

2007 Sustainability Progress
www.3M.com/sustainability



Sustaining Our Future





3M's Environmental, Social and Economic Sustainability

3M vigorously affirms our commitment to sustainable development through environmental protection, social responsibility and economic progress. 3M recognizes that the company's long-term success springs from adopting and implementing the principles of sustainable development: stewardship to the environment, contributions to society, and to the creation of economic value and worth. At the same time, we recognize that only by continuing to be a viable and successful enterprise can we continue to be a positive contributor to sustainable development.

Our Corporate Values and Sustainability

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

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

1990 – 2006 Environmental Progress

- 95% reduction in absolute volatile air emissions.
- 95% reduction in absolute U.S. TRI releases (2005 reporting year).
- 54% reduction in absolute greenhouse gas emissions.
- 57% reduction in solid waste indexed to net sales.

Our Sustainability Strategies

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

Meeting society's and 3M's expectations for environmental improvement:

- Utilizing 3M's Environmental, Health and Safety Management System.
- Utilizing Life Cycle Management to continuously improve the environmental, health and safety impact of our products and processes.
- Making pollution prevention pay through development of new technologies and products.

Meeting employee and community needs as a socially responsible company:

- Attracting and retaining a diverse and talented work force.
- Supporting continuous learning and knowledge sharing.
- Supporting communities where we operate.
- Driving 3M's future economic success by satisfying our customers with innovative technology and products and providing our investors an attractive return on their investment.



The Dow Jones Sustainability Index

Recognized for the 7th consecutive year as the diversified industrials sector leader.

Environmental Highlights

EHS Management System

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

The EHS Management System:

- Includes an integrated, holistic system that anticipates and addresses long-term issues and drives continuous improvement.
- Promotes a strategic planning process that integrates EHS issues into business unit strategic plans.
- Requires each business unit to identify EHS issues, develop formal action plans, set goals and measure results.

Managing Greenhouse Gas Emissions and Energy Use

3M's energy efficiency efforts date back to 1973, when the Energy Management Department was first formed. Today, 3M has an aggressive energy and greenhouse gas (GHG) management strategy which includes developing a 3rd-party certified GHG inventory; continuously improving GHG accounting systems; setting voluntary GHG emissions reduction goals; reducing the company's GHG footprint through energy efficiency, renewable energy, and controls; and developing a range of products that help 3M's customers reduce their energy use and GHG emissions.

- GHG emissions reduction goal of 50% (from a 1990 base year)
- Achieved a 54% reduction from 1990 - 2006

Corporate Environmental Goals

3M has been setting corporate environmental goals since the early 1990s. In 2005, 3M set a new group of goals for 2005 through 2010. These goals are stretch goals directed at reducing our environmental impact on top of significant progress already made. The goals, which are indexed to net sales, are as follows:

- Reduce Volatile Air Emissions by 25%.
- Improve Energy Efficiency by 20%.
- Reduce Waste by 20%.
- Complete 800 3P Projects (not indexed to net sales).

Product Life Cycle Management

An integral part of the EHS Management System is Life Cycle Management (LCM). Instead of only focusing on the manufacturing process to control environmental, health, safety and energy effects, the spotlight is now on products throughout their entire life cycle, from manufacturing through customer use and disposal. 3M has adopted a Life Cycle Management Policy requiring all business units to conduct LCM reviews for all new products and to conduct LCM reviews on existing products on a prioritized basis. LCM reviews of all existing products must be completed by 2010.

Environmental Product Solutions

In 2007, 3M launched a new catalog showcasing 3M products designed to address environmental challenges in the cleaning and maintenance, construction and industrial production, communications, office supplies, transportation, and health care markets. The Environmental Solutions Catalog can be downloaded at www.3M.com/EnvSolutions

Economics & Governance Highlights

Every day, 3M people find new ways to make amazing things happen. Wherever they are, whatever they do, the company's customers know they can rely on 3M to help make their lives better.

The Company's Key Strengths

- **Strong Technology Base:** Virtually anywhere you go, 3M technologies are at work – making life easier and better for people around the world. You'll find 3M technologies and products in homes, offices, hospitals, dental offices, manufacturing facilities, cars, aircraft, traffic signs, LCD displays and countless other places. Drawing on more than 40 technology platforms, 3M employees use their imagination to develop products that transform existing industries and create entirely new ones.
- **Leading Market Positions:** 3M is a world leader in most of its businesses. We've created many markets, frequently by developing products that fulfill unarticulated customer needs.
- **Healthy Mix of Businesses:** 3M serves a broad array of markets, providing many avenues for growth and cushioning the company from disruptions in any single market. 3M has a worldwide presence in the following markets: consumer and office; display and graphics; electro and communications; health care; industrial and transportation; and safety, security and protection services.
- **Well-Known Brands:** Representing quality, innovation and reliability, 3M brands earn customer loyalty, encourage repeat purchases and motivate users to try new 3M products.
- **Worldwide Presence:** We have companies in more than 60 countries around the world, and we sell our products in nearly 200 countries. More than half of our sales are outside the United States.

Ethical Operations

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

Supplier Management

3M has a formal process as part of its Sourcing Policy that sets standards for its suppliers in the areas of environmental, health and safety, transportation, and labor and human resources. The standards apply to the selection and retention of all suppliers that provide goods or services to 3M worldwide and establish a framework that 3M considers important to a safe and healthy workplace, to the maintenance of fair and reasonable labor and human resource practices, and to the management of manufacturing and distribution operations to minimize adverse impact to the environment.

Social Highlights

Stakeholder Engagement

3M strives to maintain a continuous and open dialogue with the community, shareholders, employees, retirees and other interested parties about the environmental, social and economic issues related to our operations including past achievements and future sustainability goals. 3M partners with a variety of organizations to help provide the company with a diverse set of viewpoints on sustainability, a better understanding of the positions of our stakeholders, and a mechanