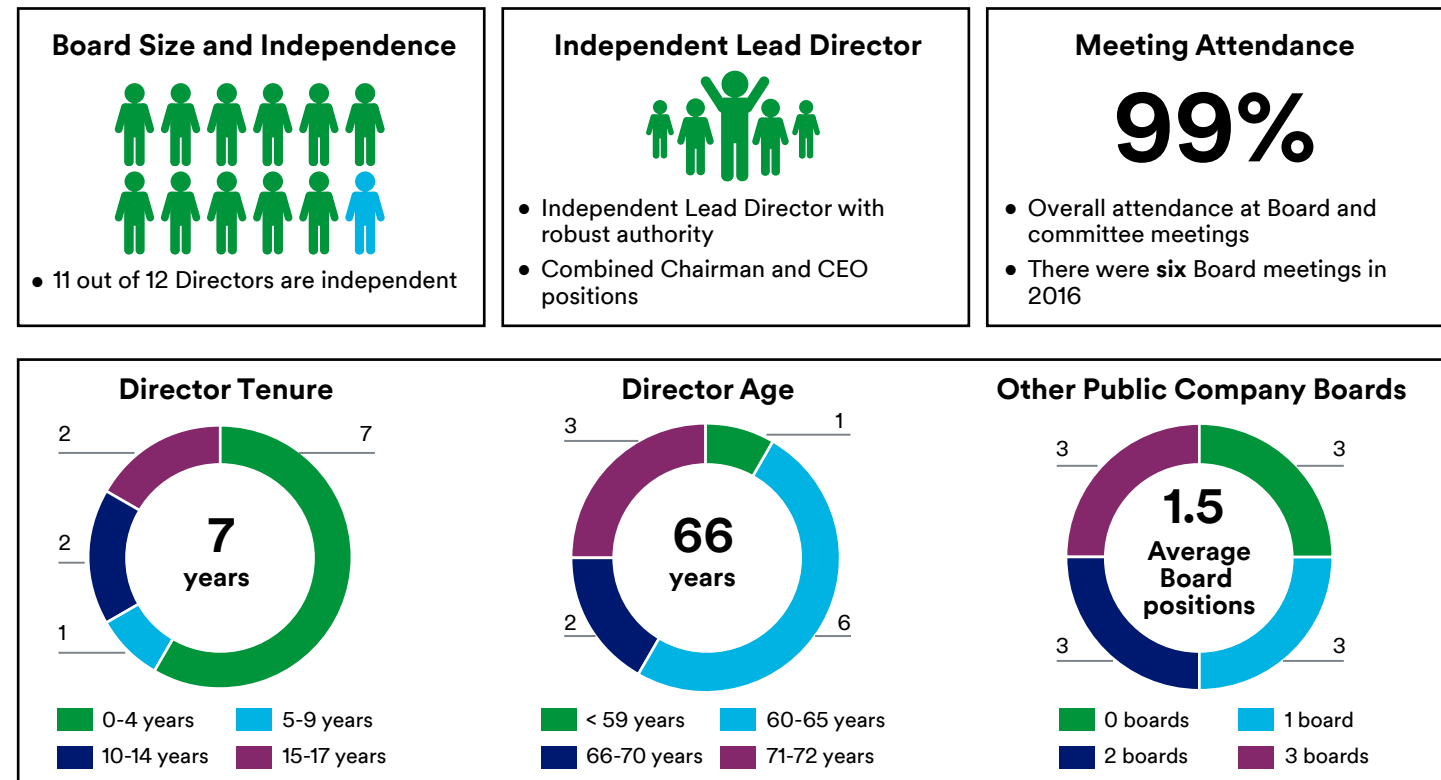
The Board of Directors believes this leadership structure provides independent board leadership and engagement while deriving the benefits of having our CEO also serve as Chairman of the Board. As the individual with primary responsibility for managing the Company’s day-to-day operations and with in-depth 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.

Our Actions

Stockholder Engagement

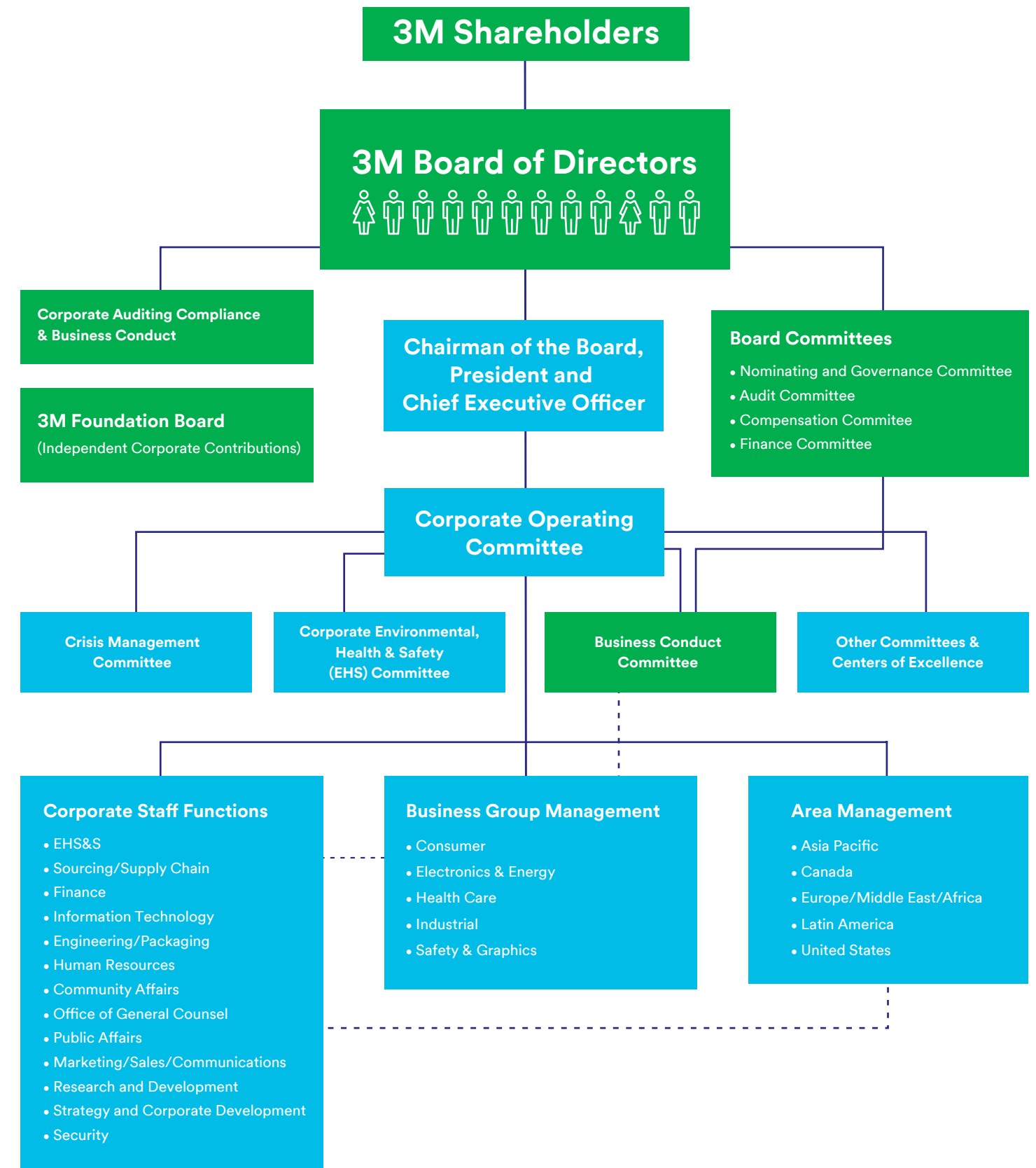
SD 40 In November 2015, the Board adopted a new “Proxy Access for Director Nominations” bylaw that permits eligible stockholders to include in our proxy statement nominees for election to the 3M Board. Our decision to adopt proxy access grew out of an open and constructive dialogue with our stockholders, and we believe our proxy access framework strikes the right balance for 3M by ensuring that stockholder nominees to the Board are supported by long-term stockholders representing a significant, but attainable, proportion of outstanding shares.

Corporate Governance Highlights



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

Corporate Governance Guidelines



Related to the proxy access Bylaw adopted by the Board in November 2015, a stockholder, or a group of up to 20 stockholders, continuously owning for three years at least three percent of our outstanding common shares, may nominate and include in our proxy materials up to the greater of two directors and 20 percent of the number of directors currently serving, if the stockholder(s) and nominee(s) satisfy the Bylaw requirements. The notice must contain the information required by the Bylaws.

During 2016, members of senior management met with a cross-section of stockholders owning approximately 35 percent of our outstanding shares. The meetings included an overview of the Company and a discussion of the Company's practices on corporate governance. 3M's Chief Sustainability Officer also attended these meetings and summarized 3M's more than 40 years of environmental stewardship and our journey driving both business growth and societal impact through purpose.

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: Audit, Compensation, Finance and Nominating and Governance. During 2016, the Board of Directors held five regularly scheduled meetings and one telephonic meeting. Overall attendance at Board and committee meetings was 99 percent.

We regularly add directors to infuse new ideas and fresh perspectives into the boardroom. In the past four years, six 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.

As affirmed or amended February 7, 2017:


- [3M Company Board of Directors Audit Committee Charter](#)
- [3M Company Board of Directors Compensation Committee Charter](#)
- [3M Company Board of Directors Finance Committee Charter](#)
- [3M Company Board of Directors Nominating and Governance Committee Charter](#)

Director Independence

 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

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

An inclusive culture at 3M is built on our [Human Resource 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 the Environment and Sustainability

 In 2013, our CEO formed the Sustainability Center of Excellence to focus on developing and commercializing products which help our customers solve their Sustainability challenges and on assuring Sustainability within 3M operations and supply chain. The primary role of the Center is to develop strategy, set significant goals to track progress, and drive sustainable actions for the benefit of our customers and our communities. In 2016, 3M formalized Sustainability authority with our Chief Sustainability Officer, CSO, with oversight by the Nominating and Governance Committee.

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

Other Noteworthy 2016 3M Accomplishments:

- We celebrated the grand opening of our new \$150 million laboratory in St. Paul, Minnesota.

- We celebrated our 100th consecutive year of paying dividends to stockholders.
- We were awarded 668 patents in the United States and 3,770 globally, bringing the company's all-time patent total to more than 109,000.
- We returned \$6.4 billion to stockholders via dividends and gross share repurchases.
- We improved our employment brand by earning recognition as the "Top Dream Company" in the 2016 Millennial Career Survey conducted by the National Society of High School Scholars.
- We made significant progress on our three key levers: Portfolio Management, Investing in Innovation, and Business Transformation.

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

 The Board has delegated primary responsibility 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 2016, 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 2016 and into the future was cybersecurity.

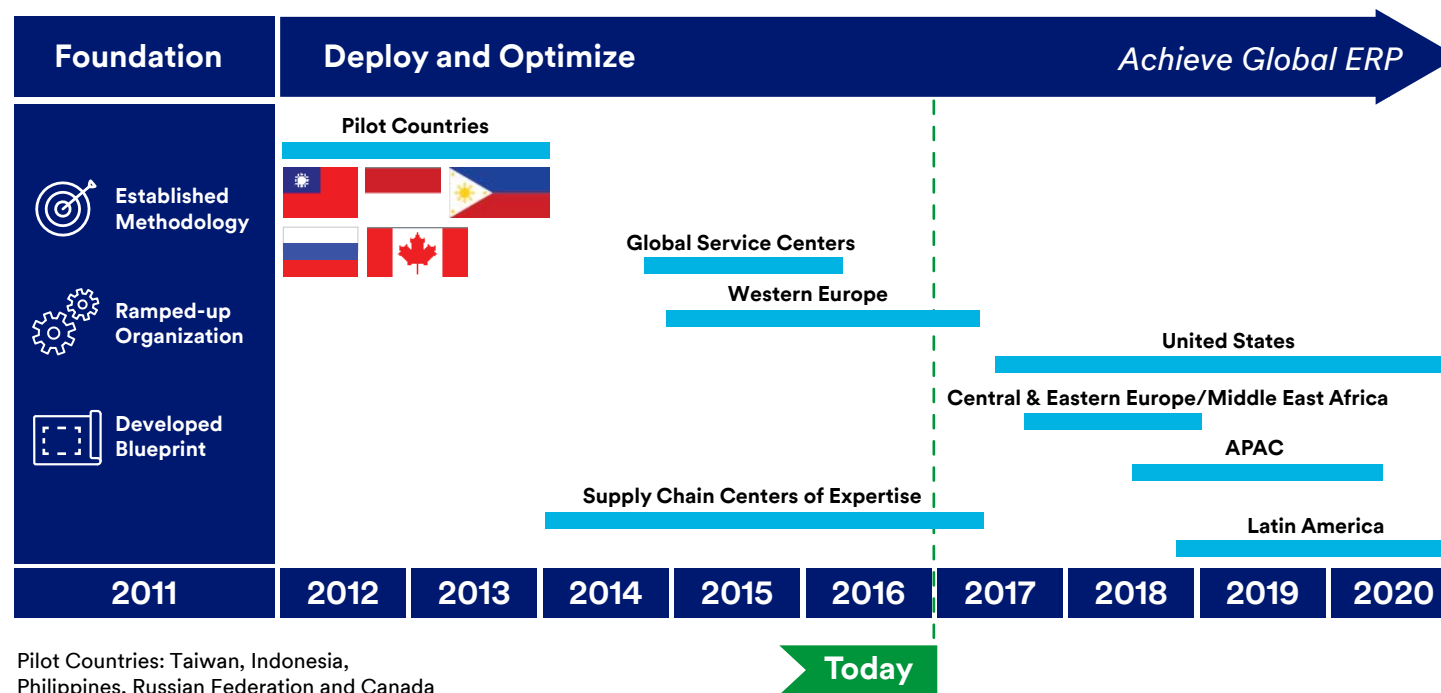
Business-Level

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; plans to drive the four corporate fundamental strengths—Technology, Manufacturing, Global Capabilities, and Brand.

Facility-Level

Our Environmental, Health, Safety and Sustainability (EHS&S) 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 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

Enterprise Resource Planning (ERP) Strategy and Timeline



we bring each new sight under 3M’s protocol with the proper training.

In addition to EHS&S 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...

Over the next several years, 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

Our Commitment



Through the years, 3M has built a reputation globally for taking an ethical approach to business. That said, with 91,600 employees and subsidiary operations in 70-plus countries, it's no simple task to always do business the right way.

To make it as simple as possible, we have developed one [Code of Conduct](#) that applies globally. Our [Code of Conduct Global Handbook](#) summarizes 3M's compliance principles and raises awareness of our core requirements for doing business "the right way, always and everywhere."

3M has long had business conduct principles based on the company's core values. Those values have not changed over time. 3M conducts our business with uncompromising integrity. 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 live and work:

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

3M employees, including 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 a workplace environment in which compliance and ethical business conduct are expected and encouraged.



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

Business Conduct Committee

The 3M Business Conduct Committee is composed of several senior executives and is chaired by 3M's Chief Compliance Officer (CCO). 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.

Global Compliance Program

3M's global compliance program is managed and administered by the Compliance and Business Conduct Department, led by the Vice President, Associate General Counsel, Compliance and Business Conduct, who is also 3M's CCO. The department is staffed with compliance professionals stationed at company headquarters and around the world. The CCO reports to the Audit Committee of the 3M Board of Directors, which assists the Board in oversight of 3M's legal and regulatory compliance efforts. The [Compliance and Business Conduct Department](#) oversees and administers strategic, systematic and operational components of 3M's compliance program.

The compliance program is designed to meet the U.S. Federal Sentencing Guidelines and similar global standards which identify the following attributes of an effective compliance program:

- A core set of business conduct principles
- Education, training materials and the schedule upon which compliance training is conducted
- Periodic evaluations, audits and measurements of the compliance program's effectiveness
- A 24-hour helpline and website through which employees and others can report concerns and ask questions
- Programs to conduct appropriate due diligence on business partners, potential and new acquisitions, and candidates for hiring and promoting

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

Compliance Training and Education



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- or four-year cycle, depending on the course. Offered in 22 languages, the training modules include:

- Global Data Protection and Privacy — Respecting a Person's Privacy
- Careful Communications
- Gifts, Entertainment and Travel
- Avoiding Bribery and Corruption: A Global Overview
- Global Competition
- Creating a Harassment Free Workplace
- Code of Conduct and Ethical Decision Making
- Conflicts of Interest

The 3M Compliance and Business Conduct website on 3M's intranet offers additional training on 3M's global anti-bribery compliance program. In addition to online training, the Compliance and Business Conduct Department, in close collaboration with 3M Legal Affairs, provides frequent, tailored in-person training to 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



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 management, 3M Legal Counsel, the Compliance and

Business Conduct Department, or to their Human Resources Manager. 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, a 24-hour confidential and anonymous (as permitted by local law) helpline and online reporting system managed by a third-party vendor is available internally and externally. Reports are reviewed and responded to by the Compliance and Business Conduct Department or other responsible staff departments.

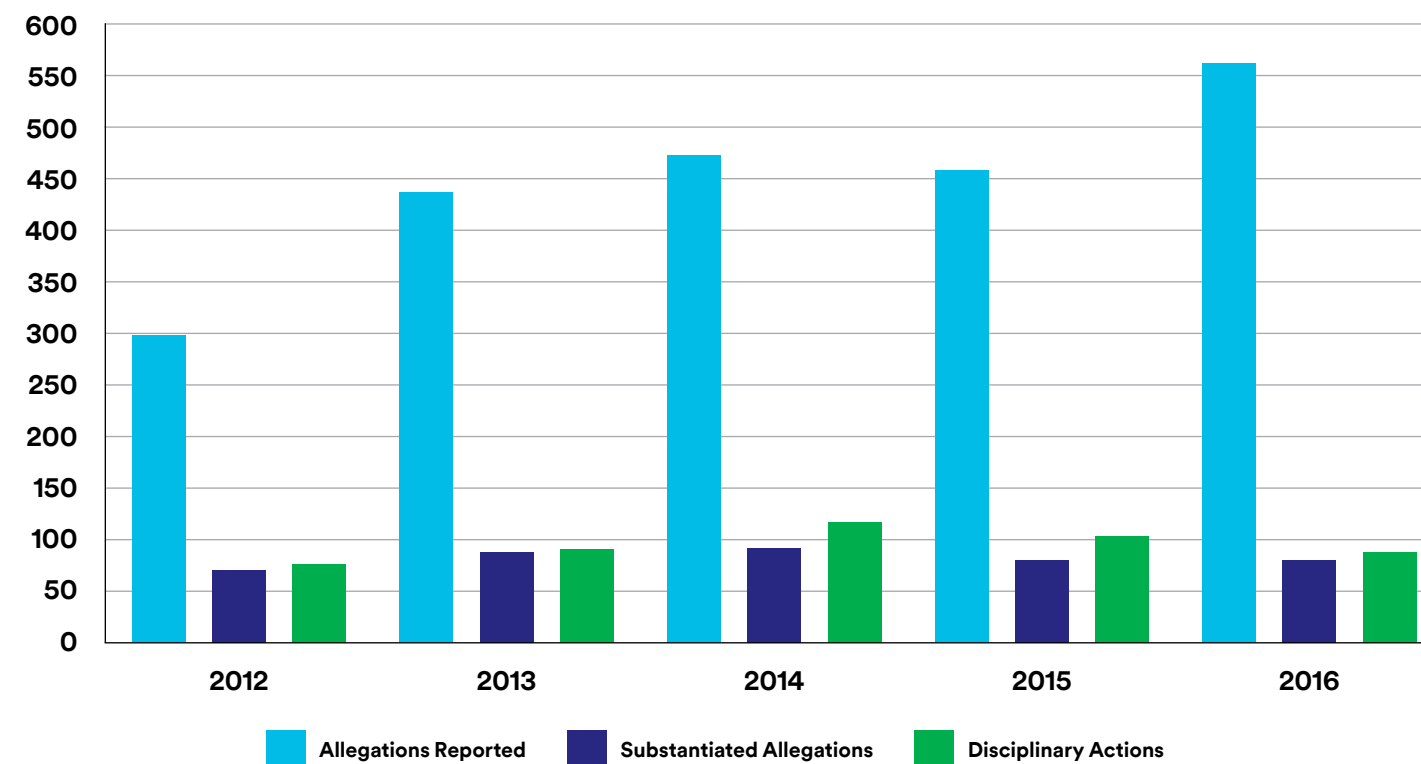
The system does not trace phone calls or use caller identification, nor does it generate or maintain internal connection logs containing Internet Protocol (IP) addresses. Web-based reports are made through a secure internet portal, which does not trace or show user screen names. 3M's Employee Obligations and Reporting Principle prohibits retaliation against anyone who raises a business conduct concern in good faith or cooperates in a company investigation. Below is a graph illustrating five-year metrics for business conduct

related reports raised using our reporting tools found at www.3M-Ethics.com.

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

In 2016, the number of questions or concerns reported to the Compliance and Business Conduct Department increased by 24 percent. We believe this increase reflects employees' greater awareness of their reporting obligation and the available reporting channels. This increased awareness is a reflection of our actions in 2016 which include an updated and rebranded Code

3M Global Allegations and Disciplinary Actions
Total Number



of Conduct along with a communication campaign to promote the updates. This communication campaign included the development of four new “Speak-up” posters with the fresh brand and made available in 22 languages. Employee awareness to “Speak-up” also increased through periodic risk-based compliance reviews of our businesses operations and through area and regional initiatives by our local compliance teams.

Assessments

G4 SO 3 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 sample financial transactions, compliance records and interviews with subsidiary and business unit personnel. In 2016, over 425 nonproduction employees were interviewed as part of the evaluation process. Additionally, in 2016, we introduced audits of external third parties as part of the scope of an evaluation in order to better understand our business partners.

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

G4 SD 15 **G4 SO 4-5** As a member of the United Nations Global Compact, 3M is committed to support Principle 10 on Anti-Corruption. Our commitment and our involvement in working groups associated with Principle 10 give us the opportunity to learn best practices related to anti-corruption from other peer companies, conduct benchmarking with similar companies, and help educate other professionals working on anti-corruption through the participation of our 3M Chief Compliance Officer (CCO) and other Compliance and Business Conduct Department professionals’ participation in anti-corruption conferences and organizations.

3M’s [Anti-Bribery Principle](#) requires compliance with all applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and 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 CCO provides quarterly updates on all activities to the Audit Committee of the Board.

3M’s commitment to anti-corruption also applies to the use of third-party intermediaries and other business partners. Based on an assessment of transaction, geography and other risk factors, 3M conducts reviews of these third parties. Depending on the outcome of the reviews, 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 and accelerate our efforts to integrate the 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.

Political Values

G4 SO 6 3M respects our employees’ right to engage in the political process and, at the same time, 3M is committed to prevent potential corruption.

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:

http://solutions.3m.com/wps/portal/3M/en_US/businessconduct/bcmain/

“For 114 years, one simple truth has remained the bedrock of who we are: our commitment to integrity.”

Kristen Ludgate,
3M’s Vice President, Associate General Counsel
and Chief Compliance Officer

Our Actions

Code of Conduct Updates

The written definition of 3M integrity—our Code of Conduct—was updated in 2016. We made some changes to parts of the Code to simplify and improve the clarity of certain principles. We rebranded our handbook, our website, our online training platform and other materials, to reflect the corporation’s new brand identity, and what it means to “Be 3M.” In addition, we added a new Product Safety Principle, to bring greater focus to an area of operations that has really been part of 3M’s culture from the beginning.



New Product Safety, Quality, and Stewardship Principle

G4 PR 2-3 A [Product Safety, Quality, and Stewardship Principle](#) was added to our overall Code of Conduct in 2016. Emphasizing product safety,

quality and stewardship is not new at 3M. Through our Product Stewardship Policy, we already had high expectations for our products. Elevating this policy to a principle was just our way of validating what 3M has been doing for a long time, and confirming that it belongs at the very top of our governance pyramid.

The entire principle is described in a video and in the new Code of Conduct handbook. The three core elements of this principle:

1. Product Safety: As part of our mission to improve every life, 3M will provide our customers with quality products that are safe for their intended uses.
2. Product Quality: Providing products that consistently meet customer, community and our own high expectations is fundamental to our success.
3. Stewardship: 3M works to produce products with superior environmental performance across their entire life-cycle.

This principle applies to all 55,000-plus products 3M makes and sells. It touches on everyone’s role at 3M, from product development to manufacturing to marketing and support. Under this principle we work with suppliers and business partners so that their operations support these same objectives.

To see how this principle is applied, go to the [Innovation Management](#) section of this report.

“Speak-up” Posters

As part of a communications campaign to promote the new Code of Conduct handbook and doing the right thing, a series of “Speak-up” posters was created, explaining how to raise a concern or suspected violation of the Code. The posters are available in 22 languages.

Third Party Brochure

To enhance our communications with third parties, 3M created a brochure for our business partners. The brochure provides another way for 3M to communicate with our business partners regarding our commitment to combat global bribery. The brochure is available in 27 languages.

“Speak-up” Posters

3M

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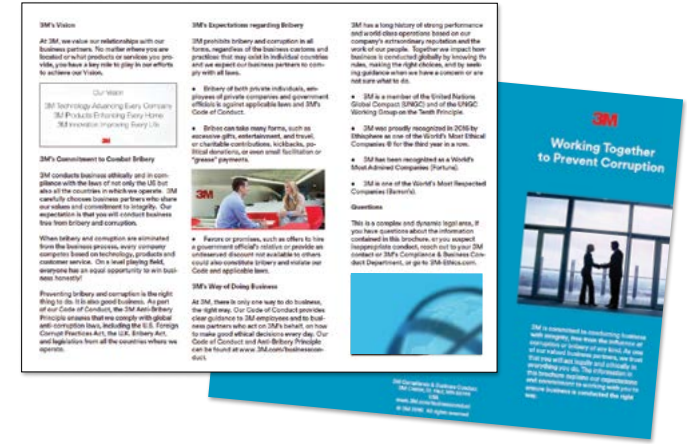
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Tiếng Việt - 120-11067



Looking forward...

The business actions 3Mers take today will advance the company's ability to thrive in the future. We pride ourselves on being a company driven not just by innovation, but also by integrity.

Our strong ethical culture to do business the right way gives us the confidence to grow our business anywhere in the world. Our employees know they don't have to compromise their ethics to do business. Our customers know we are a company they can trust.

The importance of a strong ethical reputation is recognized at every level in our company. We continually work to enhance our compliance program and ethical culture by engaging 3Mers everywhere in our compliance program, from engaged leadership communications, global leadership training, utilizing system controls, reducing process, improving transparency and enhancing our efforts around monitoring and assessing risk.

New Non-Retaliation Verification Process

For investigations brought to light through the reporting process, several months after the investigation closes, the investigator checks to see whether the reporter has experienced any retaliation. This is done either by phone or via email for non anonymous reporters. For anonymous reporters who used the 3M-Ethics hotline, the check ins will be handled via our 3M-Ethics hotline. If claims of retaliation are identified, the investigation team will follow up on them.

Human Rights

Our Commitment

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

3M is committed to assuring human rights in our own operations and in any business that works on our behalf. Our [Human Resources Social Responsibility Policy](#) applies to all 3M employees, contingent workers, anyone doing business with or on behalf of 3M and candidates for hire at 3M. Our [Global Human Rights Policy](#) was adopted in 2013, and we became a participant of the U.N. Global Compact (UNGC) in early 2014, thereby committing to align our operations and strategies with the UNGC principles on human rights.

The principles that guide us



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 UN 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 also 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 ILO 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 is committed to attracting and retaining a diverse workforce by creating the kind of inclusive work environment 3M employees want and can be proud of. Our [Equal Employment Opportunity \(EEO\)](#) policies prohibit all forms of discrimination or harassment against applicants, employees, vendors, contractors or customers on the basis of race, color, creed, religion, sex, national origin, age, disability, veteran’s status, pregnancy, genetic information, sexual orientation, marital status, citizenship status, status with regards to public assistance, gender identity/expression or any other reason prohibited by law. Our affirmative action policies and programs are designed to assure equal opportunities for qualified minorities, women, covered veterans and individuals with disabilities, and also to provide reasonable accommodation to individuals with disabilities.



[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

  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 29 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

 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

 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 management, 3M Legal Counsel, the Compliance and Business Conduct Department, their Human Resources Manager, or to [3M-Ethics.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 does not tolerate retaliation against anyone who raises a concern, asks a question, or cooperates with a company investigation. Employees who intentionally make false accusations or provide false information will be disciplined, because such actions violate 3M’s business conduct principles and are inconsistent with 3M values. If employees believe they are being retaliated against for raising a good-faith business conduct concern, they may report this to any of the resources listed in the [Employee Obligations and Reporting Principle](#).

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

 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.

Our Actions

Enhanced Training on Human Trafficking

3M, in 2016, added specific content to our Code of Conduct course providing general awareness of human trafficking risk. This course is part of the new employee onboarding process and is deployed every other year to most of 3M's current non-production employees. In addition, a specific course covering this risk was deployed to employees in roles and function where awareness of this risk is most relevant, including global supply chain and sourcing.

Human Resource Security Standard

 With the alarming rise in corporate security breaches worldwide, this standard presents the general IT 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.

Human Rights Charters

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

- United Nations Global Compact
- Universal Declaration of Human Rights
- European Convention on Human Rights
- United Nations Guiding Principles on Business and Human Rights
- International 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—UN Convention against Corruption


Human Rights Due Diligence

 The [3M Code of Conduct](#) describes the company's [business conduct principles](#), or core 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, [3M-Ethics](#), 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

 Our assessment on human rights aligns with our corporate Human Rights Policy, as outlined 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 greatest potential for human rights impact is within our supply chain.

Within our own business

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

3M's Field Employee Relations Assessment tool, is a means for 3M locations globally to analyze their policies and practices on a site self-assessment of the workplace. This tool enables local managers to identify strengths, opportunities for improvement, and action plans to address those opportunities, including a review of practices related to 3M's Human Rights Policy. Various data is tracked through the process to identify potential gaps and opportunities for improvement. To date, approximately 70 percent of sites have been assessed including operations in the United States, Canada, Latin

America, Asia and Europe. Sites can then request the assistance of 3M Corporate Staff, including Employee Relations and the Office of General Counsel, for help addressing any issues that may be identified.

For additional details on our employee processes, see the [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

G4 HR 6 Under our [Be Fair Principle](#), 3M is committed to being a responsible company with 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 SO 2 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 [Be Respectful](#), 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 [Stakeholder section](#).

Looking forward...

In 2017, 3M issues its 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 UN 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 ensure 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.

In 2016, at 3M's annual meeting, stockholders approved a new, long-term incentive plan for executives. Included in this plan, which received a 96 percent approval rating from existing shareholders, is a formula for calculating performance based on four criteria: (1) earnings per share; (2) free cash flow conversion; (3) return on invested capital and (4) organic local currency sales growth. Using four different metrics, rather than just total shareholder return, allows for a more equitable, check-and-balance approach to evaluating performance.



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 2016, including all of the Named Executive Officers.

3M's 2017 [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 decisions. 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



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; and
- 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:



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 (e.g., job grade 14 or higher, or equivalent).

Other 2016 compensation highlights

The 3M pay-for-performance philosophy applies to all employees. In 2016, 3M re-designed an employee performance review process that is directly connected 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

3M has a formula for competitive pay including market adjustments and performance accelerators that are 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](#).

HR Manager Sessions

Early in 2016, a series of HR manager sessions were held worldwide to provide managers and supervisors with a baseline understanding of 3M's approach to competitive pay and pay-for-performance, 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. Globally, 98 percent of managers completed the session.

Global Market Pricing Project

According to company surveys, 63 percent of 3M employees believe they are being paid competitively. To drive consistency and transparency in compensation practices across all regions, during 2016, the company completed a global market pricing project. 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 in Looking forward.

“Thanks to the Global Market Pricing Project, no matter where you talk 3M grade levels, a nine is a nine is a nine.”

Jack Arland, Director, *3M Global Compensation and Mergers & Acquisitions*.

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 2016, participation among employees was 31 percent worldwide.

Looking forward...

New Self-Service HR Platform

3M moved to a new human resources software platform that will be employed globally beginning in 2017. 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.

Global Market Pricing, Applied

In 2017, the company will begin applying what it learned in 2016 from the global market pricing project. Supervisors will receive further training about the salary adjustment process, and how individual and corporate performance affect an employee's pay. The goal is to be transparent regarding salary information and, ultimately, to make sure 3M employees are paid a wage that is competitive with their peers at other enterprise organizations around the world.

Employee Programs

Our Commitment

At 3M, we recognize that growth of our company is directly related to growth of our people.

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 and collaboration, diversity and inclusion, and focus on the quality and the impact of the growth journeys.

3M's strategy to "Build high performing and diverse global talent" leverages the strength of our people to implement other 3M strategies, namely "Gain profitable

market share and accelerate market penetration everywhere" and "Expand relevance to our customers and our presence in the marketplace."

2025 Goal: 100% participation in employee development programs to advance individual and organizational capabilities.

Our employees are encouraged and supported to pursue areas of interest and develop career paths and opportunities aligned with those interests.

Our Actions

3M is a pay-for-performance company: the more an employee contributes to 3M's success, the more success is created for the employee. We also offer a wide range of benefits and discounts designed to help employees live their best.



3M Total Rewards



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. According to company surveys, 86 percent of 3M employees believe 3M Total Rewards are 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



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.

For U.S. employees, in 2016, we updated our parental leave policy 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 2016, a total of 653 employees took either short-term disability benefits for maternity (paid leave) and/or unpaid bonding leave (includes adoption) (female 398/male 255).

In addition, our short-term disability plan was enhanced in 2016 to provide a higher level of benefits earlier in an employee's career. A new hire now will start out with six weeks of 100 percent paid short-term disability coverage, compared to 60 percent coverage in the previous plan.

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

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:

- 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 program reimbursement
- Confidential Employee Assistance Program (EAP)
- Tobacco cessation offerings
- Resources to help manage medical care and make informed health care treatment choices
- Stress management coaching
- Child and adult (elder) care consultation and referral

- Financial and legal consultation and referral services
- Parenting resources, scholarship programs and personal growth resources
- Access to on-site health and personal services in our Headquarter location, including an on-site pharmacy and medical center
- 3M Club that provides discounted tickets and an avenue to share hobbies and interests with other employees

Additional resources and opportunities offered:

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



The growth of our people is essential to the growth of our business. Although we reached our goal of 25 hours per year per full-time equivalent (FTE) employee of training and development, it is only one part of the picture. We utilize the 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 is results rather than activity-based. 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, New Product Vitality Index (a key metric for the company — sales percentage of new products introduced in the previous five years), 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.

While we can estimate that our training numbers are close to averages found in other large manufacturing companies, comprehensive global metrics on training and training investments are difficult to track, in part due to 3M's history of decentralized accountability and control over businesses. Our locally accountable approach enables quick reaction and fine-tuning to meet the needs of each market. However, tracking non-corporate/local efforts is difficult because each is adapted to the needs of that unique market and business/function and may not use corporate-wide systems.

3M has separate processes for employee performance and career development reviews.


Employee Career Development

With the roll-out of our new employee resource platform in early 2016, employees are now easily able to link development planning to specific competencies, for which development resources are readily available. Aligned with this, we have a goal of 100 percent of employees engaging in development activities.

Employees create or update their development plan that includes goals to elevate individual performance and skills to further career development. Employees can use additional skill-mapping tools in collaboration with their supervisors to identify long-term desired goals. Contribution and development assessments for production staff follow site-specific procedures depending on local requirements and business-specific needs.

Since 2012, 3M has embarked on a process to define and communicate global functional competency models which clarify expectations of leaders regarding the knowledge, skills, and abilities to be developed over a career within a specific function. Based on shared expectations, career paths are aligned with investment in training and development resources. Each function with a completed competency model publishes a guide that provides links to relevant training opportunities, as well as development suggestions that can be discussed and agreed on with the employee's supervisor to grow the competency through on-the-job activities or social learning through a coach or mentor. Currently, the competency-based resources cover approximately 91 percent of the non-production professional employee population.

Performance Assessment and Contribution

 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: 1) measurable targets agreed upon by each employee and his/her supervisor; and 2) 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. This maximizes fairness by equating ratings for similar performance.

Each year, all 3M nonproduction employees identify their contributions in meeting their specified goals through an employee performance process. 3M strives to have 100 percent of nonproduction employees complete the entire performance review process. In 2016, 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 Turnover

 Our global voluntary turnover rate continues to be under six 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 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

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

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

3M is building leadership capability throughout the company by embedding diversity, collaboration and inclusion strategies directly into our programs.

Global Executive and Leadership Development

3M Leadership Way

In 2015, 3M introduced a new initiative called 3M Leadership Way under 3M's Global Academy of Innovative Development. This approach to the way 3M develops leaders is consistent across all areas, businesses and functions. It is customer-focused, results-driven and takes learning outside of the classroom walls. Common threads run through the development journey, such as core content (i.e., 3M Playbook including the 3M Vision). Also, programs are tailored to provide the formative experiences necessary to prepare leaders at each level for their next assignment.

Through 3M Leadership Way, our promise is to unleash the leader's potential to add value to our company, customers, and the world we live in. 3M Leadership Way Stages:

Catalyst

Catalyst is a 12-month program designed to develop the company's top 250 leaders into true leaders who can impact the course of 3M and also the course of the world.

Amplify

Amplify is a 9-month program for participants with the potential to reach the director level. It includes the same components as Catalyst, scaled to the needs of future directors.

Ignite

Ignite is a 6-month developmental journey for those who are transitioning to leading teams, and who have the potential to become senior managers.

Networks and Collaboration

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

Formal Learning Networks: The Learning Solution has been 3M’s corporate learning management system and one-stop electronic learning center. It has helped employees enroll in, deliver, track and report on learning activities and has served the learning needs of 3M business units, plants and learning organizations globally. However, a new platform designed to simplify access to learning activities, is on the horizon. See Looking forward.

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 Newsroom](#).

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 such as the 3M Leadership Development Institute, the 3M Supply Chain Academy, the 3M Marketing University and the General Managers’ and Managing Directors’ program.


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

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

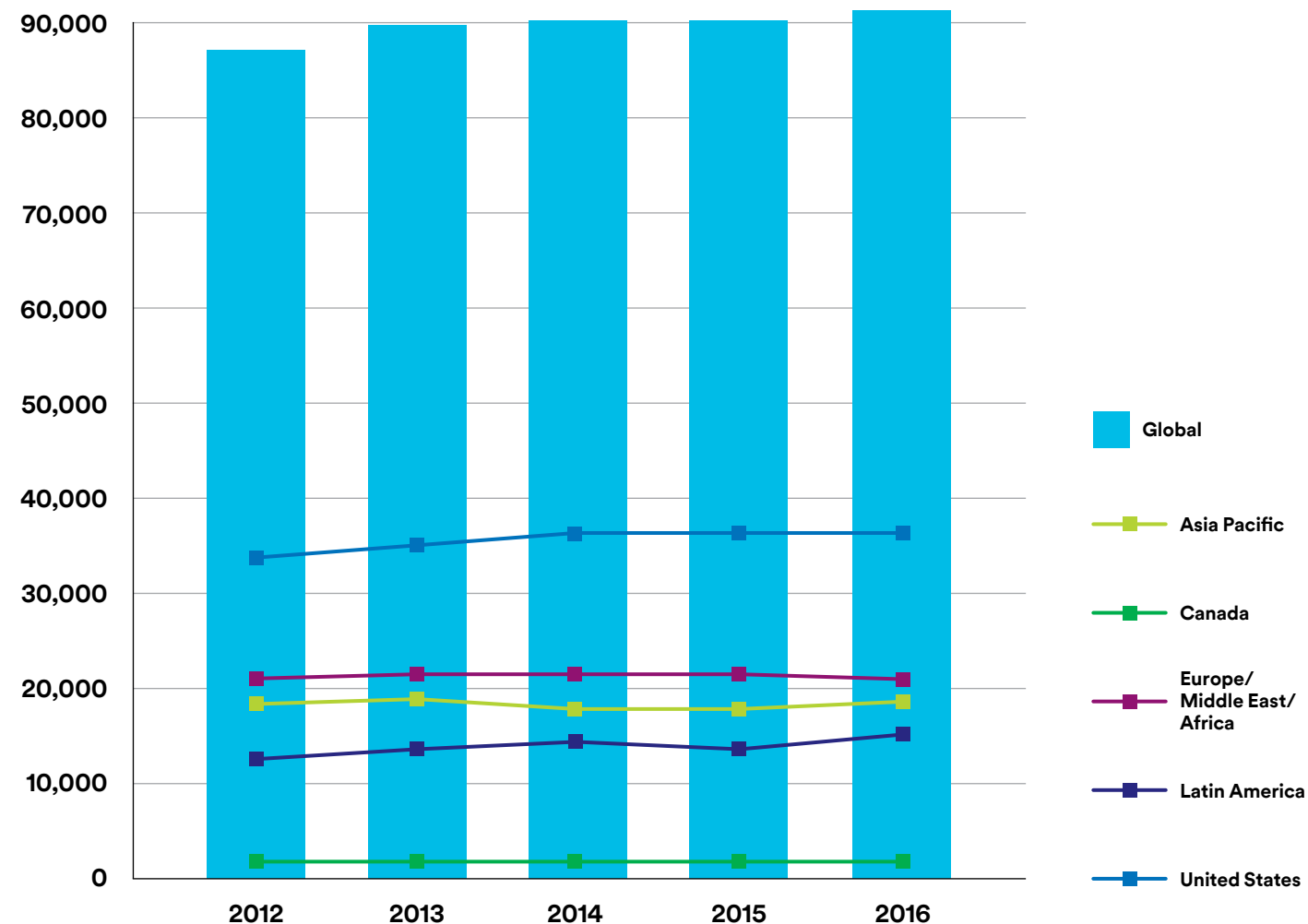
Our Footprint

 The employee metrics in the charts are reflective of employee headcount as of December 31, 2016 (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.

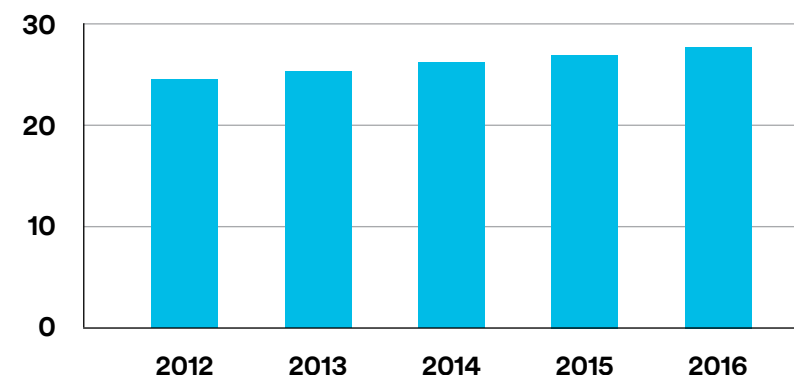
Looking forward...

In 2017, 3M will launch Develop U, a robust new learning platform designed to provide employees with simplified access to employee learning and development tools. This centralized platform will contain more than 2,000 learning resources in over 15 languages.

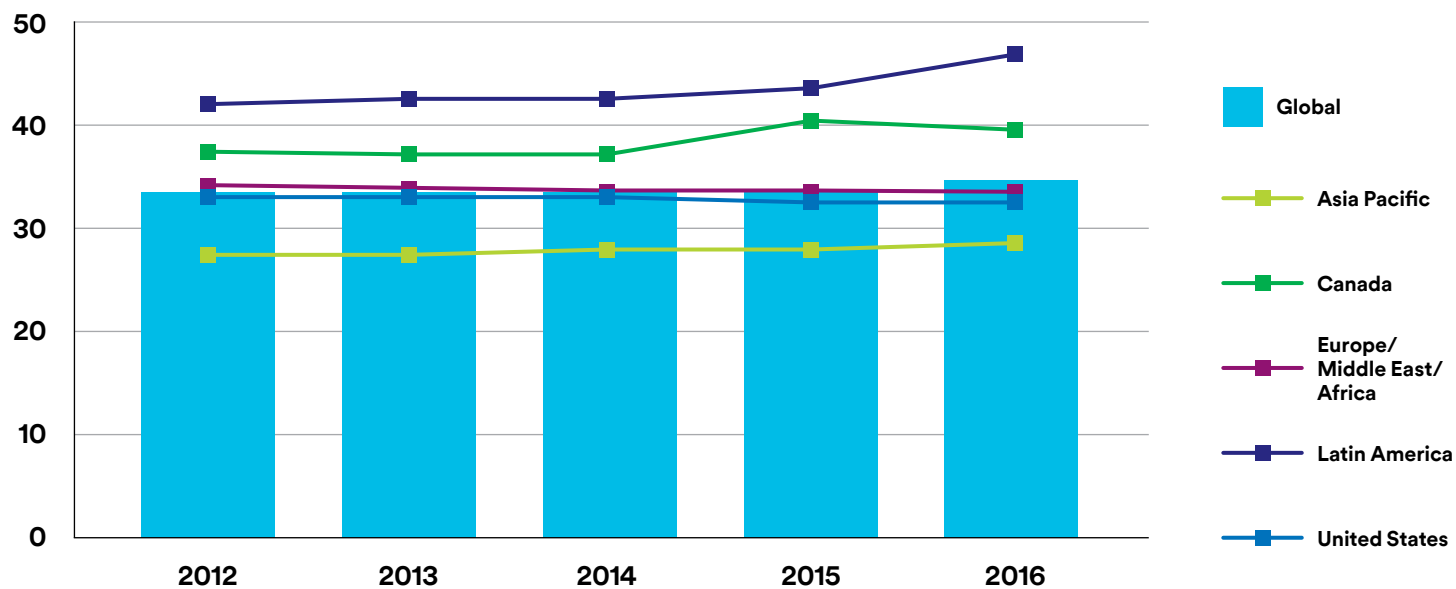
3M Global Employees by Region
Full and Part-Time



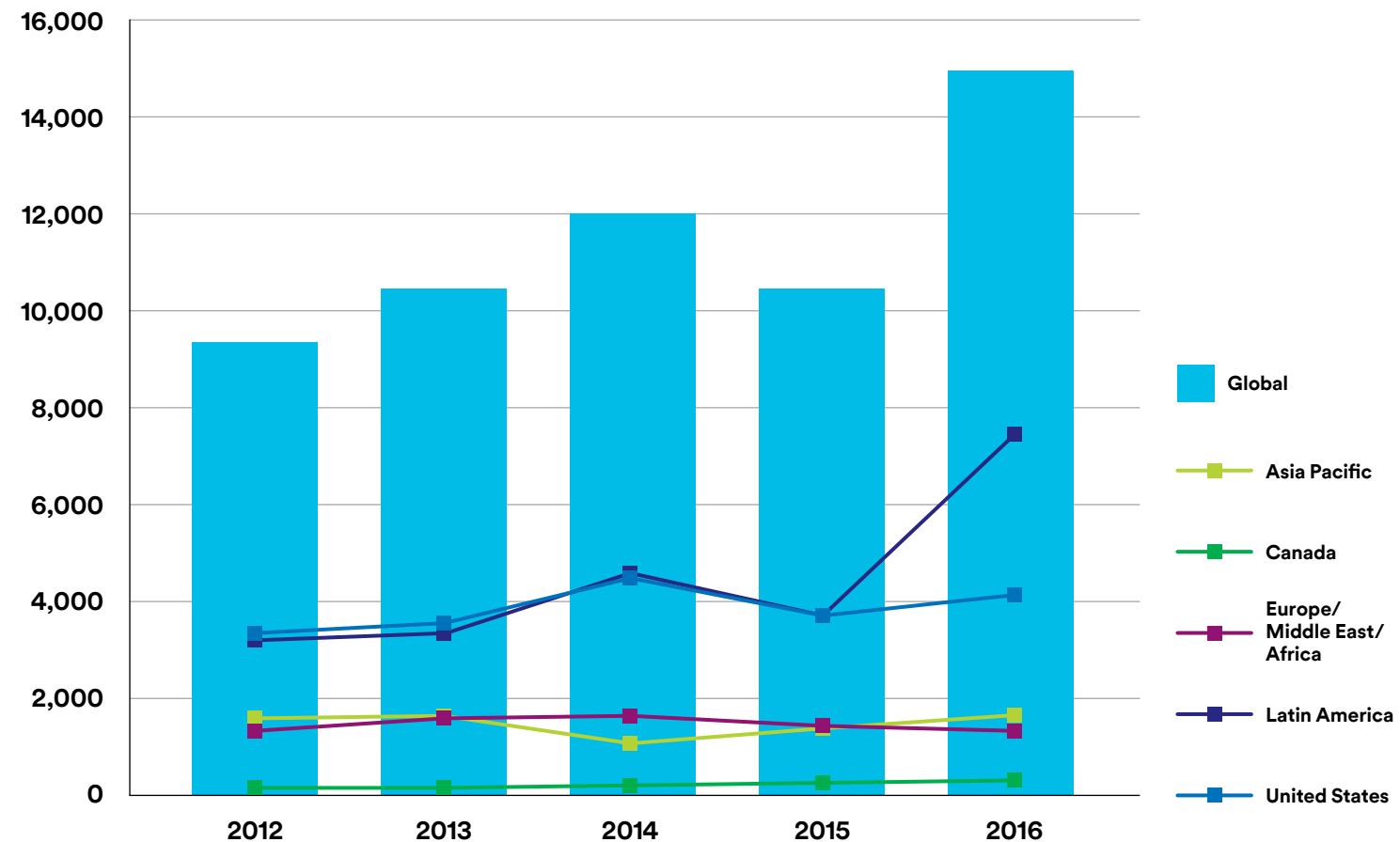
3M Global Females in Management
Percentage of Total



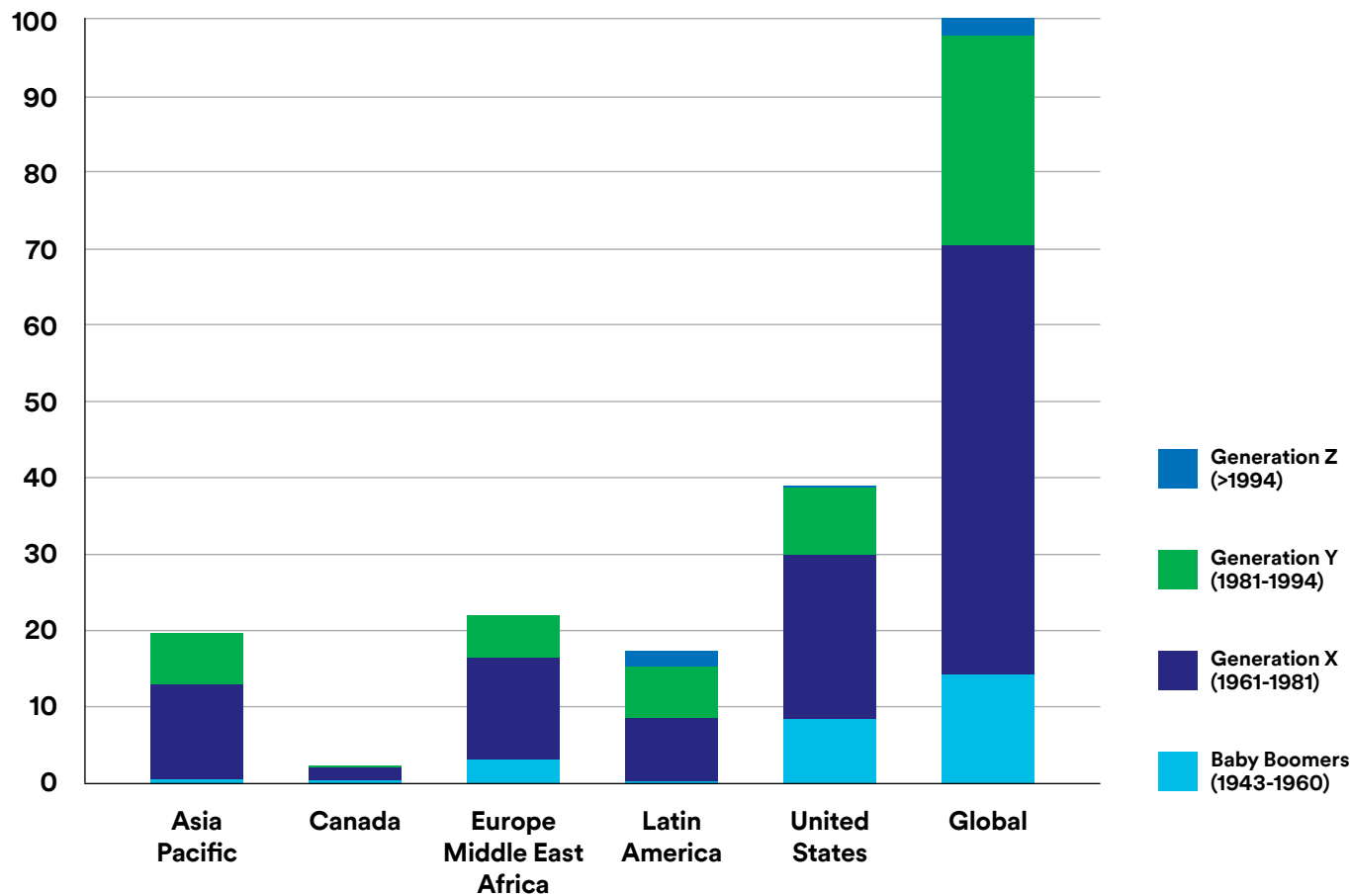
3M Global Female Employees by Region
Percentage of Total Employees



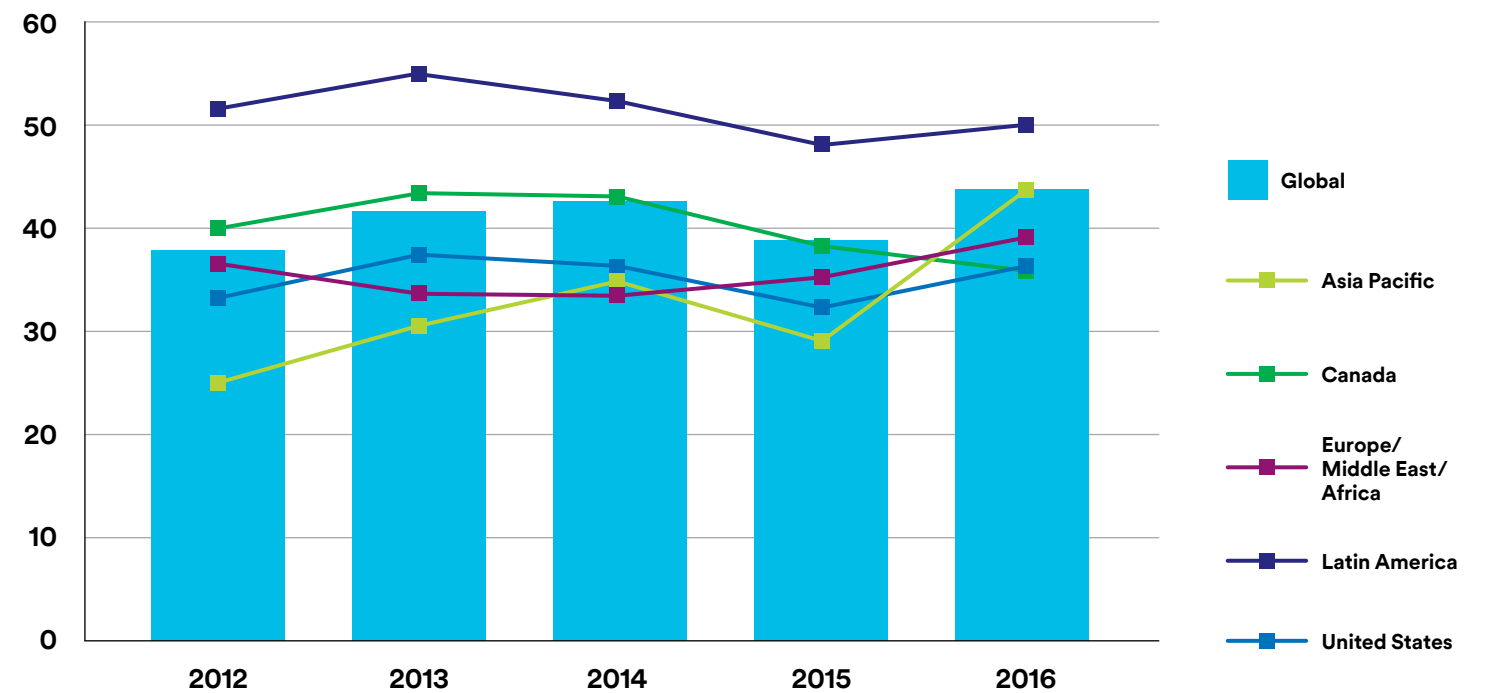
3M Global New Employee Hires by Region
Total



3M Regional and Global Employee Age Distribution
2016 Percentage



3M Global Female Hires by Region
Percentage of Total Hires



Health and Safety

Our Commitment

Injuries and illnesses have declined since 2006. And we're working to push them even lower.



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 91,600 employees working around the world, we are always taking steps to advance the safety of our employees.

Since 2006, due to these diligent efforts, worldwide lost time rates have decreased 49 percent for 3M employees.

Employee Health and Safety

The 3M [Global 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.

An employee fatality caused by electrocution occurred at a U.S. manufacturing site in 2016. The operation was shut down immediately for thorough root cause investigation. The exact actions taken by the employee moments before the electrocution were not witnessed. All operators of the involved process had been trained, qualified and equipped to carry out work activities



on live electrical energy. It is unknown why contact with the electrical energy source occurred. Additional preventive measures were implemented to further strengthen the safety of the operation before it was restarted.

Contractor and Visitor Health and Safety

All visitors, vendors, and contract workers at 3M locations are held to the same safety and health requirements as 3M employees, beginning with a pre-qualification process before granting contracts for work, and getting information such as injury/illness rates, Experience Modification Rates (EMR), and training and activity levels of safety committees.

For a non-3M employee (contractor) conducting work at a 3M location, before actual work begins, formal pre-construction safety reviews are conducted to address potential hazards and controls related to the work. Monitoring of safety performance is frequently conducted throughout the contract term.

In addition, each location has a Contract Coordinator who is the main contact for contractor safety. They have the ability to participate in pre-bid meetings and pre-qualifications for contractors. The Contract Coordinator is on-site and therefore available for daily meetings and safety reviews to assure proper behavior, training, and weekly inspections.

Any contractor incidents are reported in the 3M Worldwide Incident Management System (WIMS), including injuries and contractor worker hours.

Process Hazard Management

3M is committed to rigorously monitoring the risks associated with hazard management, such as process-related fires, explosions and sudden release of toxic materials. We use a Hazardous Process Evaluation Tool (HazPET) to categorize hazardous processes and assess the effectiveness of existing safeguards. Layers of Protection Analysis (LOPA) is also used to evaluate critical safety devices and systems, providing more attention to independent protection layers.

Our Actions

G4 LA 6 In 1996, a Global Safety and Health Plan (GSHP) tool was initiated for all global 3M locations, and it has been continually used and improved since then. This tool 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.

RAP and WIMS assessments bring historic success

It has been more than four years since the roll-out of the RAP (Risk Assessment & Prioritization) process was officially launched in WIMS. Today, over 90 percent of our locations have people with formal RAP training.

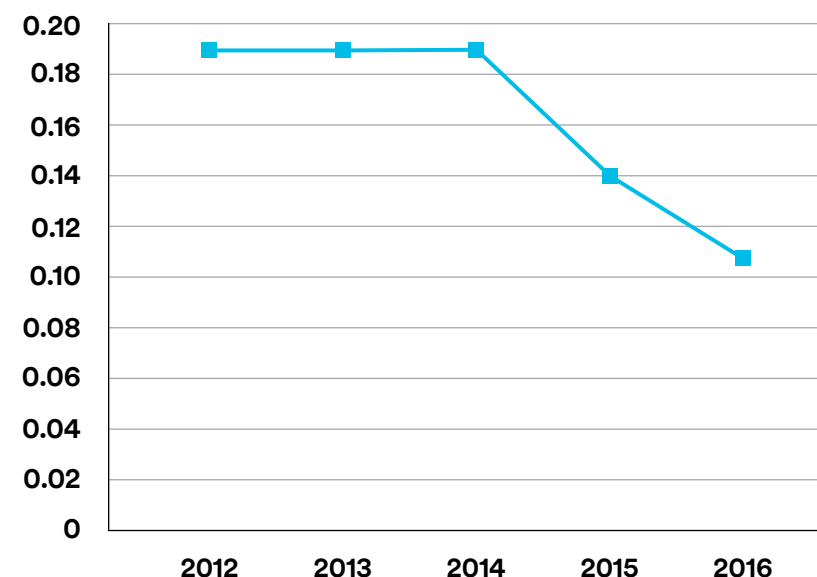
Since that launch, risk reduction activity has yielded gratifying results. At the end of 2016, over 59,000 risk assessments had been completed which resulted in the identification and reduction of more than 17,000 higher initial risk activities. This, in turn, has correlated to a steady decrease in severe incidents over the past three years.

The SIF (Significant Injury/Illness or Fatal) rate at 3M, which remained at 0.19 from 2012 through 2014, fell steadily in 2015 and continued its decline in 2016 with a net reduction of around 42 percent. This represents about 50 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.

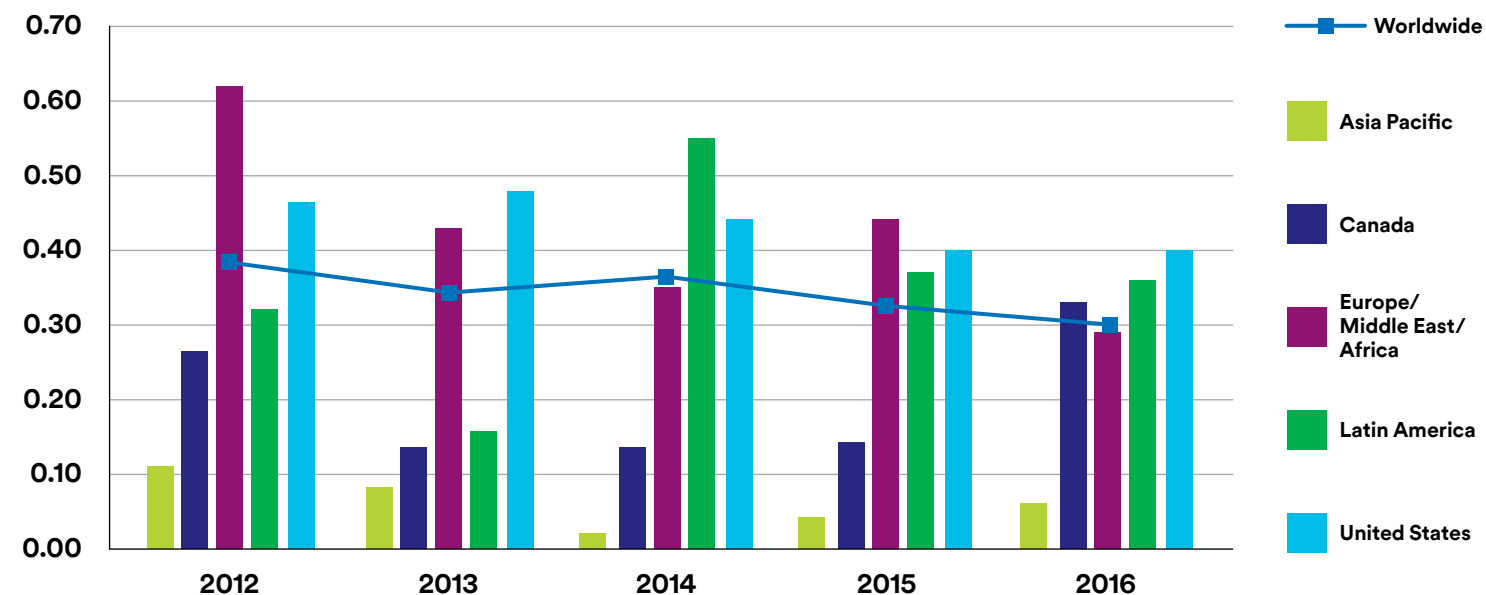
Significant injury assessment

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

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)



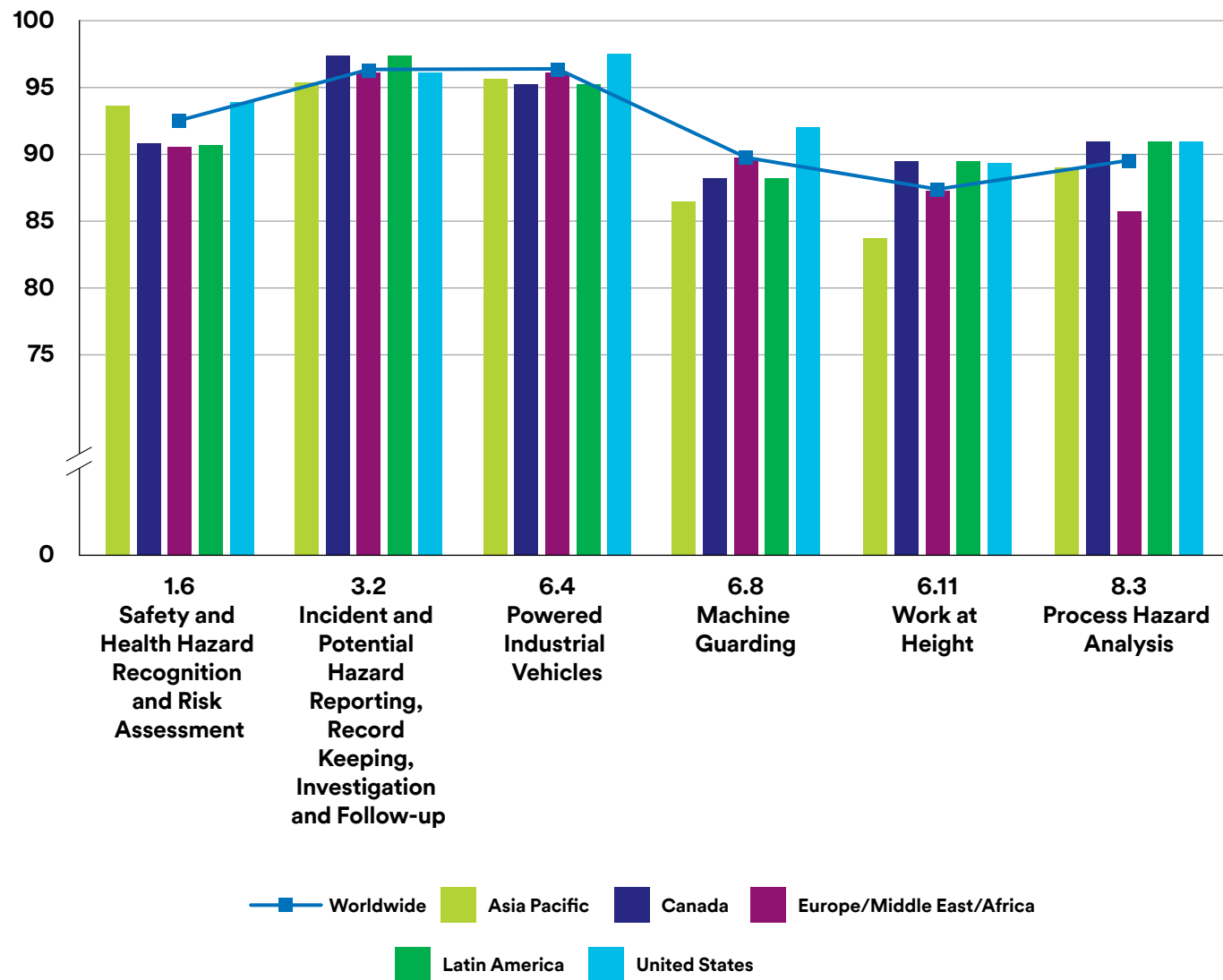
100 percent conformance to the following six standards for managing risk in certain high-hazard activities:

1. Safety and Health Hazard Recognition and Risk Assessment
2. Incident and Potential Hazard Reporting, Record Keeping, Investigation and Follow-up
3. Powered Industrial Vehicles
4. Machine Guarding
5. Work at Height
6. Process Hazard Analysis

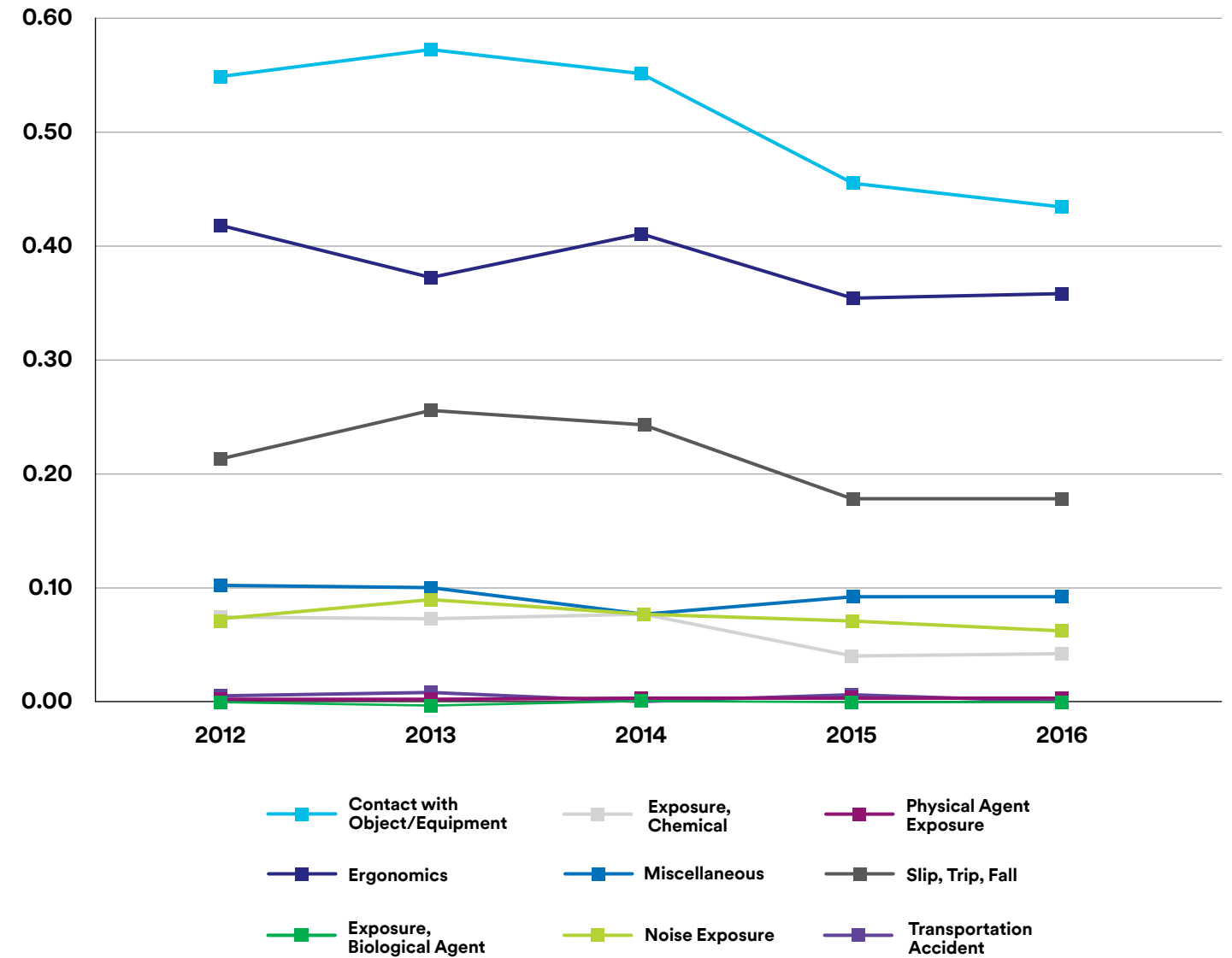
Comprehensive Chemical and Noise Exposure Risk Assessment and Management

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

Global Health and Safety Plan High Hazard Standards By Region
2016 Percentage



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



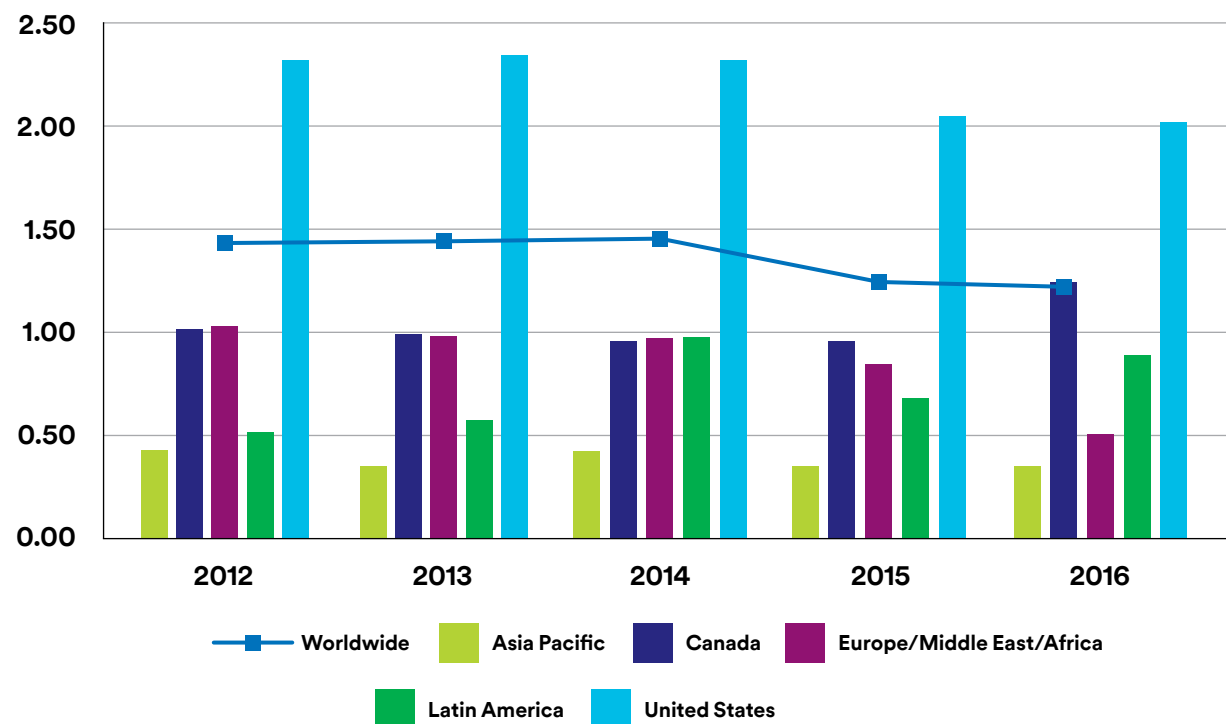
programs and respirator and personal protective equipment programs. The results of these assessments help us determine whether any changes in exposure management programs are warranted.

regional leaders for ergonomics at various locations around the globe. In 2016, we trained ergonomic experts in each region globally to drive ergonomic risk reduction. Ergonomic training is also available 24/7 to any employee in the world who wants to learn more. These efforts have led to reduction in recordable cases; see Recordable Incident Rate chart above.

Ergonomics Risk Management

Since ergonomic and noise-related injuries continue to be a major topic for all kinds of employers, 3M included, we have been placing special emphasis on developing

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



Static Discharge Improvement Plan

With continuing growth in electronic devices and technology, 3M developed a static discharge improvement plan in 2016. This plan includes the appointment of a competent, trained coordinator at each 3M location where there is potential for static discharge incidents; creation of supporting procedures, instructions and knowledge documents; training for operators, management, 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. Metrics will be collected to monitor the progress of the program.

Additional Steps to Protect People at Our Facilities

3M follows the U.S. Occupational Safety and Health (OSHA) recordkeeping rules and formulas to record and measure injury and illness rates worldwide. All 3M employees and contingent employees, regardless of facility type but within 3M's operational control, are covered by our injury and illness recordkeeping rules. In addition, contractors are asked to submit notification to 3M of worker hours and any injuries occurring while performing work in accordance with a 3M contract.

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

Safety and Health Committees

G4 LA 5 3M seeks employee participation at all levels to assure involvement and ownership of safety and health programs and systems. Safety and Health Committees, typically comprised of both management and employees, are key to us achieving effective, proactive solutions to safety and health issues, as well as substantive results. Emphasis is placed on a cooperative effort between management and employees in achieving these goals.

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

In 2016, 100 percent of 3M manufacturing locations worldwide had active employee safety and health committees.

Looking forward...

3M Environmental, Health and Safety (EHS) will be hosting the 3M Global Safety Conference in May, 2017 in Minneapolis, Minnesota. This internal conference is focused on managing EHS risks, increasing knowledge of 3M safety systems, strengthening regulatory compliance, and increasing productivity.

In addition to the global safety conference, more training will be available in 2017 to assist locations in their risk reduction efforts and to provide them with benchmarks on the quality of their risk assessments. Assistance is also available from Corporate Safety for a case by case review of risk assessments for any particular challenging hazard in need of improved controls.

Environmental Management

Our Commitment



In 1975, 3M formalized its commitment to environmental stewardship when the company's Board of Directors adopted the 3M [Environmental Policy](#). 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: [Environmental Policy](#), [Energy Policy](#), [Greenhouse Gas Management Standard](#), [Product Carbon Footprint Standard](#), [Disposal of Chemical Waste Standard](#), [Waste Management Program Standard](#), [Water Management](#)

[Standard and our Global Climate Change Position Statement.](#)

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

3M global operations are subject to environmental laws and regulations, including those pertaining to air emissions, wastewater and stormwater discharges, hazardous substances or materials of concern, and the handling and disposal of solid and hazardous wastes. These laws and regulations are enforceable by national, state and local authorities around the world.


3M's [Acquisition, Divestitures, and Mergers Standard](#) applies worldwide to all 3M acquisitions, mergers, divestitures, joint ventures and real estate transactions.




All pending transactions are evaluated to identify EHS&S risks and regulatory compliance matters by the Corporate Environmental Programs organization.

3M's strategies for sustainable development encompass the pursuit of customer satisfaction and commercial success within a framework of environmental, social and economic values. 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

 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

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

Information and performance data on a majority of these program elements are tracked and reported through corporate electronic reporting systems. Quarterly scorecards report data at the facility, division, business

group and corporate levels. These scorecards are reviewed by executive management for performance on selected indicators, enabling 3M to monitor and identify successes, risks and opportunities for improvements and reductions worldwide.

Environmental Incident Management

 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 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 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. 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 site


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 to which we subscribe.

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 are required to complete a Global Environmental Management Self-Assessment (GEMSA) at least annually, which consists of a detailed evaluation of the location's systems alignment for assuring environmental compliance and management system performance. Among the topics covered in the self-assessment:


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

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

Environmental Investments

 In 2016, 3M expended about \$28 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 \$70 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 Site Assessment

 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.

Applying ISO 14001

ISO 14001 provides a global framework for handling environmental issues within an organization. 3M, in 2016, worked with an outside consultant to help individual locations learn how to transition and recertify to the latest standard, established in late 2015. As of the end of the year, one 3M location successfully completed certification to the new version of the standard. Additional locations will go through the re-certification audit over the next two years.

Locations that are certified account for approximately 96.7 percent of 3M's total product output. The remaining locations are from new 3M acquisitions and/or 3M office/logistic centers. 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 2016 environmental data (volatile organic compound emissions, water, waste, environmental compliance metrics, energy consumption and greenhouse gas emissions) included in this 2017 Sustainability Report.

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 2016, these audits covered sites that manufactured 11.6 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 international operations, 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 audit findings, assignment of responsibility and due dates for closure of findings, and detailed review of findings, to assure corrective actions are appropriate and sustainable

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

Refining auditing management

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 allows us to conduct internal compliance audits in the context of applicable regulatory requirements and company policies and standards, and then using a risk assessment tool prioritize needs based on a number of factors, including the environmental footprint of the location and the number of years since its most recent audit.

2016 3M Environmental Conference



On May 17-19, 2016, about 200 global 3M employees gathered in Minneapolis, Minnesota for the 3M Environmental Conference. This conference, the third since 2010 and part of a long history of internal EHS conferences, provided a forum for sharing best practices and learning about environmental compliance and optimized performance. More than 80 speakers presented new ways to design waste out of our manufacturing processes and incorporate the full cost of waste into our planning processes, among many other topics. Attendees returned home with specific actions they could take to promote compliance, do their jobs more efficiently, and reduce manufacturing costs and potential releases to the environment.

Looking forward...

Using the power of mapping

A concept developed in the 1960s primarily for agricultural use, Global Information Systems (GIS) were originally used to collect and analyze the characteristics and potential for land used for growing crops. Today, it is being widely used to do the same kind of analysis, but through an environmental lens. 3M's short-term goal is to have location data that's geospatial-referenced on a map for specific global sites. Ultimately, our long-term goal is to have the same information for every site worldwide.

2025 Goals Scorecard

	3M Goal	Goal Progress
	Improve Global Energy Efficiency 30%	<p>2015: 937, 2016: 956, 2025: 656 MMBTU per MM USD Net Sales</p>
	Increase Global Renewable Energy 25%	<p>2015: 0.50%, 2016: 7.6%, 2025: 25% Percentage of Total Electricity Purchase</p>
	Reduce Global Manufacturing Waste 10%	<p>2015: 5.16, 2016: 5.33, 2025: 4.64 Metric Tons per MM USD Net Sales</p>
	Achieve global zero landfill status at more than 30% of manufacturing sites.	<p>2015: 28%, 2016: 27%, 2025: 30% Percentage of Total Manufacturing Sites</p>
	Reduce Global Water Use 10%	<p>2015: 0.00141, 2016: 0.00152, 2025: 0.00127 Million Cubic Meters per MM USD Net Sales</p>

Raw Materials

Our Commitment



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. (To learn more about this, turn to our [Innovation Management](#) section.) 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 sites within our global manufacturing footprint. The results and raw data are used to identify, quantify and prioritize projects to improve, utilizing Lean Six Sigma Continuous Improvement methodology.

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

Waste management and minimization is an important component of 3M's environmental stewardship. The 3M Environmental Operations and Resource Recovery organizations provide corporate oversight for global waste management activities.

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. By the end of 2016, 26.6 percent of 3M sites had attained "zero landfill" status.

A site receives "zero landfill" status when it has gone a full calendar year without sending any waste to a landfill. It will continue to be a zero landfill site as long as no waste is sent to a landfill. Waste, as defined here, does not include ash generated from 3M material sent to a waste-to-energy site or incineration. If material is inadvertently diverted to a landfill, 3M works with its vendors to contractually prevent this from happening in the future.

Our Actions

2016 was another year of significant progress for 3M in reducing waste. On many fronts, much of this progress can be attributed to 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.

Waste from manufacturing sites 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 sites.

3M practices waste minimization whenever practical to reduce the amount and hazards of waste materials generated. Between 2005 and 2016 there has been a 7.97 percent reduction in absolute total hazardous waste or a 25.2 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 3M Lean Six Sigma to increase waste reduction across all locations. Our waste indexed to net sales has decreased nearly 22.0 percent since 2005.

Maximizing Raw Material Usage

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 everything from 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 raw material usage is important both internally and externally to address the global challenge of resource efficiency and scarcity.

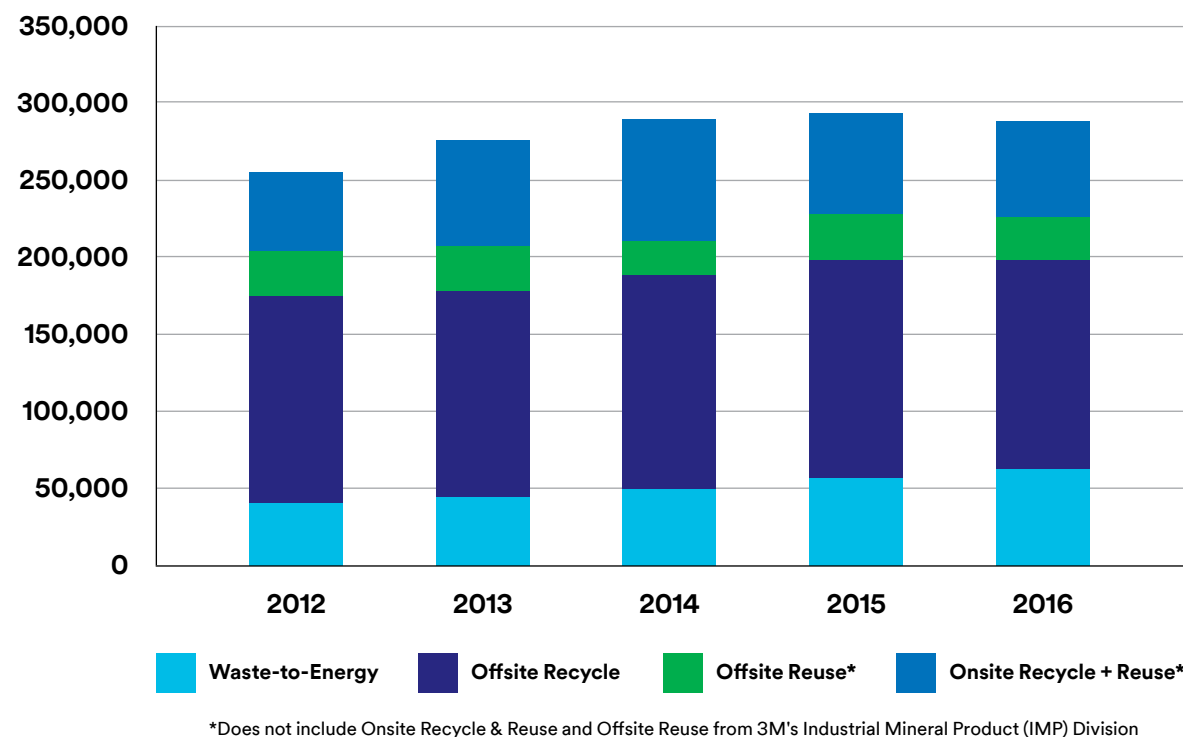
In addition to optimizing efficiencies in operational waste and recycling, 3M continues our long-standing commitments to efficient paper and packaging use. For nine straight years, we have reduced designed packaging weight in the United States, for a cumulative reduction of more than 13,000 metric tons. More than half of that reduction was in paper-based packaging. Over the last two years, global savings have been reviewed at the corporate level. In 2016, our global designed packaging reduction was just under 4,000 metric tons.

Pollution Prevention Pays

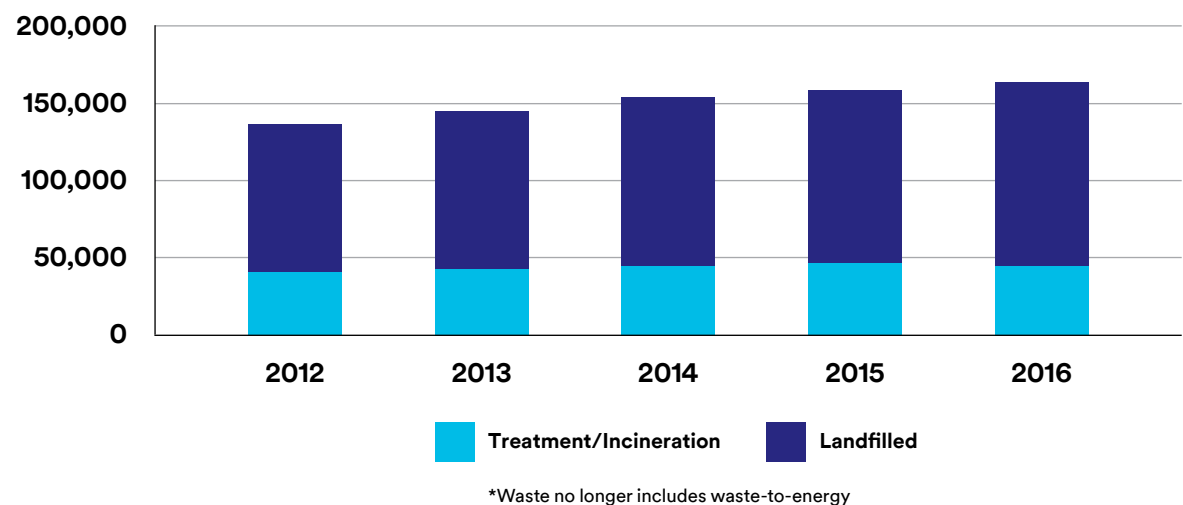
The 3M Pollution Prevention Pays (3P) program is based on the belief that a prevention approach to pollution is more environmentally effective, more socially acceptable and more economical than treatment. Begun more than 40 years ago, the program has prevented more than 2.25 million short tons of pollutants and saved over \$2 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 R&D; Engineering; Environmental, Health, Safety and Sustainability; Manufacturing; and Supply Chain organizations. Selected project teams receive recognition for their achievement.



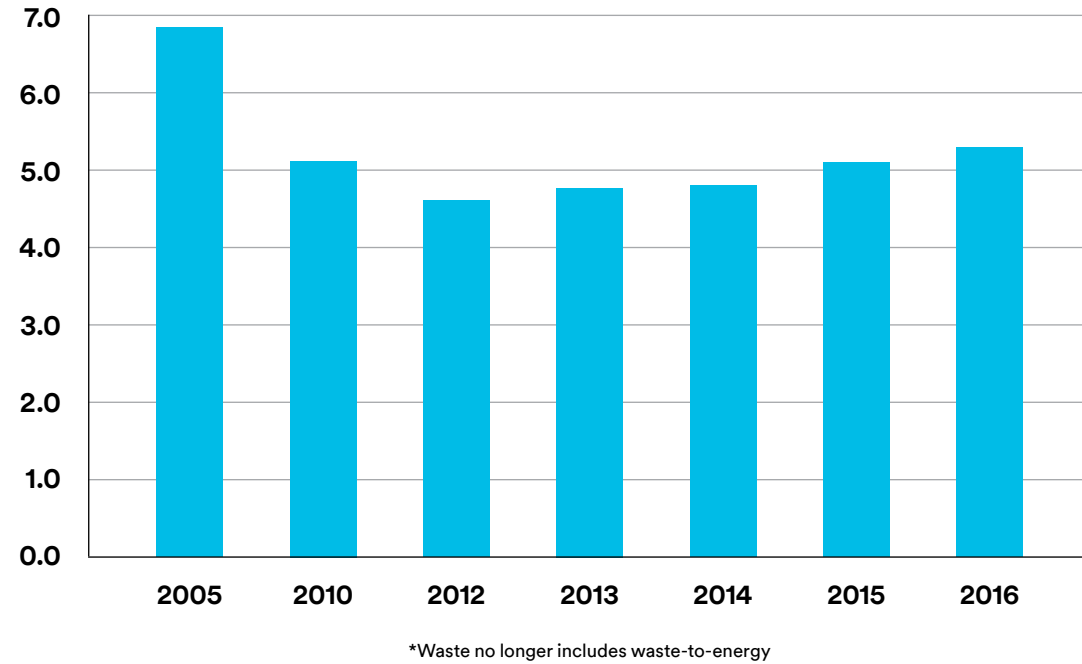
Global Waste Diversion by Type
Metric Tons



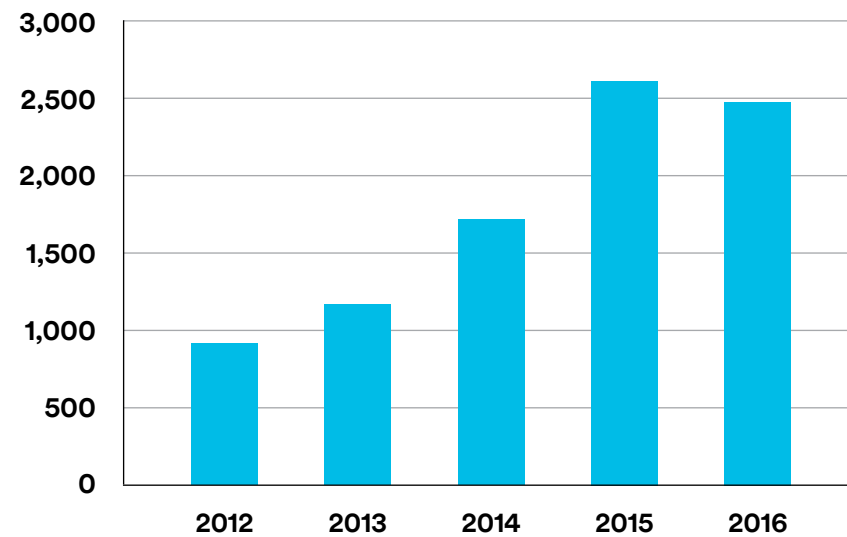
Global Waste by Disposal Type
Metric Tons



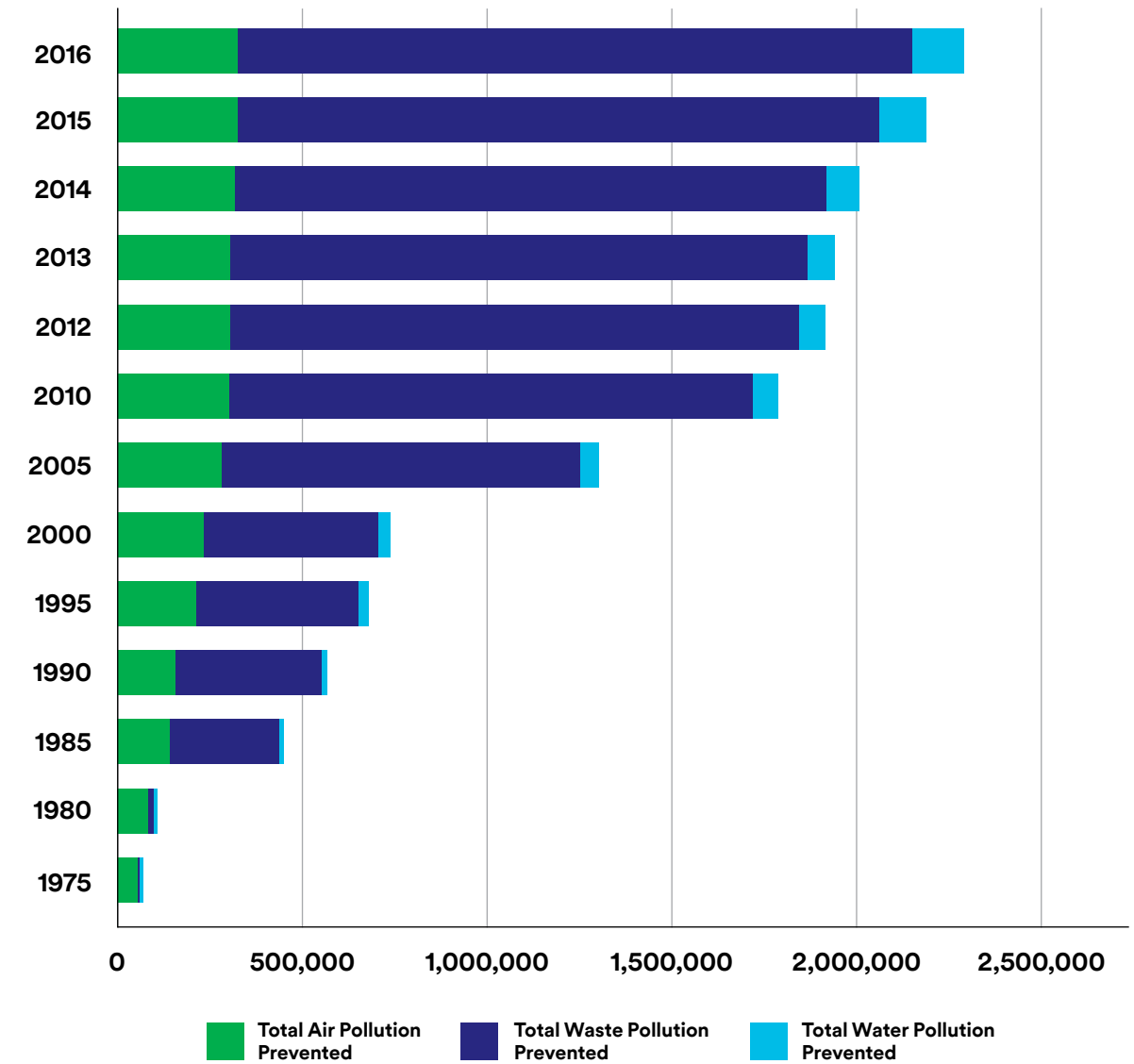
Global Waste
Metric Tons per MM USD Net Sales



United States Package Design Waste
Yearly Waste Prevented, Metric Tons



3P Global Pollution Prevention Achievements: 1975-2016
First Year Total Pollution Prevention Cumulative Totals, Short Tons



As part of the program, 3M Industrial Mineral Products was named 2016 Division of the Year for successfully encouraging employees to reduce and eliminate pollution at its four facilities. Through their efforts, these employees prevented over 100,000 short tons of pollution last year. To achieve this result, 3M employees at each of the locations targeted a total of 14 projects where they could eliminate waste through recycling and reuse. Their efforts contributed to saving a total of \$1.26 million for the company during 2016.

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 sites. 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 site in a calendar year. While we want to have all

sites divert waste from landfills and increase beneficial reuse, this goal may not be financially or technically feasible for all locations in 3M.

Our site waste data is reported in the corporate Environmental Targets Database quarterly. At the corporate level, we report the percent of sites that have accomplished Zero Landfill. This data is third-party validated at the site and corporate level. We also require the sites meeting this goal to complete an internal assessment to assure accurate reporting.

We are evaluating applicability and business value of pursuing external certifications for zero landfill.

Looking forward...

Aligning with 3M's Lean Six Sigma as a basis for driving continuous improvement, the True Cost of Waste Black Belt project was designed to assist in achieving 3M's 2025 Sustainability goal of reducing manufacturing waste by 10 percent as indexed to the company's sales at a facility level. By using the Lean Six Sigma tools, the project team quickly determined that a primary issue for manufacturing plants 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 plant's waste, thereby allowing plants to better use Lean Six Sigma tools for project hopping and prioritizing, and ultimately reducing waste.

Results from kaizen waste reduction events

Kaizen is the Japanese word for "continuous improvement." In 2016, at two 3M U.S. locations, teams held kaizen events to prioritize efforts that will reduce manufacturing waste. The events included plant walk-throughs, waste-by-cause analyses and identification of opportunities for improvement. We should begin to see real results from these promising events in 2017.

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

As sites identify opportunities to divert waste streams, it is critical to do this within our Corporate Waste Management Standard requirements. We want to protect 3M's reputation while managing waste, and set up contracts with our haulers and recyclers and/or waste-to-energy companies to make sure our material is handled appropriately.

Packaging

In 2017, 3M plans to deploy a new software modeling tool that will help engineers reduce waste in product packaging, evaluating design options from a life cycle management point of view. A global pilot of the new process and tool was conducted in 2016 with full roll-out occurring in 2017.

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 aim to continue to make a difference in water availability and quality around the world.

Water Quality and Availability

G4 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.

We 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

G4 EN 9, 11-12, 14 **G4 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 2016, 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 (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. Identified 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 WBCSD Global Water Tool, an analysis of site operations and water usage and local conditions.

Our Actions

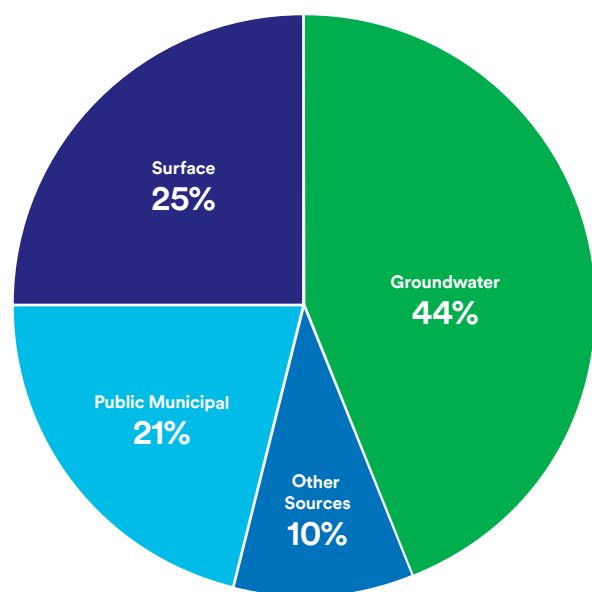
G4 EN 9 2016 was another year of significant progress, on many fronts, for 3M's water footprint. Much of this progress can be attributed to a consistent, company-wide focus on reuse, reduction and internal recycling, as well as collaboration with our own technical community, channel partners and civic 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 is 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 34.2 percent between 2005 and 2016 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



Global Water Withdrawal
2016 Percentage



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.

Onboarding new 3M sites about water conservation.

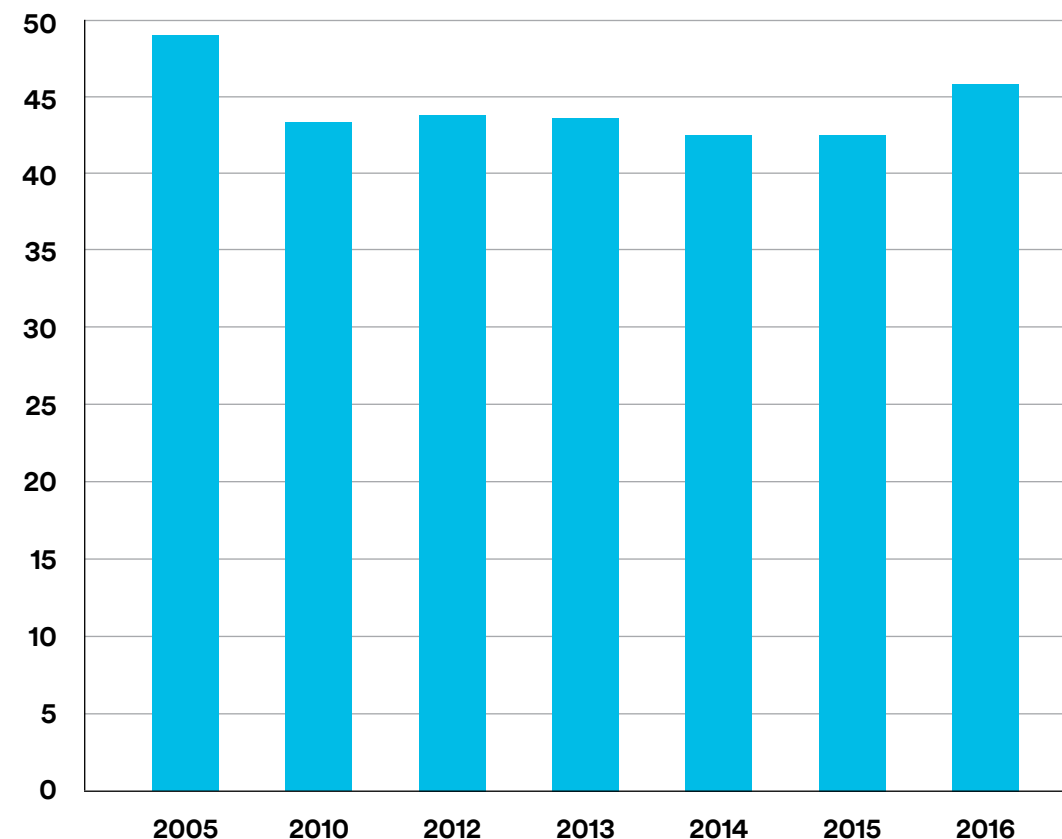
3M utilizes the WBCSD Global Water Tool to determine if a new 3M site is in an area that has an extremely high baseline water stress value. If a site is in such an area, the company provides special training, and collects water usage data to determine whether or not to include this site as part of our water related goal for community-wide engagement approaches towards water education advancement. If included, the site is made aware of additional requirements it must meet.

Looking forward...

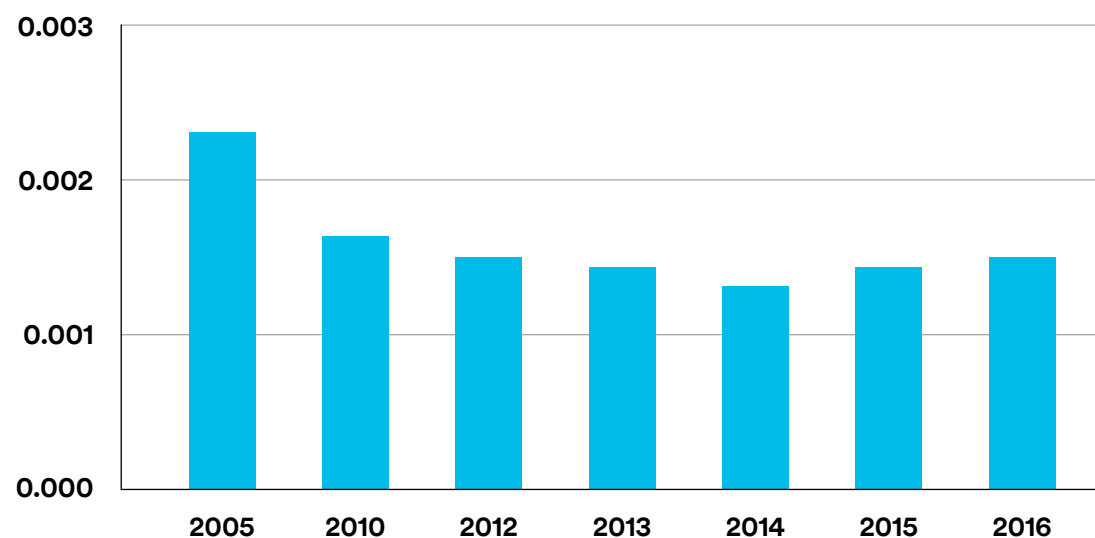
A 10-year plan to address global water challenges.

The focus of our 10-year strategic plan will not only be on water use reduction. The plan also focuses 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. A critical element of this plan was the establishment in 2016 of a Corporate Water Conservation Steering Team with executive management sponsors. This team is reviewing policies, programs and procedures while expanding our internal systems globally, to create, identify and share best management practices related to water conservation.

Global Water Usage
Million Cubic Meters



Global Water Usage
Million Cubic Meters per MM USD Net Sales





Climate and Energy

Our Commitment

We are transforming the way we use energy. Because energy impacts climate, and climate impacts everything.

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:

1. Executive-level commitment to these important topics and our related principles, commitments and risk-mitigation planning efforts
2. Industry-leading efforts to reduce our own greenhouse gas (GHG) emissions

3. Extensive public policy engagement on both climate change and energy conservation
4. A decades-long track record of improving energy efficiency at our locations
5. Serving our customers through a wide range of innovative products that help them improve energy efficiency and reduce their carbon footprint

Executive-Level Commitment

G4 SO₂ Climate change and energy efficiency are high-priority issues throughout 3M, up to the Corporate Operating Committee and CEO. The Corporate Environmental, Health, Safety and Sustainability (EHS&S) 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&S 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. One example: the National Climate Coalition (NCC). 3M is a founding member of NCC, an organization committed to dialogue and policy development with decision-makers in the United States EPA and many state agencies.

Risk-Mitigation Planning

G4 EC₂ 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 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 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 the proactive approach of science-based GHG emission reduction targets. We have a long record of being proactive on the matter of climate change, as demonstrated by our 67.3 percent absolute reduction in GHG emissions from our operations through 2016, 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 Intergovernmental 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 address rising energy use, costs and climate impacts.

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.

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 CEO. Team members 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 is 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: to continuously improve results, leverage engineering expertise and advances, drive plant-level efficiency improvements, maintain top management support, and protect 3M.

2025 Goal: Increase renewable energy to 25 percent of total electricity use.

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

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, beginning more than 10 years ago, to reduce our greenhouse gas emissions. We are committed to continuing that leadership even as we grow the company, and to help our customers address the issue of climate change.


By conserving energy, reformulating products and controlling high global warming potential emissions, 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 3M customers reduce their GHGs by 250 million tons of CO₂ equivalent emissions through use of 3M products.

While 3M has made significant GHG emission reductions across our global operations, we realize we can make far greater contributions by helping our customers reduce their GHG emissions through the use of our products. Additional information on how we work with our customers, see [Our Customers](#).

Our Actions

Total Energy Use

 Building on our 30 percent improvement in energy efficiency between 2005 and 2015, our 2025 goal is to increase energy efficiency by an additional 30 percent indexed to net sales. This will keep our global energy use nearly flat over the next 10 years, as the company grows.

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.

Over \$2.5 million of energy savings were identified at these locations, with active implementation strategies being put in place for the higher priority projects.

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 Scope 1 and 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.

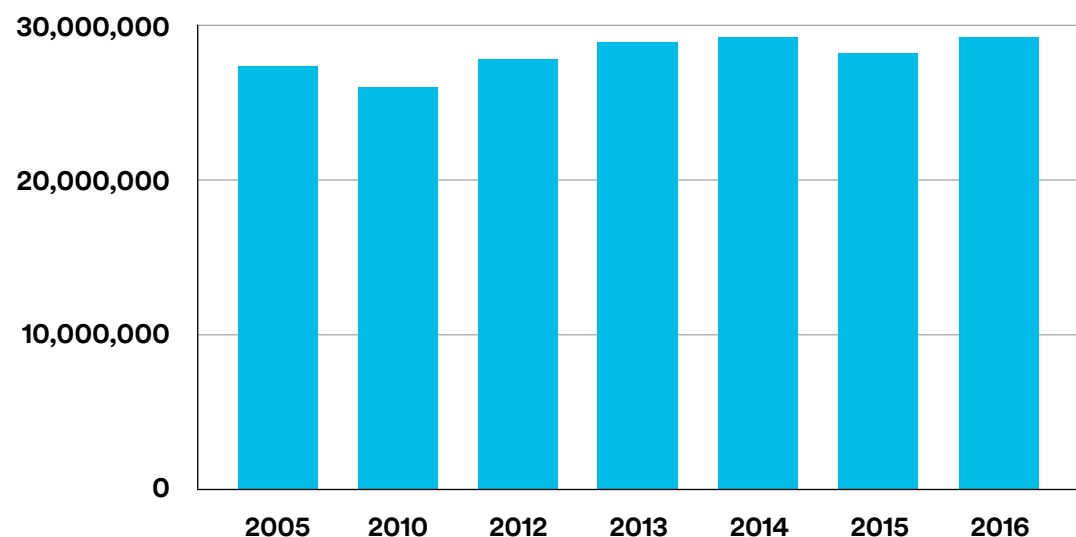
ISO 50001

The internationally recognized standard of ISO 50001 and the U.S. Department of Energy's (DOE) Superior Energy Performance (SEP™) certifications aim to build a culture of energy management at the location, where everyone is aware of their opportunities to increase energy efficiency in site operations; moving from the mindset of 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 that are certified or are working towards certification to ISO 50001 and SEP 2016.

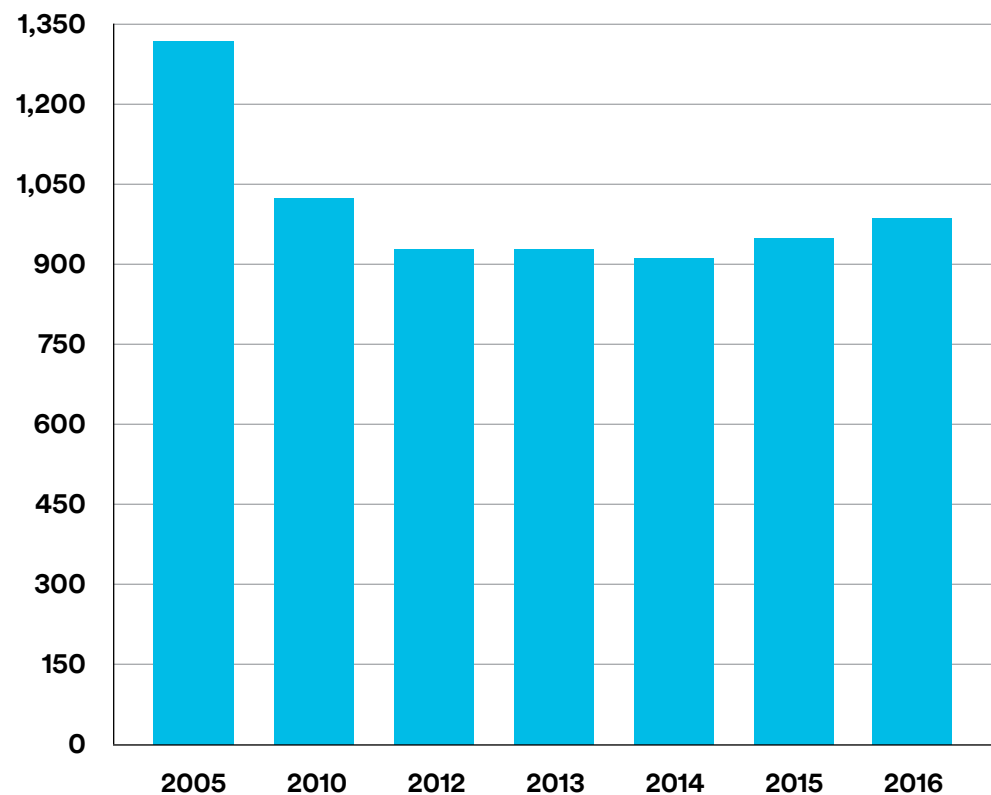
U.S. Department of Energy Recognizes 3M's Innovative Enterprise-Wide Approach to ISO 50001 Certification

In May of 2016, the DOE held a Better Buildings Summit in Washington D.C, where four companies including 3M were recognized for achievements in ISO 50001 certifications. During this event, it was announced that five 3M locations completed the certification process to ISO 50001. Included in the 3M enterprise-wide ISO 50001 certificate will be these five locations, as well as 3M Cordova which was initially certified in 2012 and

Global Energy Use
MMBTU



Global Energy Use
MMBTU per MM USD Net Sales



recertified to the Silver level in 2015. Moving forward, enterprise-wide certification will include:

- Leverage of the already-developed implementation manual, standard operating procedures, corrective action/preventative actions reporting system, and data analysis tools
- Reduction in future audit costs through sampling-based audits
- Strengthening internal benchmarking and information sharing through networking and internal auditing
- Reinforcement of systematic management of energy at our top-consuming locations

At time of certification in April, 2016, 3M ISO 50001-certified locations had achieved a collective improvement in energy intensity of 10.5 percent.

3M Canada is first Canadian organization to be ISO 50001 Enterprise Level Certified

"It's through initiatives like ISO 50001 and Superior Energy Performance® (SEP™) certification that 3M can achieve its ambitious global Sustainability objectives," said Richard Chartrand, 3M Canada executive director, Energy and Electronics Business Group and executive sponsor, Sustainability.

Lighting Challenge

3M developed a Lighting Challenge for all of our locations by taking advantage of the advancements of light-emitting diode (LED) technology. 3M is in the process of upgrading its lighting systems from conventional fluorescents and metal halide to the more efficient LED lighting where possible. These improvements will increase the energy efficiency of the lighting systems by 40 percent to over 300 percent in some cases. It is estimated that over 250,000 lamps have been purchased for installation in 2016 with a continuing effort in 2017. It is estimated that approximately \$6 million will be saved in energy costs globally throughout the 3M sites.



3M catches the wind in Texas

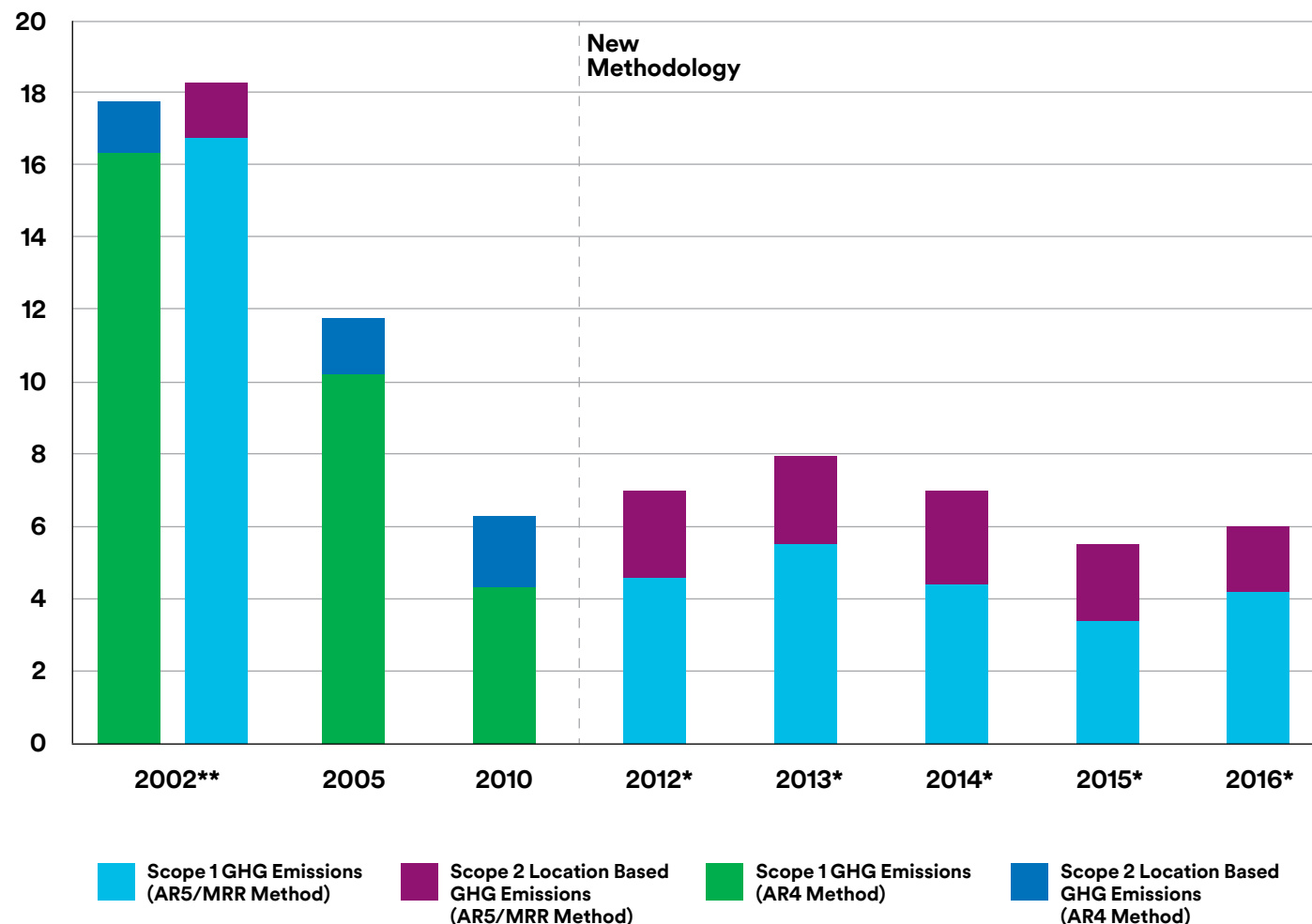
On February 9, 2016, Invenergy, a leading provider of renewable energy, signed an agreement to provide 3M with 120 megawatts of wind power from the Gunsight Wind Energy Center located in Texas. "This agreement is an important and significant step toward accomplishing our company goal of increasing renewable energy to 25 percent of our total electricity use by 2025," said Jean Bennington Sweeney, vice president, 3M Environment, Health, Safety and Sustainability and CSO. "Perhaps even more importantly, this is an exciting step in helping to transform the way the world uses energy. Innovation and partnerships like this one with Invenergy are critical to improving our business, our planet and people's lives across the globe."

Direct (Scope 1) and Indirect (Scope 2)

G4 EN 15-19 Since 2002, 3M has reduced Scope 1 GHG emissions by 75.3 percent, providing a direct and immediate reduction in our impact on the environment. During this same timeframe, we have achieved a 67.3 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.

Greenhouse Gas Emissions, Scope 1 and Scope 2

Million Metric Tons CO₂ equivalents



*2012-2016 US 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 US EPA GHG-MRR/IPCC AR5 methodology (2.7% increase over original reported value)

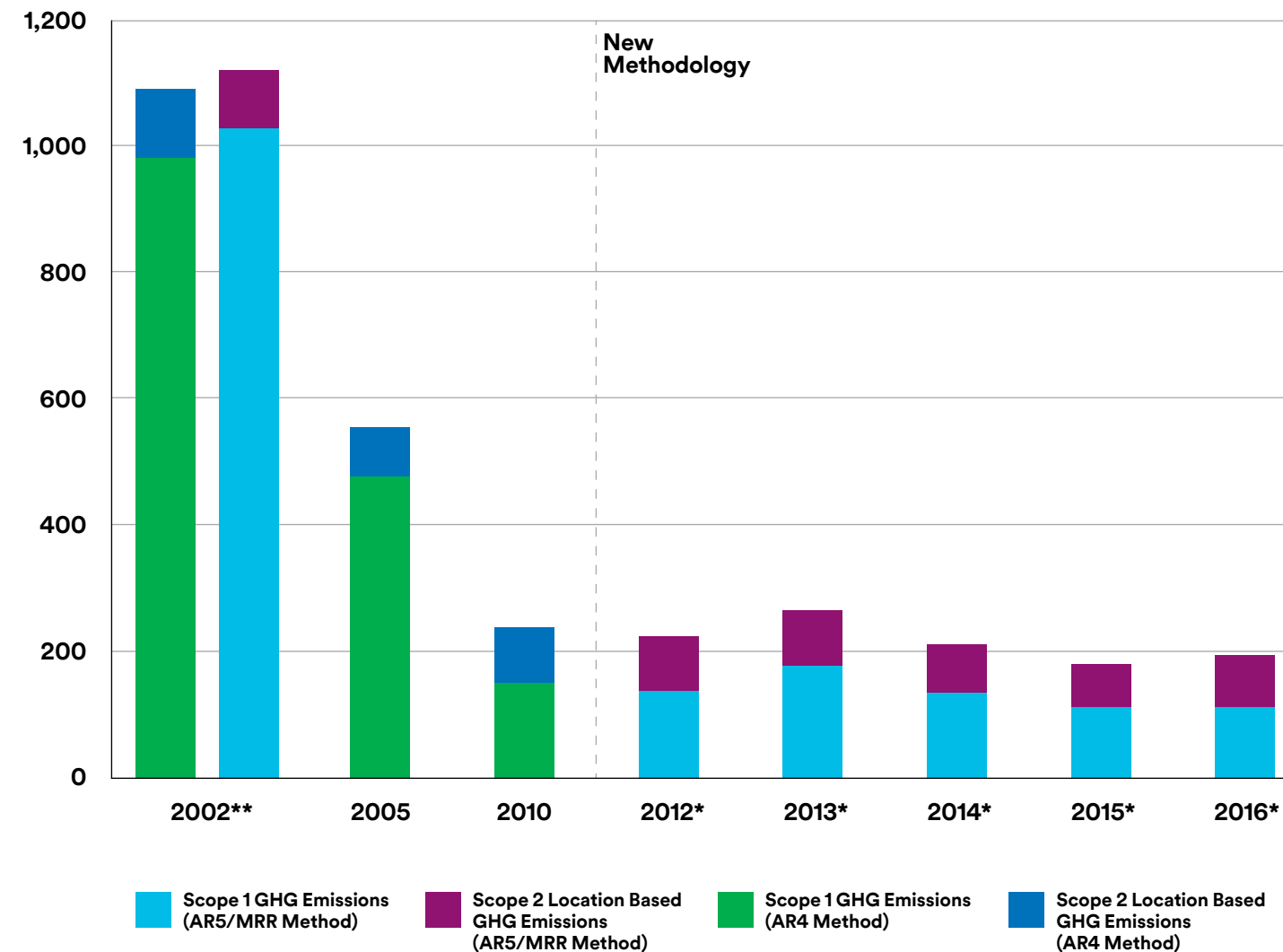
The GHG inventory has been calculated from 2002 to the current year by the 3M Environmental Laboratory in accordance with the World Resources Institute (WRI)/ World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Greenhouse Gas Accounting and Reporting Standard. The 3M Environmental 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

Indexed Greenhouse Gas Emissions, Scope 1 and Scope 2

Metric Tons CO₂ equivalents per MM USD Net Sales



*2012-2016 US 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 US EPA GHG-MRR/IPCC AR5 methodology (2.7% increase over original reported value)

- Internal audit program
- Documented and approved calculation procedures.

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 addressing climate change.

Greenhouse Gas Quality System

Relevance Clearly defined boundaries	Completeness Strive to calculate and report all GHG emissions; data coverage 99+ percent of inventory	Consistency Data based on approved scientific methods; should methods change, 3M will, wherever possible, recalculate prior years' inventory	Accuracy Audit (internal and external) GHG emissions and calculations	Transparency Report on GHG emissions and activities
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GHG Emissions from Our Suppliers and Customers (Scope 3)

G4 EN 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, so data reported is in accordance to the Standard. When the complexity of the supply chain does not allow for direct calculation, an input/output model calculation method is used.

For Scope 3 Categories 1 (Purchased Goods and Services) and 2 (Capital Goods), a new model has been utilized since 2015, based on characteristics of the economy in 2014. The new model reflects the improved carbon intensity, or emissions per dollar, of the economy. Since emissions prior to 2015 for these categories were based on the model available at the time (based on 2002 economic data), data since 2015 is not directly comparable to past years.

Categories 9, 10, 11, and 12 (related to emissions associated with sold products) are challenging, 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.

With the introduction of Business Transformation to 3M, our systems are becoming more unified, and this is providing us with better data to more accurately judge and make decisions. It is also helping us create real, consistent changes throughout our global operations. We expect Business Transformation to help drive our efforts to reduce all GHG emissions, including Scope 3 GHG emissions.

Evaluating our Customer's Potential Greenhouse Gas Reductions

G4 EN 7 3M has a process in place to estimate our claim for customer GHG emission reductions based on the 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 against a baseline scenario. The project scenario estimates the GHG emissions including manufacturing and use of the 3M product. The baseline scenario covers the same function, but without the 3M product. In some cases, there is no suitable replacement for the 3M product, so the baseline scenario is the absence of the 3M product entirely.

The boundaries of the 3M product scenario are nature to gate or nature to grave, in which we include all emissions from raw material extraction and purification, manufacturing, and use.

In some of the studies, where appropriate, we include disposal of the 3M product. The 3M product scenario uses high-level estimates and averages for manufacturing emissions (e.g. energy per pound of product produced at a location). This allows these studies to be completed more quickly, but at a higher uncertainty.

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.

The uncertainty for all the studies is ±50 percent. Although this sounds high, ±50 percent approximates data of fair to good quality as defined in the WRI/WBCSD Product Life Cycle and Accounting Standard Quantitative Inventory Uncertainty Guide.

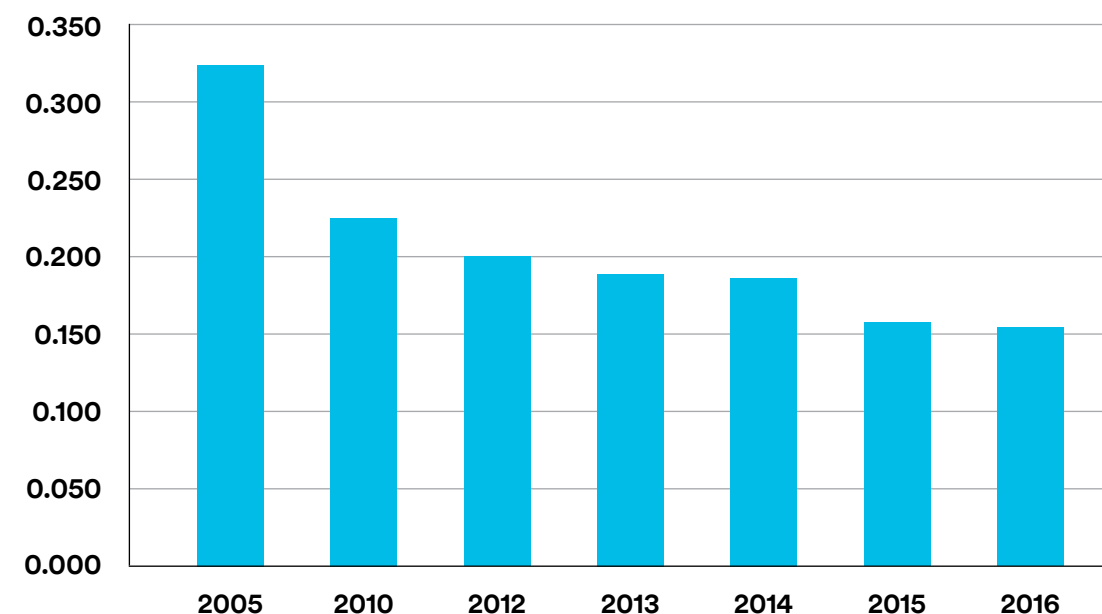
In 2016 alone, our customers avoided emitting about 13 million metric tons CO₂ equivalents through use of various 3M product platforms calculated in accordance with the ISO 14064-2 and 3M Environmental Laboratory standard operating procedures.

Air Quality Management

G4 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.

Global Volatile Organic Compounds (VOCs) Emissions
Metric Tons per MM USD Net Sales



Air Emissions Reduction Program (AERP)

In 1987, to address corporate environmental responsibility for volatile organic compound (VOC) emissions, 3M voluntarily implemented an [Air Emission Reduction Program \(AERP\)](#) that has produced dramatic reductions of VOC emissions.

A major component of the AERP requires installation of an emission control device or other equally effective solution any time VOC emissions exceed 100 tons per year. In 2015, only two 3M locations exceeded that threshold, and both have been effective in addressing emissions in 2016. In fact, using different approaches, each achieved voluntary emission reductions exceeding the requirements of state and federal regulations.

The first is 3M Knoxville. Under the location's Title V federal operating permit, a coating line could vent to the atmosphere. However, a 2016 engineering project re-routed emissions to the location's existing Regenerative Thermal Oxidizer emission control unit instead of venting to the atmosphere. This change led to an 85 percent reduction in emissions from that coating line.

The second is 3M Menomonie. Although meeting the emission limits under its Title V federal operating permit, this location opted to reformulate several VOC-containing products to a water-based coating, a change that is expected to voluntarily reduce VOC emissions by 72 tons per year.

For many 3M manufacturing processes, NO_x, SO₂, CO and PM are also 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

- 88 percent of our locations emit less than 100 tons per year VOC
- 31 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 and select those that are the most environmentally effective and cost-effective. Technologies include Thermal Oxidization, Solvent Recovery, Carbon Adsorption, Biofiltration, Electrostatic Precipitators, Baghouses, Scrubbers and Cyclones.

Ozone Depleting Substances

 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.

Looking forward...

3M is supporting the further implementation of ISO 50001 through a collaborative effort with the Canadian, Mexican and U.S. governments. Three 3M locations in these countries have joined a North American pilot program, aiming to achieve certification through collaboration by June 2017.

3M has begun 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 or reference reduction scheme for all entities. More specifically, we have evaluated the currently available reduction methods 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.

Given the above circumstances, 3M is now actively working to find a science-based target approach that could be appropriately applied to a company with such a broad set of product categories and markets served. Moving forward, 3M will continue to track how the SBTi expands their standard science-based goal methodology offerings, evaluating other options that may become available for applicability to our diverse operations. We will also continue to strive toward the achievement of our four existing climate and energy related goals.

Suppliers

Our Commitment

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



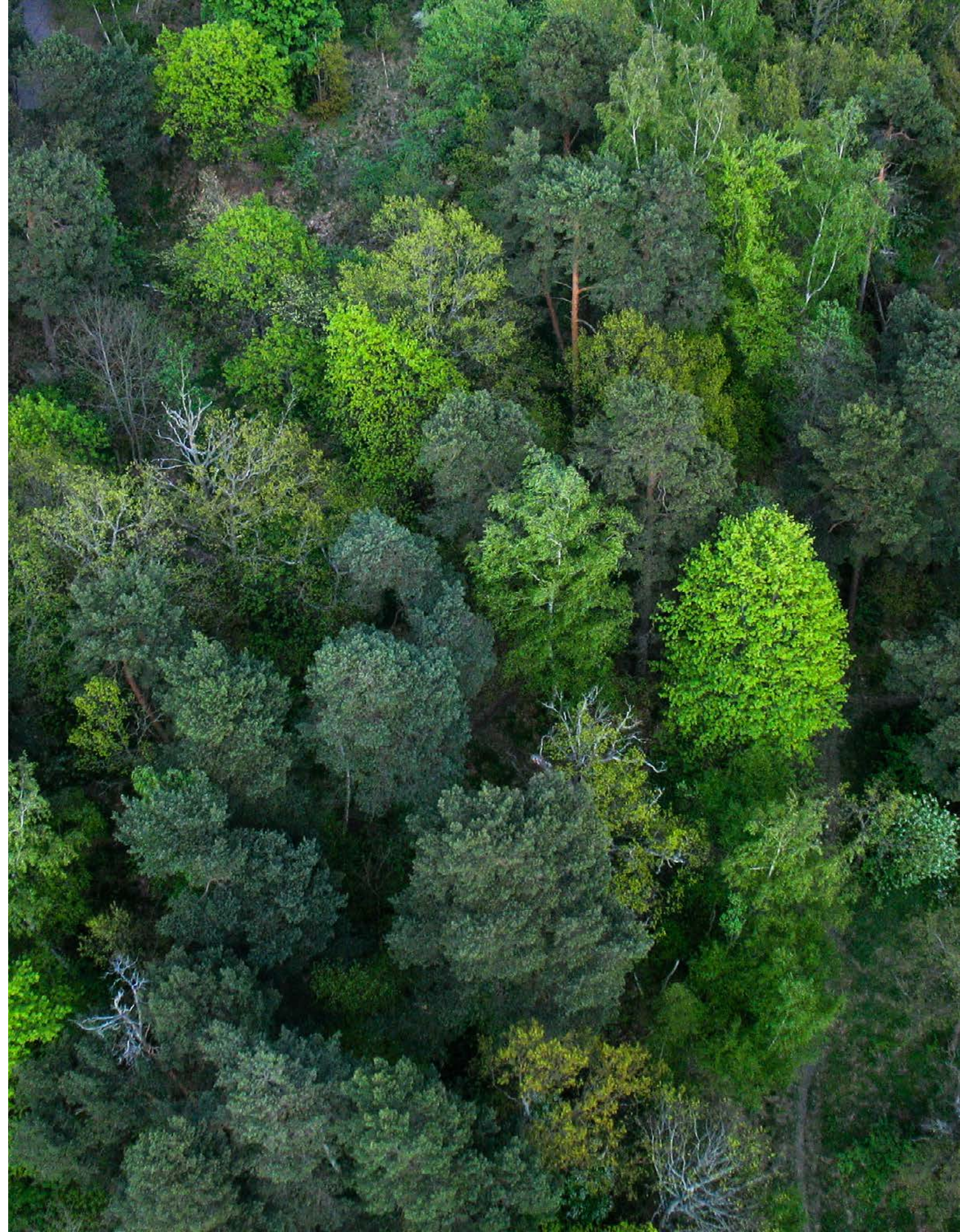
We understand that our Sustainability impacts extend beyond our own operations. By purchasing raw materials and services from small and large companies all over the world, we participate in a global, complex, supply chain. And it doesn't stop there. Our suppliers have their own suppliers, extending back 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.

Finally, we actively verify our suppliers' performance against our expectations on a risk-prioritized basis, using our Due Diligence Management System, which is modeled after the 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



Strong Policies aligned with our Values



In April 2016, we updated our corporate responsibility expectations for suppliers. The [3M Supplier Responsibility Code](#) outlines 3M's basic expectations in the following areas:

- **Labor:** this section is aligned 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. Among other updates, we added more details on our expectations for suppliers in the area of forced or bonded labor, such as no holding and denying access to employees' identity documents and no requirements for workers to pay employers' recruitment fees. Setting these expectations helps assure our suppliers' actions will reflect 3M's values on human rights as well as the values underlying 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.

- **Health and Safety and Environment:** we expect our suppliers to care as much about the safety of their workers and their communities as much as 3M does, and to implement proper procedures and controls to protect them.
- **Ethics:** this section is aligned to the 3M Code of Conduct, and holds our suppliers to the same high standards of honesty and integrity. It expects our suppliers to prohibit any form of bribery and corruption, and prevent conflicts of interest.
- **Management Systems:** we expect our suppliers to systematically conform to the 3M Code as well as all legal requirements, and to commit to continuous improvement.

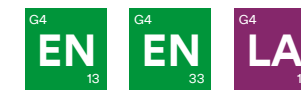
The Code is based on the 3M corporate values for sustainable and responsible operations and aligns with the 10 Principles of the United Nations Global Compact, of which 3M is a signatory. Our Code is also materially consistent with the Electronics Industry Citizenship Coalition (EICC) Code of Conduct. In 2016, 3M's Electronics and Energy Business Group became a member of EICC, a nonprofit group of the world's leading electronics companies committed to improving social, ethical and environmental conditions in the global electronics supply chain.

The Supplier Responsibility Code, 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 Code expectations and confirmation that their programs and practices as well as their sub-contractors involved in the supply of products and/or services conform to standards that are consistent with the 3M Supplier Responsibility Code. Our contract agreements have included expectations from our Supply Chain Policies, and they are being updated to incorporate the Code.

We expect our suppliers to establish and implement their own relevant policies and programs in alignment with this Code, and to enforce these expectations with their own suppliers, thereby propagating our high Sustainability standards up our supply chains.

Additional Expectations for Higher-risk Supply Chains



Our Supplier Responsibility Code represents the baseline expectations for all of our suppliers. Certain parts of our supply chains warrant additional formal expectations to drive more sustainable and responsible practices. 3M has prioritized forest products as one of those areas, due to potential environmental risks like deforestation and threats to high conservation values, 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. It's designed to assure that the virgin wood fiber used in our paper-based products and packaging comes from sources that protect forests and respect the rights of workers and people who live in or may depend on forests for their livelihood.

Another prioritized area in our raw material supply network is in our sourcing of minerals, in particular tin, tantalum, tungsten and gold (3TG). 3M deplores the violence and human rights abuses that have occurred in the Democratic Republic of Congo and adjoining countries and is committed to supporting responsible sourcing of 3TG from the region. Accordingly, 3M has adopted a [Conflict Minerals Policy](#), as well as

3TG-related expectations as part of our Supplier Responsibility Code. 3M expects its suppliers to adopt a similar policy and due diligence management system, and require the same of their suppliers.

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

Our membership in CFSI 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.

We're staying abreast of emerging legislation such as the European Commission's regulation on conflict minerals, to assure that our conformance and due diligence management systems 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.

Supplier Risk Assessment & Supply Chain Transparency



3M's supply chain involves over 88,000 suppliers from more than 120 countries classified in 10 categories and over 200 sub-categories. The focus of our risk assessment is on goods-producing suppliers that feed into our saleable products. These suppliers represent 25 percent, or almost about 22,000, 3M tier 1 Production Materials Suppliers and Contract Manufacturers.

With such a diverse, broad global supply chain, it's important that we assess the relative potential environmental and social risks within our supplier network, and concentrate the majority of our Due Diligence Management System actions on the higher-risk supply chains.

Responsible Sourcing of Minerals

Annually, we work with each of our businesses that purchase 3TG minerals to identify suppliers that should be prioritized for engagement. We ask these prioritized suppliers to gather information on the 3TG smelters and refiners in their supply chains and report to us through the current CFSI Conflict Minerals Reporting Template (CMRT). Our supplier requests include links to [3M's Conflict Minerals website](#), which includes our Conflict Minerals Policy and 3M training on how to attach their CMRT template to 3M's website survey tool. This website also directs suppliers to training resources available through the CFSI.

Sustainable Pulp and Paper

Our Pulp and Paper Sourcing 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, 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.

In 2016, 3M began using a cloud-based platform to implement our information requests via online surveys in a highly secure format. 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 for completion (paper or pulp mills, for example). We are actively working with the cloud-based platform and our suppliers to make the system as effective as possible. 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.

Supplier Diversity



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 data 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 2 dollars to tier 1 and focusing on diverse suppliers in our request for proposal (RFP) activity

In 2016, 3M spent \$1.4 billion dollars with small businesses, representing 27 percent of our total US domestic spend. We also spent \$200 million dollars with diverse suppliers, which represents 3.9 percent of total US 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 [Supplier Diversity](#) section of 3M.com.

Our Actions

Responding to risks, transforming our supply chains



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, namely 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. More broadly, we conduct robust risk prioritization to determine other suppliers we will engage via an assessment against our Supplier Responsibility Code.

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 tools to optimize and strengthen its risk management processes. The criteria matrix helps rank global suppliers, using multiple factors, to determine where assessments should be performed.

Conflict Mineral Program undergoes continuous improvements

3M's Conflict Minerals program, now in its fourth year, has gone through continuous improvement, based on learnings from past campaigns and identifying ways to optimize and increase the effectiveness of program activities.

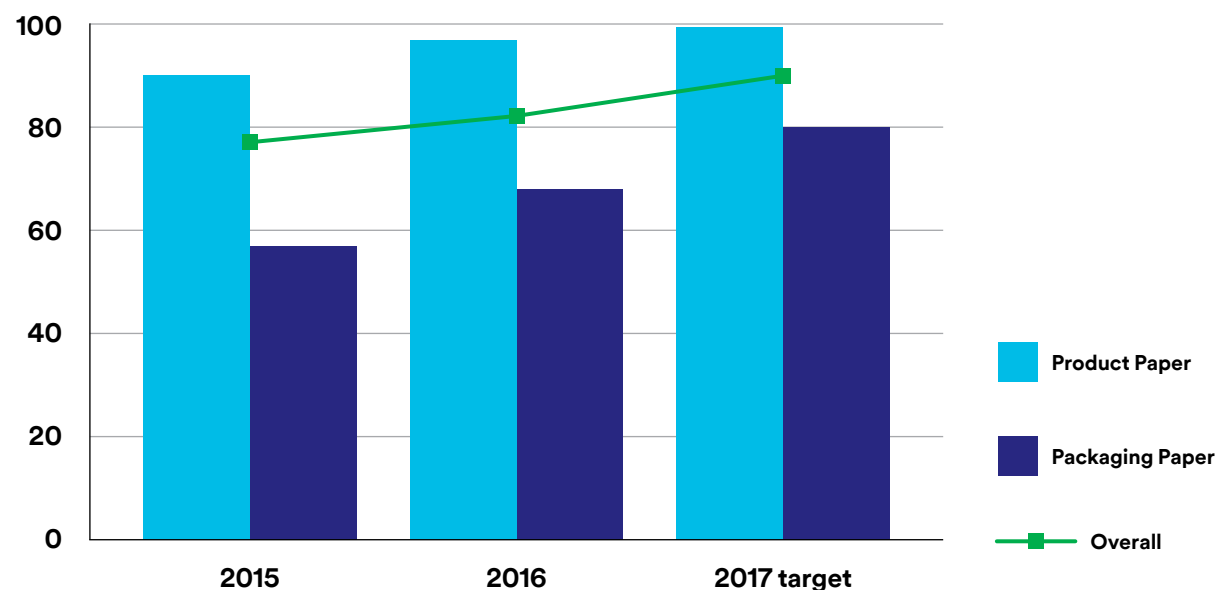
In 2016, a new data collection method requesting suppliers to simply attach their CMRT in 3M's web-based survey tool, has produced increased participation and quicker responses from suppliers.

Also, in an effort to improve supplier response rates, distributor engagement, and supply chain transparency, 3M worked with CFSI on distributor-related due diligence and outreach. A survey sent to CFSI members sought insight about current situations, best practices and recommendations for obtaining necessary information from distributors. Responses to this survey will increase overall industry visibility of minerals in the complex supply chain, identify areas for additional due diligence efforts, and positively influence those areas of our supply chain.

Paper Policy implementation identifies transformation opportunities

3M depends on our suppliers to take responsibility for policy conformance, and we are impressed with the leadership many of them are demonstrating. We are motivated to retain and grow business with our most responsible and responsive suppliers.

Pulp and Paper Sourcing Policy Engagement Status, Percentage



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:

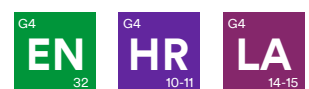
- meeting with suppliers’ senior corporate executives on the importance of assuring responsible and sustainable supply chains, and agreeing to collaborate on that goal
- suppliers establishing new Sustainability positions within their companies
- significant increases in supply chain traceability and transparency
- increased engagement by our suppliers with their upstream supply chain

We partner with The Forest Trust, TFT, for their expertise in responsible sourcing policies and improving forest management practices across global supply chains. They help us review the information we obtain from our suppliers, and combine 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 2 or tier 3 suppliers on policy conformance verification work, with a goal of involving our direct (tier 1) supplier(s) in these activities whenever possible. In 2016, 3M and TFT conducted two field assessments of tier 2 pulp mills in our supply chain. In both cases, a key tier 1 supplier accompanied the assessment. Read on for more information on these assessments.

Verifying our Supplier Performance

Aside from our pulp and paper supplier-specific process, our general supplier risk assessment process is applied to prioritized suppliers, which receive a self-assessment questionnaire (SAQ) based on the expectations in our Supplier Responsibility Code. The completed SAQ is reviewed by 3M personnel to determine if an on-site assessment is necessary. Assessments cover the same content as the SAQ, and may be performed by 3M team members or third party providers. 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 unable to close the gap(s) within a reasonable timeframe, alternate actions are discussed with a cross-functional business team to escalate and resolve the situation.

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 seven years.

Minerals supply chain assurance

CFSI develops standards for third party audits of smelters and refiners to validate their processes for assuring processed 3TG originates from sources that do not fund conflict or support human rights abuses in the Democratic Republic of Congo or adjoining countries. 3M was an early contributor to the CFSI Initial Audit Fund. The fund supports responsible sourcing of 3TG by providing financial assistance to smelters for first-year independent audits under the Conflict Free Smelter (CFS) Assessment Program, in order to validate conflict-free status according to CFS auditing protocols.

Paper Policy implementation on the ground

With TFT, we have conducted seven field assessments so far: three in China, one in Taiwan, one in Brazil, one in Sweden and one in Canada. Two of those assessments were of tier 2 pulp mills, which were also attended by a tier 1 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.

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



A pulp mill in Ontario, Canada



Remote technology used to track harvesting activities

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 (linked below).

Reporting to our stakeholders

For more information on our programs, see the following disclosures or [3M Supplier Direct](#):

- [3M’s Form SD and Conflict Minerals Report, SEC Filings](#)
- [Pulp and Paper Sourcing Policy Progress Reports](#)
- [California Transparency in Supply Chain Disclosure](#)
- UK Modern Slavery Act Disclosure

Conservation philanthropy

In addition to our policy implementation, 3M continues to work with non-governmental organizations (NGOs) to advance forestry conservation and best management practices. One of our main partners in this endeavor is The Nature Conservancy (TNC). From Australia to Canada, Indonesia to the United States, 3M has supported TNC’s global conservation efforts for more than two decades; support that has helped advance the Conservancy’s work to protect critical habitats and lands around the world, including safeguarding hundreds of millions of acres of forests.

Recently, 3M committed significant initial and ongoing funds to TNC efforts in Indonesia’s East Kalimantan Province to protect nearly 80,000 square miles of a rare and biologically important rainforest. One of TNC’s most ambitious forest projects to date, the Conservancy is partnering with Indigenous communities in the area to address forest preservation, wildlife protection, species extinction, and climate change.

This project is also translating Reducing Emissions from Deforestation and Degradation (REDD)+ — a mechanism that encourages the sustainable management of forests through the power of global carbon markets — into on-the-ground conservation results that protect trees and combat climate change.

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. 3M also prioritizes its suppliers to monitor and trace their supply chain to meet 3M corporate values for sustainable and responsible operations.

Supplier of the Year Award

Our [Supplier of the Year](#) (SOY) award program seeks to recognize those elite suppliers that proactively help us succeed in accomplishing our Vision of 3M Technology Advancing Every Company, 3M Products Enhancing Every Home and 3M Innovation Improving Every Life.

This year, 3M recognized 11 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 roadmaps). 3M also presented awards to suppliers in the areas of Sustainability, Diversity and Ideation. An awards ceremony and dinner were held on September 11th and 12th at 3M’s St. Paul campus.

Supplier Ideation

3M has a process for its suppliers to submit improvement ideas that will benefit both operations from a technical, quality, responsiveness, delivery, cost, or Sustainability standpoint. Suppliers obtain access to the system, and submit their ideas which are then reviewed by the 3M category owner(s) who decide when to engage on viable projects. This has been a valuable approach for 3M to collaborate with its suppliers and continually improve its products and processes.

Looking forward...

We are actively seeking out opportunities to collaborate with peer companies, customers, suppliers and other partners to standardize supply chain Sustainability and corporate responsibility goals and toolsets. This will improve consistency and efficiencies across the value chain, resulting in greater synergy and impact.

Among other 2017 initiatives, 3M is planning to introduce a Supplier Declaration certificate that aligns with its Supplier Responsibility Code. This certificate will enable existing and potential new suppliers and their sub-contractors to confirm programs and practices they follow are consistent with 3M’s Code. This process will augment our supplier assessment program, which we will continue to strengthen and focus on salient issues in our supplier network, in alignment with our Code.

To enhance our due diligence and risk management activities in the Asia region, 3M is implementing a coordinated approach with its Supplier Responsibility Code, quality systems, cyber security and financial risk assessments, initially focused on outsource suppliers for consumer goods. The coordinated approach will

streamline existing processes and provide a higher level of assurance with 3M’s expectations and risk mitigation efforts. As appropriate, this process will be replicated in other higher-risk areas.

In our prioritized minerals and pulp and paper supply chains, we will be working to further institutionalize and automate our supplier engagement and transparency efforts, so that we can apply more time and resources to transformation projects that make on-the-ground impacts.

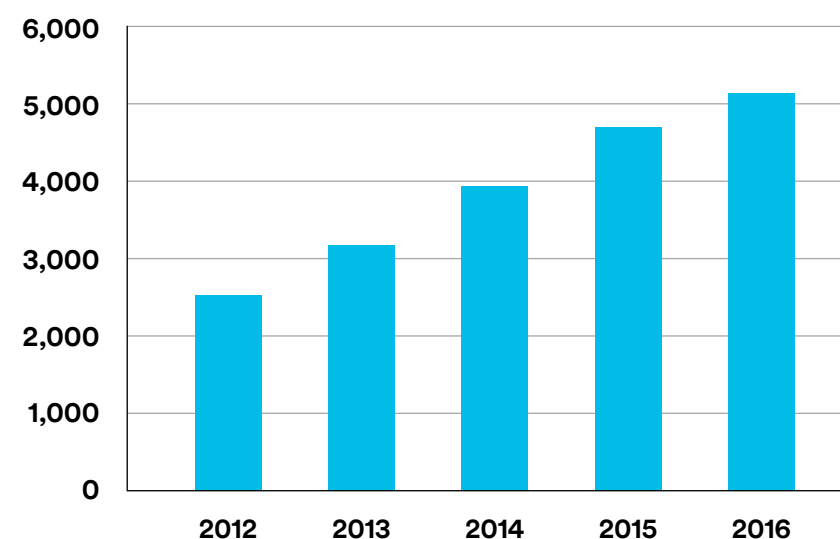
We will continue to seek out partnerships to amplify our efforts in combatting deforestation and exploitation around the world.

In our Conflict Minerals program, we will continue to enhance our work as we refresh our due-diligence practices. We are evaluating third party providers as a way to streamline the process and leverage external expertise increasing the visibility and transparency of our supply chain. We will continue to work with

suppliers, educating them on the program as well as the need for their alignment with it — with the intent of positively influencing others to support responsible sourcing practices and participate in the CFSI.

Finally, we are collaborating with providers who provide in-region education and support to Artisanal and Small-Scale Mining (ASM), to understand how we can best partner with them to make a direct impact in the DRC region. The impact could come from providing health and safety educational sessions and/or materials. Another potential tactic: a video that demonstrates success stories that come through multi-stakeholder groups working together and leveraging each other’s strengths.

Cumulative Supplier Assessments



What We Create

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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.

And we are not stopping here. We have established a new set of 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

Our Commitment

Many companies view Sustainability in product development as a challenge. At 3M, we see it as an opportunity. Science is just science. Until you make it improve the world. That is what we at 3M strive to do every day. Improve every life.

That's precisely why research and development (R&D) is such a big thing at 3M. Always has been, always will be. In fact, in 2016, we invested \$1.7 billion, or nearly 6 percent of our sales back into R&D, an investment that helps produce more than 3,000 patents each year and, more importantly, helps connect our [46 technology platforms](#) to real-world needs and opportunities. The unique thing about 3M is that 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.

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 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.

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

Our Actions

Thinking Customer First, always.

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. Here are some examples of our Customer First approach in action:

Business Transformation starts and ends with our customers

3M Business Transformation is about establishing strong links between business processes, people and information to provide a more positive overall experience for customers. These links will occur through the creation of

one global, seamlessly integrated platform of standardized business processes that help us:

- improve the quality and responsiveness of service delivery
- enhance on-demand and self-serve capabilities for our customers
- promote collaboration and customer intimacy

In short, business transformation is helping us build strength on strength and drive to higher levels of customer satisfaction.

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.

We have two different models for gathering insights.

“Customer-inspired innovation”

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. He repeatedly observed nurses

lifting up bandages to inspect wounds and IV sites. A simple idea struck him: Why not make the bandage transparent? That led to 3M's market-leading medical 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 effort 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

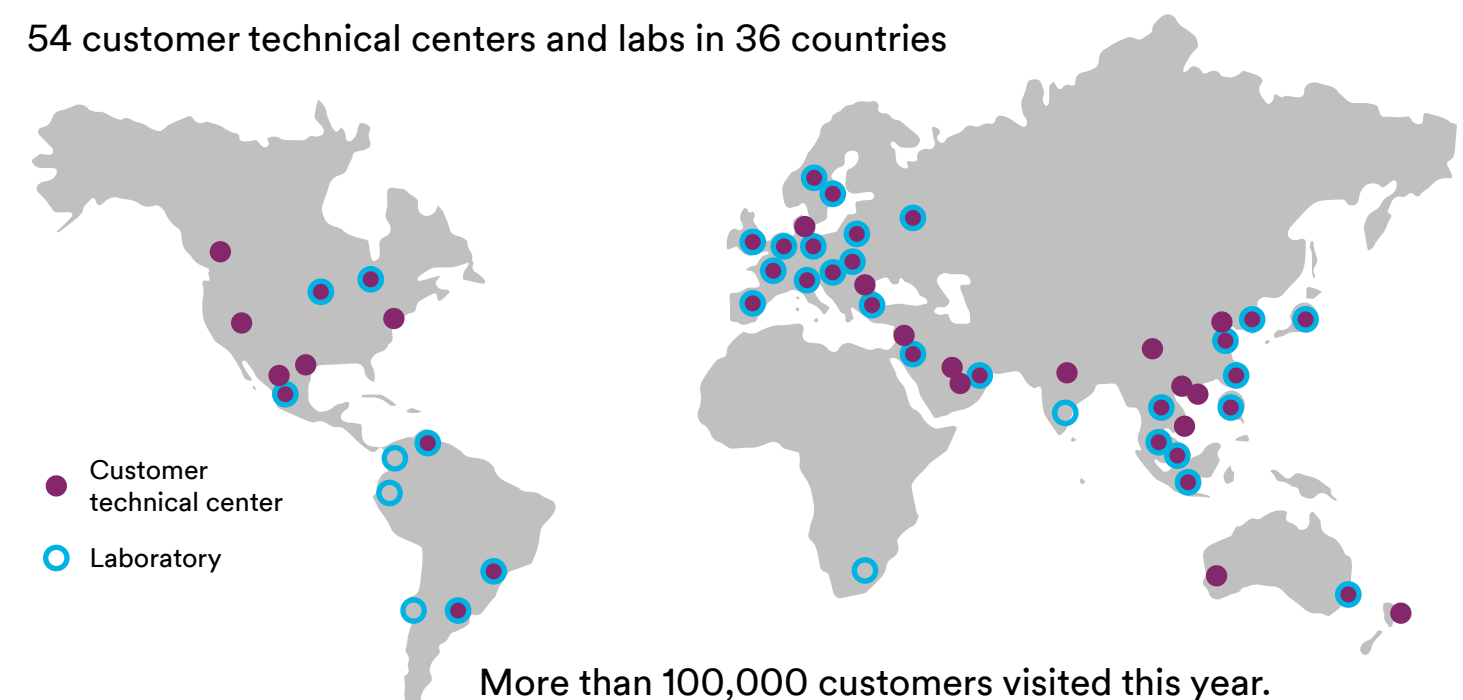
As an organization, we believe that the best way to acquire insights is to be close to the customers. With that in mind, we have built a large global presence and infrastructure as well as technical capabilities close to our customers.

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

Technical Capabilities Close to Customers

54 customer technical centers and labs in 36 countries



collaborating with local customers. One example: 3M scientists are working in the Greater China region to find solutions that improve air and water quality. Another example: 3M's Singapore Smart Urban Solutions Lab has focused on sustainable living, building on the regional need to address clean water, clean air, energy efficiency and more.

[3M Nordic Customer Innovation Center](#)

[3M Romania Customer Innovation Center](#)

[3M Italia Customer Innovation Center](#)

[3M South Africa Customer Innovation Center](#)

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 to our customers. As demonstrated in this report, we set our sights on world-class performance in Sustainability and corporate 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.

Partnering in global worker and patient safety

In 2016, 3M hosted its second 3M Sustainability in Health Care Summit, a forum for best practice sharing and to advance Sustainability in Health Care. The event was attended by executives from more than 50 hospitals. Additional information can be found at: [Sustainability in Health Care](#).

We also provide continuing education for healthcare professionals through [3M's Health Care Academy](#). This free training and education resource is dedicated to helping professionals deepen their expertise and improve patient care. Topics include: Ambulatory Surgery, Auscultation, Edema Management, Hand Hygiene, I.V. Site Care, Patient Monitoring, Professional Development, Skin and Wound Care, Sterilization and Monitoring, and Surgical Solutions.

Looking forward....

3M continues to leverage its 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.

3M Science.
Applied to Life.™



#improvinglives means making life easier and more productive at home and at work.

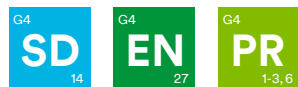
We are creating innovative products that keep homes clean, offices organized, and buildings well-maintained.

Consumer

Innovation Management

Our Commitment

Product Safety, Quality, and Stewardship Principle



At 3M, product safety, quality, and stewardship must always be primary considerations during design, manufacture, marketing, and sales of 3M products. 3M employees must 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.

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. In addition, any product purchased from an outside supplier for sale as a 3M product receives the same product life cycle consideration as an

internally developed and manufactured product. See our Code of Conduct section for more information on this [Principle](#).

Life Cycle Management



3M's [Life Cycle Management \(LCM\)](#) Policy states that LCM evaluations are to be conducted on all new products before commercialization, and on a prioritized basis for existing products. The LCM evaluation helps identify opportunities associated with environmental, health and safety (EHS) performance. It also defines and manages EHS risks and regulatory compliance throughout a product's life cycle and supply chain.

3M's Life Cycle Assessment (LCA) Standard, issued in 2014, defines how a product LCA must be conducted if it is to be used for external communication. The standard requires that LCA data used externally must follow an internationally-recognized LCA standard, must include a quantitative uncertainty determination, and must have undergone independent internal and third party review.



Potential Hazard Communication and Composition Disclosure Policy

G4 PR 2-3 3M is committed to compliance with all applicable laws and regulations in the conduct of our business activities, including the environmental, health, safety, and regulatory requirements for hazard communication. 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 include safety data sheets, product labels, product literature, transportation classification documentation, and other communications tools. Per 3M policy, 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. [3M Safety Data Sheets](#) inform stakeholders of the product chemical components in compliance with all applicable regulatory requirements and 3M standards and guidelines.

Advertising and Product Representation Policy

G4 PR 3-6 It's our policy to represent our products truthfully, fairly and accurately in all sales, advertising, packaging and promotional efforts. Leadership of every 3M business unit is responsible for assuring appropriate review of advertising and claims regarding respective business products and services. All product claims must be substantiated and technically accurate to the end user as specified by the [Advertising and Product Representation Policy](#). 3M's Environmental Marketing Claims Support Team assists businesses in the substantiation of environmental product claims and is comprised of laboratory scientists, legal staff, life cycle management professionals and others with environmental marketing and business expertise.

3M 15% culture supports individual initiative

How does 3M produce a seemingly infinite stream of new technologies that improve lives? It starts with the way we innovate. And no one has shaped our innovation culture more than William McKnight.

McKnight was hired by 3M in 1907, as an assistant book-keeper. He rose through the ranks to become president and chairman, ultimately serving until 1966. That's six decades of reinforcing what we call the "McKnight Principles." They boil down to this:

"As our business grows, it becomes increasingly necessary to delegate responsibility and to encourage men and women to exercise their initiative. This requires considerable tolerance. Those men and women, to whom we delegate authority and responsibility, if they are good people, are going to want to do their jobs in their own way."

"Mistakes will be made. But if a person is essentially right, the mistakes he or she makes are not as serious in the long run as the mistakes management will make if it undertakes to tell those in authority exactly how they must do their jobs."

"Management that is destructively critical when mistakes are made kills initiative."

At 3M, we have the freedom to take risks, and learn from our mistakes. That freedom is essential to scientific discovery. It's also what inspired McKnight to create 3M's 15% culture, an environment in which people would have the freedom to spend 15% of their time on projects that interest them. Still in use today, the 15% culture allows scientists to take time to work on new ideas that might eventually become successful new 3M products.

Our Actions

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 local events held throughout the year.

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.

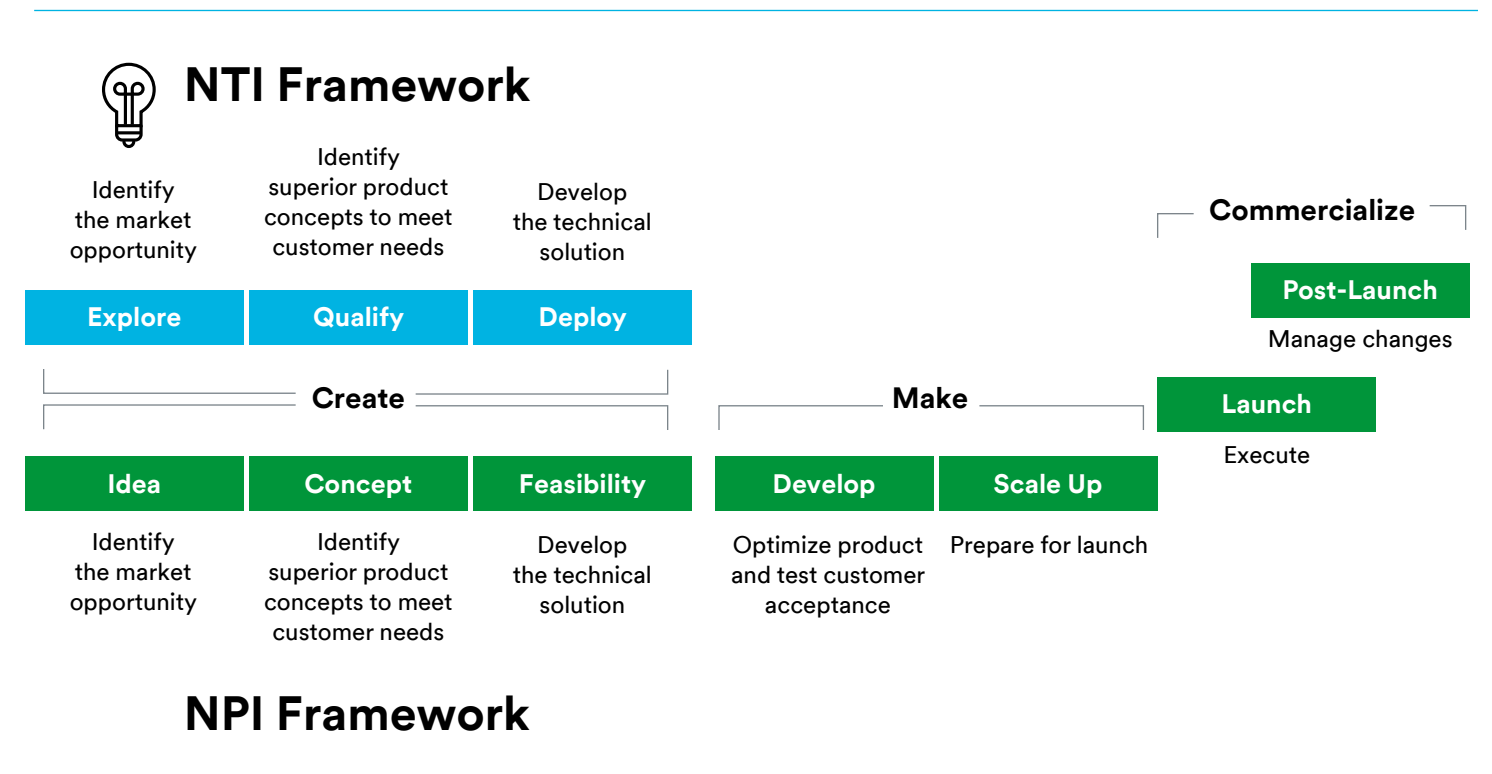
Together, 3M's NTI and NPI processes provide a common framework for technology and product commercialization for all global business. Information required at every step, or gate, in the process, varies with the inherent detail needed for deliverable tasks. Having consistent practices throughout the company 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

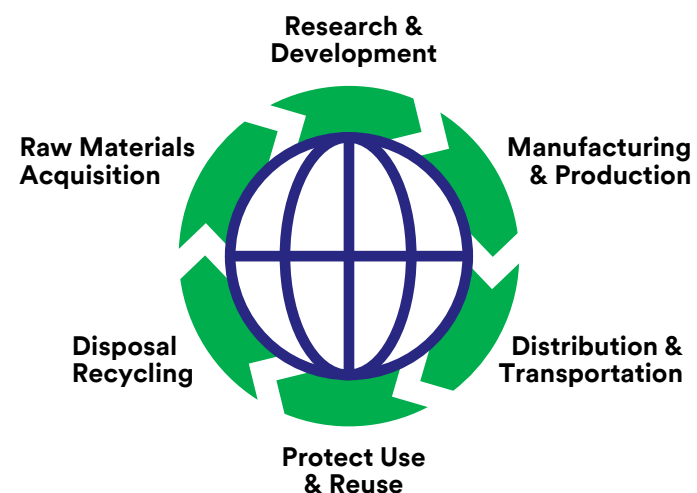
Life cycle management (LCM) is 3M's approach to assuring that EHS and associated regulatory considerations are integrated into the development and commercialization of 3M products through 3M's NPI process. This includes consideration of EHS aspects of product design, formulation, manufacture, marketing, sales, use and disposal.

Product Stewardship

G4 PR 1 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



Life Cycle Management



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 claims. They help assure our products meet or exceed requirements stemming from 3M policies, governmental regulations and from our customers.

In 2016, 3M expanded a pilot program begun in 2015, to further enhance the extent to which our new products improve lives in socio-environmental terms. This program educates 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.

3M employees have made it clear they value Sustainability in product development. In a global employee survey conducted in 2013, they ranked sustainable product development as the top Sustainability-related priority.

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 Life Cycle Assessment process

In 2016, 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.

Looking forward...

We are evolving our technology platforms for the changing and anticipated needs of high-growth markets, and are augmenting our material science expertise with digital where appropriate. These efforts are focused on two different pathways: (1) enhancing our existing material products with digital to make them smart, connected and more useful for our customers; and (2) delivering software and digital solutions that improve workflow productivity and create value based on our in-depth knowledge of our customers' processes.



#improvinglives means enabling a connected world from energy and the grid to communications and 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 dependable telecommunications networks, and ensuring reliable sources of power.

Electronics & Energy



Our Products

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

3M \$30.1 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™.

\$4.48 billion sales

Electronics & Energy



Advancing a connected world by contributing to power, communications and electronics.

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, enhanced-performance electronic devices, and speedy and dependable telecommunications networks. We're also improving efficiency in renewable energy generation. And our automotive electrification components are instrumental in making the connected car a reality.

\$4.83 billion sales

Industrial



From purification to aerospace: changing 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.

\$10.3 billion sales

Health Care



From preventing infections to making smiles brighter and food safer

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.

\$5.53 billion sales

Safety & Graphics



From protecting people and information to adding impact to 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.

\$5.66 billion sales

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Report Scope and Boundaries

Report Schedule and Period

Current Issue: May 9, 2017
Next Issue: Scheduled for May 2018
Previous Issue: May 10, 2016

Prior to 2010, 3M's Sustainability Report was a fully integrated website. Therefore, copies prior to 2010 are not available.

This report provides a summary of the activities in fiscal year 2016 (January 1, 2016, to December 31, 2016).

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 2016](#) and [2017 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 2016. For some performance indicators, the previous year's data is provided to allow for annual comparisons.

Report Data Collection

Due to the size and geographical extent of our operations, it is at times difficult to obtain all data points. Therefore, to the extent possible, limitations and



assumptions are stated as information in the report. The data reported in this report has been reviewed for accuracy and completeness, including the reliability of the systems used to obtain the data.

Unless noted below, corporate staff have also verified the implementation of policies and management systems through audits and self-reporting systems.

- **Financial Data:** Financial information referenced in this report is collected and reported in accordance with the United States Securities and Exchange Commission through the [Annual Report 2016](#).
- **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. This data has been reviewed and verified by the departments responsible for maintaining the internal reporting systems.
- **Responsible Sourcing Systems and Data:** The policies and management systems implementation in this area has been reviewed and verified by the departments responsible for maintaining the internal reporting systems

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

Base Year and Other Adjustments

3M's [Annual Report 2016](#) 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.

In every case, 3M adjusts base-year and other years' data if data collection methods change or data errors are identified. Any significant changes in the measurement methods and/or data values applied to key environmental metrics from previous years are documented within the report. Significant changes are defined by 3M's Sustainability Report as changes greater than five percent of the original data point.

Reporting year 2015 total propane values reflected in this report are 15.4 percent lower than previously reported in our 2016 Sustainability Report. This change is due to a data error being identified during an internal audit due to a facility using incorrect conversion factor when inputting data into the Corporate system.

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.

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, 2016 to December 31, 2016. 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 2016](#), [2017 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 2017 report as "In Accordance-Core."

United Nations Global Compact Communication on Progress

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. 3M committed to the UN Global Compact principles in early 2014. This report includes an index of our Communication on Progress implementing the 10 principles as well as alignment with the UN 2030 Sustainable Development Goals (SDGs) within the content of this 2017 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.

UN Global Compact Principles and UN 2030 Sustainable Development Goals

Refer to the GRI Index table for cross-references of content in this report with the 10 Principles of the UN Global Compact, as well as alignment with the UN 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 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 CEO	7	●	
G4-2	Description of key impacts, risks and opportunities	Message from our CEO Global Challenges Materiality	7 38 40	●	

Organization Profile

G4-3	Name of organization	3M Company	50	●	
G4-4	Primary brands, products, and services	Our Products Annual Report, 10-K, pages 4-7	168	●	
G4-5	Location of the organization's headquarters	3M Company 3M Center St. Paul, Minnesota, United States	50	●	
G4-6	Number of countries operating in, and countries with significant operations	70-plus Corporate Code of Conduct Annual Report, 10-K, page 10	50	●	
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	168	●	
G4-9	Scale of organization	Employee Programs Sustainability Metric Tables Annual Report, 10-K, pages 4-7	110 212	●	
G4-10	Total number of employees	91,600 Corporate Code of Conduct Employee Programs Health and Safety Sustainability Metric Tables Annual Report, 10-K, page 4	90 110 120 212	○	UNGC Principle 6 SDG 8
G4-11	Percentage of employees covered by collective bargaining	29 percent Human Rights	98	●	UNGC Principle 6 SDG 8
G4-12	Description of supply chain	Suppliers	158	○	
G4-13	Significant changes in organization during reporting period	Annual Report, 10-K, pages 71-75		●	
G4-14	Precautionary approach	Global Challenges Environmental Management Innovation Management	38 128 178	●	

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	66 98	●	
G4-16	List memberships of associations and organizations	Stakeholders	66	●	

Identified Material Aspects and Boundaries

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	40	●	
G4-19	Material Aspects	Materiality	40	●	
G4-20	Aspect boundary within	Materiality	40	●	
G4-21	Aspect boundary outside	Materiality	40	●	
G4-22	Effect of restatement of information	About Report	188	●	
G4-23	Report significant changes in the Scope and Aspect Boundaries	No significant changes to applicable operational boundaries, scope or measurement methodology.		●	

Stakeholder Engagement

G4-24	List of stakeholders engaged	Stakeholders	66	●	
G4-25	Basis for stakeholder identification	Stakeholders	66	●	
G4-26	Approach to stakeholder engagement	Stakeholders	66	●	
G4-27	Key topics of concern raised by stakeholders	Materiality	40	●	

Report Profile

G4-28	Reporting period	About Report	188	●	
G4-29	Date of most previous report	About Report	188	●	
G4-30	Reporting cycle	About Report	188	●	
G4-31	Contact point for questions	About Report	188	●	
G4-32	In accordance option	About Report	188	●	
G4-33	External assurance for report	About Report External Assurance Statement	188 206	●	

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
Governance					
G4-34	Governance structure	Corporate Governance	80	●	
G4-35	Delegation of authority for sustainability topics	Corporate Governance	80	●	
G4-36	Executive level position for sustainability topics	Corporate Governance	80	●	
G4-37	Process for stakeholder feedback to highest governance body	Corporate Governance	80	●	SDG 16
G4-38	Composition of board	Corporate Governance 3M Board of Directors 3M Committee Composition	80	●	SDG 5, 16
G4-39	Chair is executive officer	Inge G. Thulin, Chairman of the Board and Chief Executive Officer Corporate Governance	7 80	●	SDG 16
G4-40	Nomination and selection process for board	Corporate Governance 3M Company Board of Directors Nominating and Governance Committee Charter	80	●	SDG 5, 16
G4-41	Conflicts of interest avoidance for board	Corporate Governance	80	●	SDG 16
G4-42	Governance body's role in development of values, mission statement, etc.	Corporate Governance	80	●	
G4-43	Measures to improve board's understanding of sustainability impacts	Corporate Governance	80	●	
G4-44	Evaluation of board with respect to sustainability impacts	Corporate Governance	80	●	
G4-45	Board's role in identification and management of sustainability risks	Corporate Governance	80	●	SDG 16
G4-46	Board's role in reviewing organization's risk management for sustainability risks	Corporate Governance Enterprise Risk	80 86	●	
G4-47	Frequency of the board's review of sustainability risks	Corporate Governance	80	●	
G4-48	Highest governing body's role in reviewing report and material aspects.	Corporate Governance	80	●	
G4-49	Process for communicating critical concerns to board	Corporate Governance	80	●	
G4-50	Nature and number of concerns reported to board	This information is considered Business Confidential.		○	
G4-51	Remuneration policy for board	Compensation	106	●	

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	106	●	
G4-53	Stakeholders' views sought for board remuneration policies	Compensation 2017 Proxy	106	●	SDG 16
G4-54	Ratio of annual compensation for highest paid individual versus median	The ratio of CEO 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 CEO on down, based on competitive external market data.		○	
G4-55	Percentage increase of compensation for highest paid individual	The ratio of CEO 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 CEO on down, based on competitive external market data.		○	
G4-56	Organization's values, principles and standards	Corporate Code of Conduct	90	●	UNGC Principle 10 SDG 16
G4-57	Mechanisms for seeking advice on organizational integrity	Corporate Code of Conduct	90	●	UNGC Principle 10 SDG 16
G4-58	Mechanisms for reporting concerns about unethical behavior	Corporate Code of Conduct	90	●	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	2016 Metrics 3M Interactive Analyst Center	212	●	SDG 2, 5, 7, 8, 9
G4-EC2	Financial risks due to climate change	Climate Change and Energy Annual Report, 10-K, pages 10-11	146	●	SDG 13
G4-EC3	Coverage of benefits plan obligations	Employee Programs Annual Report, 10K, pages 89-100	110	●	
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 8, Income Taxes, in Annual Report, 10-K , pages 81 to 85.		●	
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	58	●	SDG 2, 5, 7, 9
G4-EC8	Significant indirect economic impacts, including extent	Communities	58	●	SDG 8, 10, 17
G4-EC9	Proportion of spending on local suppliers	Supplier spend by location is considered Business Confidential		○	SDG 12

EN 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 2016 Metrics	146 212	●	UNGC Principle 7, 8 SDG 7, 8, 12, 13
G4-EN4	Energy consumption outside of the organization	Climate and Energy 2016 Metrics	146 212	●	UNGC Principle 8 SDG 7, 8, 12, 13
G4-EN5	Energy intensity	Climate and Energy 2016 Metrics	146 212	●	UNGC Principle 8 SDG 7, 8, 12, 13
G4-EN6	Reduction of energy consumption	Climate and Energy 2016 Metrics	146 212	●	UNGC Principle 8 SDG 7, 8, 12, 13
G4-EN7	Reductions in energy requirements of products and services	Climate and Energy Product Carbon Footprint Standard	147	●	UNGC Principle 8, 9 SDG 7, 8, 11, 12, 13
G4-EN8	Total water withdrawal by source	Water 2016 Metrics	142 212	●	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	142		UNGC Principle 8 SDG 6
G4-EN10	Percentage and total volume of water recycled and reused	Water	142		UNGC Principle 8 SDG 6, 8, 12
G4-EN11	Operational sites near protected or high biodiversity areas	Water	142		
G4-EN12	Significant impacts on biodiversity	Environmental Management Water Significant impacts on biodiversity would be discussed in our Annual Report, 10-K	128 142		
G4-EN13	Habitats protected	Communities Environmental Management Supply Chain	58 128 158		UNGC Principle 8
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.	142		
G4-EN15	Direct GHG emissions	Climate and Energy 2016 Metrics	146 212		UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
G4-EN16	Energy indirect GHG emissions	Climate and Energy 2016 Metrics	146 212		UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
G4-EN17	Other indirect GHG emissions	Climate and Energy 2016 Metrics	146 212		UNGC Principle 7, 8 SDG 3, 12, 13, 14, 15
G4-EN18	GHG consumption intensity	Climate and Energy 2016 Metrics	146 212		UNGC Principle 8 SDG 13, 14, 15
G4-EN19	Reduction of GHG emissions	Climate and Energy 2016 Metrics	146 212		UNGC Principle 8, 9 SDG 13, 14, 15
G4-EN20	Emissions of ozone depleting substances	Climate and Energy	146		UNGC Principle 7, 8 SDG 3, 12
G4-EN21	NOx, SOx, and other significant air emissions	Climate and Energy	146		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 2016 Metrics	134 212		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 2016 that met the GRI definition of reportable in the organizations financial report (due to resulting liabilities).	128		UNGC Principle 8 SDG 3, 6, 12, 14
G4-EN25	Weight of hazardous waste	2016 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.	212		
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	178		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	134		UNGC Principle 8 SDG 8, 12
G4-EN29	Fines for non-compliance with environmental regulation	Environmental Management 2016 Metrics	128 212		UNGC Principle 8 SDG 8, 16
G4-EN30	Environmental impacts of transporting products and members of workforce	Climate and Energy 2016 Metrics	146 212		UNGC Principle 8 SDG 11, 13
G4-EN31	Total environmental protection expenditures and investments by type	Environmental Management	128		
G4-EN32	Percentage of new suppliers screened using environmental criteria	Suppliers	158		UNGC Principle 8
G4-EN33	Negative environmental impacts in the supply chain and actions taken	Suppliers	158		UNGC Principle 8 SDG 15
G4-EN34	Number of grievances about environmental impacts	This information is considered Business Confidential.			

HR Human Rights

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-HR1	Investment agreements and contracts that include human rights clauses	Corporate Code of Conduct Investment agreements are subject to 3M Business Conduct Policies and Guidelines	90	●	UNGC Principle 2
G4-HR2	Employee training on human rights	Human Rights	98	●	UNGC Principle 1
G4-HR3	Incidents of discrimination and corrective action	This information is considered Business Confidential.		○	
G4-HR4	Operations and suppliers in which the right to freedom of association may be violated	Corporate Code of Conduct Human Rights 3M Supplier Responsibility Code	90 98	●	UNGC Principle 3 SDG 8
G4-HR5	Operations and suppliers with risk of child labor	Corporate Code of Conduct Human Rights 3M Supplier Responsibility Code	90 98	●	UNGC Principle 5 SDG 8, 16
G4-HR6	Operations and suppliers with risk of compulsory labor	Corporate Code of Conduct Human Rights 3M Supplier Responsibility Code	90 98	●	UNGC Principle 4 SDG 8
G4-HR7	Percentage of security personnel trained in the organization's human rights policies	Human Rights	98	●	UNGC Principle 1 SDG 16
G4-HR8	Indigenous rights violations	To the best of our knowledge, there were no incidents reported to Compliance and Business Conduct Department related to the rights of Indigenous people in 2016.		●	UNGC Principle 1
G4-HR9	Number and percentage of operations that have been assessed for human rights	Human Rights	98	●	UNGC Principle 1
G4-HR10	Percentage of new suppliers screened using human rights criteria	Suppliers	158	●	UNGC Principle 2
G4-HR11	Negative human rights impacts in the supply chain and actions taken	Suppliers	158	●	UNGC Principle 2
G4-HR12	Number of grievances about human rights impacts filed	This information is considered Business Confidential.		○	

LA Labor Practices and Decent Work

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-LA1	Employee hires and turn over	Employee Programs	110	●	UNGC Principle 6 SDG 5, 8
G4-LA2	Benefits provided to full-time employees	Employee Programs	110	●	SDG 8
G4-LA3	Return to work and retention after parental leave	Employee Programs	110	●	UNGC Principle 6 SDG 5, 8
G4-LA4	Minimum notice periods regarding operational changes	Employee Programs	110	●	UNGC Principle 3 SDG 8
G4-LA5	Workers represented by management-worker health and safety committees	Health and Safety	120	●	SDG 8
G4-LA6	Type and rates of injury, lost days, work-related fatalities	Health and Safety 2016 Metrics	120 212	●	SDG 3, 8
G4-LA7	Workers with high incidence or high risk of diseases related to their work	We are always taking steps to protect our most important asset – 3M employees. Our innovations are only possible with the minds, talent and commitment of all of our employees worldwide, so we put a lot of thought and effort into keeping them safe and healthy. Our robust Safety and Health Policy applies to all 3M operations.		○	SDG 3, 8
G4-LA8	Health and safety topics covered in agreements with trade unions	This information is considered Business Confidential.		○	
G4-LA9	Average hours of training per employee	Employee Programs Although 3M tracks some training hours, it is not consistent globally. 3M believes indicators that align results of the people with success of the Company are direct indicators of successful development programs.	110	●	UNGC Principle 6 SDG 8
G4-LA10	Programs for skills management and lifelong learning	Employee Programs	110	●	SDG 8
G4-LA11	Percentage of employees receiving regular performance reviews	Employee Programs	110	●	UNGC Principle 6 SDG 5, 8
G4-LA12	Employees by category for diversity indicators	Diversity and Inclusion Employee Programs	70 110	●	UNGC Principle 6 SDG 5, 8
G4-LA13	Remuneration of men to women by employee category	3M sets and administers compensation based on external market competitiveness without regard to gender.		○	UNGC Principle 6 SDG 8, 10

GRI Element	Description	Cross-Reference (Hyperlinks) or Direct Answer	Page (PDF)	GRI Disclosure Level	Connections to UN Initiatives*
G4-LA14	Percentage of new suppliers screened using labor practices criteria	Suppliers	158	●	SDG 5, 8, 16
G4-LA15	Negative labor practices impacts in the supply chain and actions taken	Suppliers	158	◐	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 3M Product Safety, Quality, and Stewardship Principle	178	◐	
G4-PR2	Grievances about labor practices	Corporate Code of Conduct Innovation Management 3M Product Safety, Quality, and Stewardship Principle	90 178	◐	
G4-PR3	Organization's procedures for product labeling	Corporate Code of Conduct Innovation Management 3M Product Safety, Quality, and Stewardship Principle Advertising and Product Representation Principle	90 178	●	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 3M Product Safety, Quality, and Stewardship Principle Advertising and Product Representation Principle	178	●	
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	58	◐	UNGC Principle 1
G4-SO2	Operations with significant impact on local communities	Environmental Management Raw Materials Water Climate and Energy Suppliers Human Rights	128 134 142 146 158 98	◐	UNGC Principle 1
G4-SO3	Percentage of operations assessed for risks related to corruption	Corporate Code of Conduct Be Honest	90	◐	UNGC Principle 10 SDG 16
G4-SO4	Communications and training of anti-corruption policies	Corporate Code of Conduct Be Honest	90	◐	UNGC Principle 10 SDG 16
G4-SO5	Confirmed incidents of corruption and actions taken	Corporate Code of Conduct	90	◐	UNGC Principle 10 SDG 16
G4-SO6	Value of political contributions by country and recipient	Corporate Code of Conduct Lobbying and Political Activities Principle Political Activities and Issue Advocacy	90	◐	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	158	◐	
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 2017 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 2016 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 is not included in the Summary of Assured Information.

Methodology

Bureau Veritas undertook the following activities:

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 Brownwood, Texas; Brookings, South Dakota; Menomonie, Wisconsin; and Cumberland, Wisconsin;
5. Remote data reviews for manufacturing sites located in Nevada, Missouri; Little Rock, Arkansas; Higashine, Japan; and Tilloy, France;
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 2016.
- 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 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 2016 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. For example, 3M commissioned a third party provider to update their materiality assessment in 2016. In addition, 3M is active in community engagement that includes community investment (3Mgives), youth development (TWIST, STEP, TECH), and humanitarian projects. 3M is working to increase the representation of women and other under-represented groups in industry through STEM activities and internal management development.

Materiality

3M commissioned a materiality assessment as described in their 2015 Sustainability Report. The 2015 Sustainability Report explained the materiality assessment that considered the importance of issues to both internal and external stakeholders. 3M began the process of updating the materiality assessment during 2016. The initial work for the update has included reviewing governance, scarce resources, greenhouse gas emissions, and health and safety.

Responsiveness

Some examples of how 3M responds to stakeholders regarding sustainability issues are through conference calls regarding the Sustainability Report, participation in investor calls, completion of requests from customers, and responding to comments received through 3M.com. In response to shareholder interest, 3M presented their sustainability report and goals during the 2016 annual meeting. 3M has modified the reporting format to a new layout to improve the reader's experience.

Key Observations for 2016

- 3M's commitment to continuous improvement in environmental performance was evident from the continued development of and involvement in life cycle assessment benchmarking, and resource reduction analysis for new 3M products with respect to water and greenhouse gas emissions.
- The commitment to decrease potential greenhouse gas emissions is shown through the continued improvements to air emission controls that specifically have decreased emissions of high global warming potential compounds.

- Community involvement and giving is evidenced by implementation of Stakeholder Engagement Plans. 3M provides community support through Visiting Wizards, and many other engagements in the community. Corporately, the 3M Foundation provides funding to a variety of recipients.
- Systems for collecting and compiling data appear to be successful for development of the Report, although some opportunities for improvement were observed at the site level.

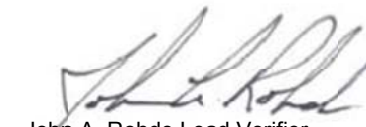
Statement of independence, impartiality and competence

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 2016 revenue of 4.5 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



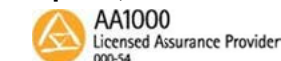
Trevor A. Donaghue, Technical Reviewer
Technical Director
Climate Change Services



Bureau Veritas North America, Inc.

Denver, Colorado

April 5, 2017



**Summary of Assured Information
Reporting Year 2016
3M Company**



**Summary of Assured Information
Reporting Year 2016
3M Company**



Metric	Metric	RY-2016	Energy - Metric	Units	RY-2016	Supplier Responsibility Metric	Metric Units	RY-2016	Water - Metric	Units	RY-2016
Total Global Full-time Equivalent (Headcount)	Total Number	91,600	Total Energy Use (Absolute)	MMBTUs	29,000,000	Total Number of Suppliers	Total Number	88,200	Total Water Use (Absolute)	Million Cubic Meters	45.9
Total Global Employees at Year-End (Headcount)	Total Number	92,500	Total Energy Use (Absolute)	MWh	8,490,000						
Total Number Part-Time Employees	Total Number	2,400	Total Fuel Oil #1, #2, #6	MMBTUs	1,200,000	Total Number of Supplier Reviews	Cumulative Number since 2008	5,120	Sites located in Water Stress/Scarce Areas; water sources significantly affected by withdrawal of water with water conservation planning efforts	Total Number	25
Total Number Full-Time Employees	Total Number	90,100	Total Jet Fuel	MMBTUs	159,000						
Percentage of Female Employees to Total Employees	%	34.8	Total Propane	MMBTUs	190,000						
Percentage of Female Employees in Management Positions	%	27.8	Total Gasoline and Diesel	MMBTUs	155,000						
			Total Coal	MMBTUs	0						
			Total Natural Gas	MMBTUs	15,400,000	Air Emissions - Metric	Units	RY-2016	Air Emissions - Greenhouse Gas Scope 3	Units	RY-2016
Environmental Management System - Metric	Units	RY-2016	Total Electricity Consumption	MMBTUs	10,700,000	Absolute Scope 1 Emissions (Direct)	Metric Tons CO2e	4,140,000	Category 1 - Purchased Goods and Services	Metric Tons CO2e	6,610,000
Total Number of Significant Spills (Spills reported in 10K reporting)	Total Number	0	Total Steam Consumption	MMBTUs	1,180,000	Absolute Scope 2 Location-based Emissions (Indirect)	Metric Tons CO2e	1,840,000	Category 2 - Capital Goods	Metric Tons CO2e	538,000
Number of Significant Fines (Fine or penalty >\$10,000)	Total Number	0				Absolute Scope 2 Market-based Emissions (Indirect)	Metric Tons CO2e	1,780,000	Category 3 - Fuel and Energy Related Activities	Metric Tons CO2e	607,000
Total Monetary Value of Significant Fines	Million \$USD	0	Waste - Metric	Units	RY-2016	Absolute Scope 1 and Scope 2 Market-based Accounting (Indirect)	Metric Tons CO2e	5,920,000	Category 4 - Upstream Transportation and Distribution	Metric Tons CO2e	699,000
Total Number of Non-Monetary Sanctions	Total Number	0	Waste Disposed: Landfill, Treatment and Incineration (Absolute)	Metric Tons	160,000	Total Scope 3 Emissions (Upstream)	Metric Tons CO2e	9,130,000	Category 5 - Waste Generated in Operations	Metric Tons CO2e	248,000
Environmental Liability Accrued at Year End	Million \$USD	0	Total Hazardous Waste (Absolute)	Metric Tons	43,900	Total Volatile Organic Compound Emissions (Absolute)	Metric Tons	4,630	Category 6 - Business Travel	Metric Tons CO2e	61,800
			Total Nonhazardous Waste (Absolute)	Metric Tons	177,000				Category 7 - Employee Commuting	Metric Tons CO2e	364,000
Health and Safety Metric	Units	RY-2016	Waste by Disposal Type, Incineration	Metric Tons	44,400	Other			Category 13 - Downstream Leased Assets	Metric Tons CO2e	<1,000
Global Lost Time Incident Rate	Per 100 3M Employees (200,000 work hours)	0.304	Waste by Disposal Type, Landfilled	Metric Tons	116,000	Customer GHG Avoidance through 3M Product Use using 2015 Sales Volume	Million Metric Tons CO2e	13			
Global Recordable Incident Rate	Per 100 3M Employees (200,000 work hours)	1.2	Waste-to-Energy	Metric Tons	61,000						
Work Related Fatalities - 3M Employees	Total Number	1	Onsite Recycle & Reuse	Metric Tons	56,500						
Work Related Fatalities - 3M Contractors	Total Number	0	Offsite Reuse	Metric Tons	29,300						
Work Related Fatalities - Total Number	Total Number	1	Offsite Recycle	Metric Tons	136,000						

Metric Tables

3M 2016 Baseline Reporting — Environmental Footprint

Metric	Metric Units	RY-2002	RY-2005	RY-2010	RY-2015	RY-2016	Baseline Reporting Change %
Absolute Scope 1 Emissions (Direct)	Metric Tons CO2e	16,800,000	10,100,000	4,280,000	3,770,000	4,140,000	
Absolute Scope 2 Location-based Emissions (Indirect)	Metric Tons CO2e	1,540,000	1,700,000	1,940,000	1,860,000	1,840,000	
Total Greenhouse Gas Emissions (Indexed to Net Sales, Location-based)	Metric Tons CO2e per Net Sales (MM\$USD)	1,120	559	233	186	199	
2012-2016 US 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 US 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	4,630	-31.9
Total Volatile Organic Compounds Emissions (Indexed to Net Sales)	Metric Tons per Net Sales (MM \$USD)		0.321	0.228	0.158	0.154	-52.0
Total Energy Use (Absolute)	MMBTUs		27,900,000	26,800,000	28,400,000	29,000,000	3.94
Total Energy Use (Absolute)	MWh		8,170,000	7,860,000	8,320,000	8,490,000	3.92
Total Energy (Indexed to Net Sales)	MMBTUs per Net Sales (MM \$USD)		1,320	1,010	937	956	-27.6
Waste Disposed: Landfill, Treatment and Incineration (Absolute)	Metric Tons		145,000	136,000	156,000	160,000	10.3
Waste Disposed: Landfill, Treatment and Incineration (Indexed to Net Sales)	Metric Tons per Net Sales (MM \$USD)		6.83	5.09	5.16	5.33	-22.0
Starting in 2016, Waste Disposed does not include Waste-to-Energy. Total Hazardous and Total Nonhazardous Waste includes Waste-to-Energy.							
Total Hazardous Waste (Absolute)	Metric Tons		47,700	42,300	44,500	43,900	-7.97
Total Nonhazardous Waste (Absolute)	Metric Tons		132,000	134,000	170,000	177,000	34.1
Total Water Use (Absolute)	Million Cubic Meters		49.0	43.0	42.5	45.9	-6.33
Total Water Use (Indexed to Net Sales)	Million Cubic Meters per Net Sales (MM \$USD)		0.00231	0.00161	0.00141	0.00152	-34.2

3M 2016 Baseline Reporting — Health and Safety

Metric	Metric Units	RY-2002	RY-2006	RY-2010	RY-2015	RY-2016	Baseline Reporting Change %
Global Lost Time Incident Rate	Per 100 3M Employees (200,000 work hours)		0.594	0.364	0.321	0.304	-48.8
Global Recordable Incident Rate	Per 100 3M Employees (200,000 work hours)		1.85	1.56	1.22	1.20	-35.0

3M 2016 Goals and Results — Social Performance, Employees

Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Global Full-time Equivalent Employees	Total Number	86,600	89,600	90,700	90,400	91,600	1.33	5.77
Global Employee (Headcount)	Total Number	86,600	89,600	90,700	90,400	92,500	2.32	6.81
Total Number Part-Time Employees	Total Number	2,430	2,580	2,560	2,520	2,400	-4.76	-1.23
Total Number Full-Time Employees	Total Number	84,100	87,000	88,200	87,900	90,100	2.50	7.13
Percentage of Female Employees to Total Employees	%	33.7	33.7	33.9	33.9	34.8	2.65	3.26
Percentage of Female Employees in Management Positions	%	24.6	25.3	26.1	26.9	27.8	3.35	13.0

3M 2016 Goals and Results — Financial Performance

Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Net Sales	Million \$USD	29,900	30,900	31,800	30,300	30,100	-0.660	0.669
Operating Income	Million \$USD	6,480	6,670	7,140	6,950	7,220	3.88	11.4
Net Income Attributable to 3M	Million \$USD	4,440	4,660	4,960	4,830	5,050	4.55	13.7
Per Share-Basic	Actual \$USD	6.40	6.83	7.63	7.72	8.35	8.16	30.5
Per Share-Diluted	Actual \$USD	6.32	6.72	7.49	7.58	8.16	7.65	29.1
Total Debt to Total Capital (total capital = debt plus equity)	%	25	25	34	48	53	10	110
Capital Expenditures	Million \$USD	1,480	1,670	1,490	1,460	1,420	-2.74	-4.05
Research, Development and Related Expenses	Million \$USD	1,630	1,720	1,770	1,760	1,740	-1.14	6.75
Employee Compensation and Benefits	Million \$USD	8,350	8,730	8,840	8,790	8,470	-3.64	1.44
Payments to Providers of Capital	Million \$USD	1,800	1,900	2,390	2,700	2,870	6.30	59.4
Provision for Income Taxes	Million \$USD	1,840	1,840	2,030	1,980	2,000	1.01	8.70

3M 2016 Goals and Results — Community Engagement

Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Total Global Giving	Million \$USD	60.3	61.6	81.3	72.8	67.3	-7.55	11.6
Total Cash Donations	Million \$USD	27.9	30.3	30.3	34.1	34.8	2.05	24.7
Total In-Kind Donations	Million \$USD	32.3	31.3	51.0	38.4	32.5	-15.4	-0.619

3M 2016 Goals and Results — Environmental Performance

Environmental Management System — Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016
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	0	2	1	0	0
Significant fine: fine or penalty over \$10,000						
Total Monetary Value of Significant Fines	Million \$USD	0	0.0630	0.113	0	0
Total Number of Non-Monetary Sanctions	Total Number	0	2	1	0	0
Environmental Liability Accrued at Year End	Million \$USD	0	0	0	0	0

Air Emissions — Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Absolute Scope 1 Emissions (Direct)	Metric Tons CO2e	4,370,000	5,590,000	4,390,000	3,770,000	4,140,000	9.81	-5.26
Absolute Scope 2 Location-based Emissions (Indirect)	Metric Tons CO2e	2,250,000	2,360,000	2,240,000	1,860,000	1,840,000	-1.08	-18.2
Total Scope 1 and 2 GHG Emissions: Market-based Accounting	Metric Tons CO2e					5,920,000		
Total Scope 3 Emissions (Upstream)	Metric Tons CO2e	10,700,000	10,600,000	11,100,000	9,500,000	9,130,000		
Total Scope 3 Emissions (Downstream)	Metric Tons CO2e	All downstream categories either do not apply or are de minimis						
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.								
Scope 3, Category 1 (Purchased Goods and Services)	Metric Tons CO2e	8,160,000	8,360,000	8,330,000	6,860,000	6,610,000	From Climate Earth, using an input/output model, based on 3M spend	
Scope 3, Category 2 (Capital Goods)	Metric Tons CO2e	584,000	647,000	812,000	577,000	538,000	From Climate Earth, using an input/output model, based on 3M spend	
Scope 3, Category 3 (Fuel and Energy Related Activities; Not Including Scope 1 or Scope 2 Emissions)	Metric Tons CO2e	Partially included in Scope 1 and Scope 2 emissions reporting		551,000	621,000	607,000	Emissions from transmission and distribution losses (Category 3c) are included in Scope 2 inventory	

Air Emissions — Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Scope 3, Category 4 (Upstream Transportation and Distribution)	Metric Tons CO2e	1,510,000	1,230,000	995,000	780,000	699,000	Emissions disclosed in previous years (2011-2014) 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 CO2e	Insufficient data			254,000	248,000	Calculated from 3M primary data on waste by facility size or number of employees	
Scope 3, Category 6 (Business Travel)	Metric Tons CO2e	58,600	56,900	61,100	55,800	61,800	Calculated from 3M primary data on business travel	
Scope 3, Category 7 (Employee Commuting)	Metric Tons CO2e	352,000	353,000	358,000	356,000	364,000	From Climate Earth, using an input/output model, based on 3M spend	
Scope 3, Category 8 (Upstream, Leased Assets)	Metric Tons CO2e	Included in Scope 1 and Scope 2 emissions reporting					These emission are included in Scope 1 and Scope 2, because they are all under 3M operational control	
Scope 3, Category 9 (Downstream Transportation and Distribution)	Metric Tons CO2e	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 10 (Processing of Sold Products)	Metric Tons CO2e							
Scope 3, Category 11 (Use of Sold Products)	Metric Tons CO2e							
Scope 3, Category 12 (End of Life Treatment of Sold Products)	Metric Tons CO2e							
Scope 3, Category 13 (Downstream Leased Assets)	Metric Tons CO2e	Included in Scope 1 or Scope 2 emissions reporting			<1,000	<1,000	Prior to 2015, 3M reported facilities leased to 3rd parties under Scope 1 and 2	
Scope 3, Category 14 (Franchises)	Metric Tons CO2e	0	0	0	0	0	No franchises under 3M financial control	
Scope 3, Category 15 (Investments)	Metric Tons CO2e	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.								
An input/output model calculation methodology based on spend by commodity was used in collaboration with Climate Earth for Categories 1 and 2, and based on employee headcount by country for Category 7. A third-party audit of the input/output model data has been conducted to confirm compliance with the WRI/WBCSD Corporate Value Chain (Scope 3).								
Estimated Scope 3 data uncertainty is ±50% (WRI/WBCSD, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011).								

Air Emissions — Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Total Greenhouse Gas Emissions (Indexed to Net Sales, Location-based)	Metric Tons CO2e per Net Sales (MM\$USD)	221	258	208	186	199	6.88	10.0
Total Volatile Organic Compound Emissions (Absolute)	Metric Tons	5,980	5,430	5,550	4,800	4,630	-3.54	-22.6
Total Volatile Organic Compounds Emissions (Indexed to Net Sales)	Metric Tons per Net Sales (MM \$USD)	0.200	0.176	0.174	0.158	0.154	-2.53	-23.0

Energy — Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Total Energy Use (Absolute)	MMBTUs	27,700,000	28,700,000	29,100,000	28,400,000	29,000,000	2.11	4.69
Total Energy Use (Absolute)	MWh	8,110,000	8,400,000	8,520,000	8,320,000	8,490,000		
Total Energy (Indexed to Net Sales)	MMBTUs per Net Sales (MM \$USD)	931	930	912	937	956	2.03	2.69
Total Fuel Oil #1, #2, #6	MMBTUs	1,490,000	1,490,000	1,630,000	1,330,000	1,200,000	-9.77	-19.5
Total Jet Fuel	MMBTUs	163,000	143,000	161,000	153,000	159,000	3.92	-2.45
Total Propane	MMBTUs	132,000	138,000	192,000	170,000	190,000	11.8	43.9
Total Gasoline and Diesel	MMBTUs	226,000	190,000	209,000	270,000	155,000	-42.6	-31.4
Total Coal	MMBTUs	0	0	0	0	0		
Total Natural Gas	MMBTUs	14,800,000	15,500,000	15,900,000	14,700,000	15,400,000	4.76	4.05
Total Electricity Consumption	MMBTUs	9,980,000	10,300,000	11,100,000	10,600,000	10,700,000	0.943	7.21
Total Steam Consumption	MMBTUs	840,000	902,000	1,010,000	1,130,000	1,180,000	4.42	40.5
Total Heating Consumption	MMBTUs	17,700,000	18,300,000	19,100,000	17,700,000	18,300,000	3.39	3.39
Total Heating Consumption	MWh	5,180,000	5,370,000	5,590,000	5,190,000	5,360,000		

Waste — Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Waste Disposed: Landfill, Treatment and Incineration (Absolute)	Metric Tons	137,000	146,000	153,000	156,000	160,000	2.56	16.8
Waste Disposed: Landfill, Treatment and Incineration (Indexed to Net Sales)	Metric Tons per Net Sales (MM \$USD)	4.58	4.74	4.80	5.16	5.33	3.29	16.4
Waste by Disposal Type, Incineration	Metric Tons	43,000	43,200	44,200	45,300	44,400	-1.99	3.26
Waste by Disposal Type, Landfilled	Metric Tons	93,900	103,000	109,000	111,000	116,000	4.50	23.5
% Data Coverage Total Waste (Absolute)	%	96	97	98	97	98	1.0	2.1
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	39,700	39,400	41,100	44,500	43,900	-1.35	10.6
Total Nonhazardous Waste (Absolute)	Metric Tons	140,000	153,000	164,000	170,000	177,000	4.12	26.4
Total Waste Diverted (Absolute)	Metric Tons	255,000	274,000	287,000	296,000	283,000	-4.39	11.0
Waste-to-Energy	Metric Tons	42,400	45,700	51,900	58,100	61,000	4.99	43.9
Onsite Recycle & Reuse	Metric Tons	51,100	66,000	69,500	65,500	56,500	-13.7	10.6
Offsite Reuse	Metric Tons	33,800	32,000	31,900	32,900	29,300	-10.9	-13.3
Offsite Recycle	Metric Tons	128,000	131,000	134,000	139,000	136,000	-2.16	6.25

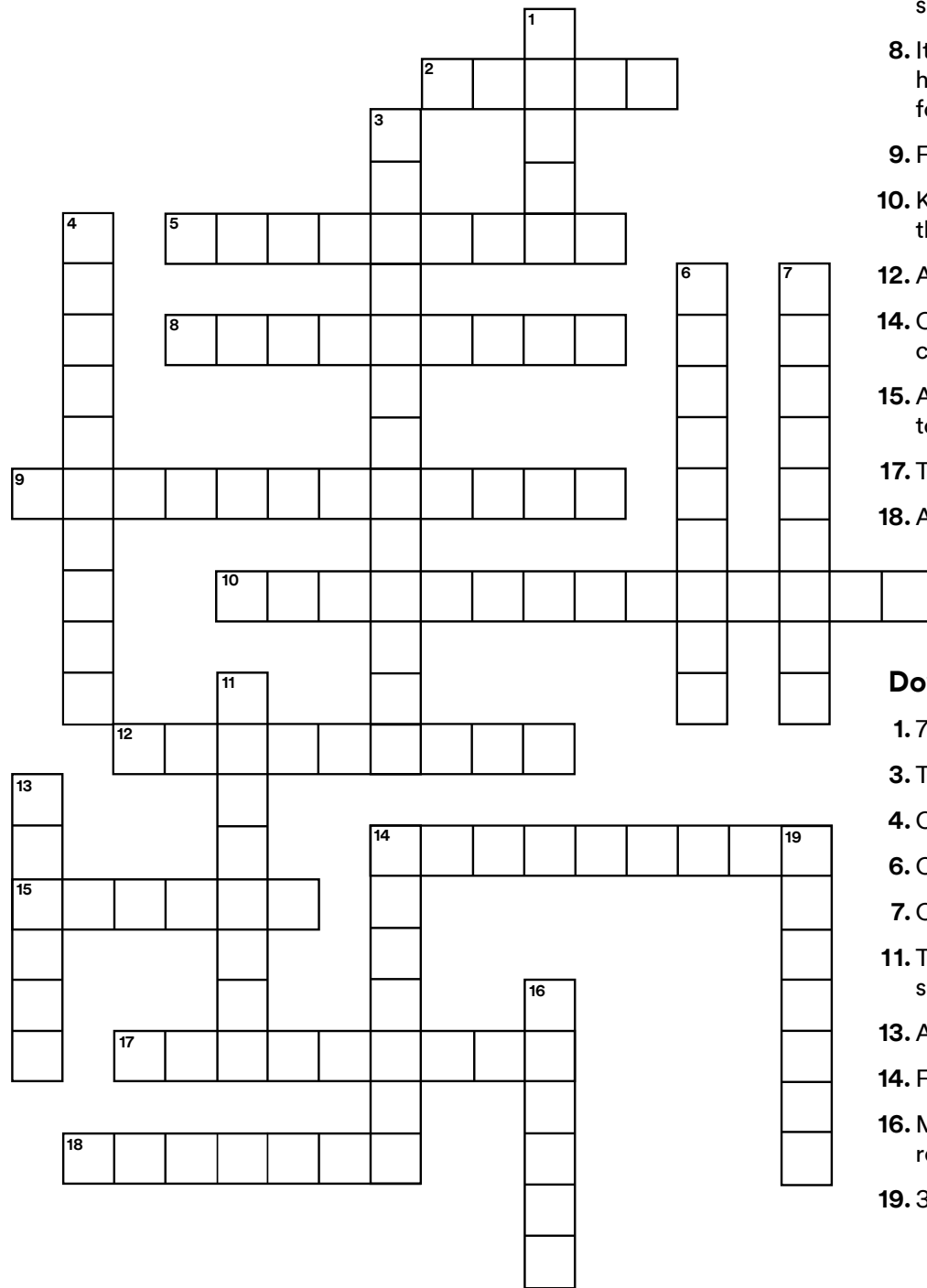
Water — Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Total Water Use (Absolute)	Million Cubic Meters	43.4	43.3	42.5	42.5	45.9	8.00	5.76
Total Water Use (Indexed to Net Sales)	Million Cubic Meters per Net Sales (MM \$USD)	0.00145	0.00140	0.00134	0.00141	0.00152	7.80	4.83
Sites located in water stress/scarce areas; water sources significantly affected by withdrawal of water with water conservation planning efforts	Total Number	24	22	27	25	25	0.0	4.2

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.

3M 2016 Goals and Results — Supplier Responsibility								
Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Total Number of Suppliers	Total Number	106,000	107,000	95,800	98,500	88,200	-10.5	-16.8
Total Number of Supplier Reviews	Cumulative Number (since 2008)	2,510	3,210	3,880	4,570	5,120	12.0	104

3M 2016 Goals and Results — Health and Safety								
Metric	Metric Units	RY-2012	RY-2013	RY-2014	RY-2015	RY-2016	2015-2016 Annual Change %	2012-2016 Five Year Change %
Global Lost Time Incident Rate	Per 100 3M Employees (200,000 work hours)	0.402	0.339	0.355	0.321	0.304	-5.30	-24.4
Global Recordable Incident Rate	Per 100 3M Employees (200,000 work hours)	1.42	1.41	1.45	1.22	1.20	-1.64	-15.5
Work Related Fatalities — 3M Employees	Total Number	1	1	0	0	1		
Work Related Fatalities — 3M Contractors	Total Number	1	1	0	0	0		
Work Related Fatalities — Total Number	Total Number	2	2	0	0	1		

#improvinglives Crossword



Across

- 2. 2025
- 5. Partners across responsible sourcing
- 8. It's "What survives when what has been learned has been forgotten."—B. F. Skinner
- 9. From which products are made
- 10. Key theme; embedded firmly at the core of 3M
- 12. All of us
- 14. Collaborate with to solve challenges
- 15. Aeschylus said it is wedded to obedience
- 17. Types of energy
- 18. At the heart of everything we do

Down

- 1. 71% of the Earth's surface
- 3. The result of "We"
- 4. Creativity spurs it
- 6. Celebrate it
- 7. Our Ambition
- 11. Thousands of commencement speeches on this topic
- 13. Advance, enhance, improve
- 14. From the Latin "zone"
- 16. Mahatma Gandhi called it real wealth
- 19. 3M _____. Applied to Life.™

Find the answers at
go.3m.com/sustainability-puzzle-answers

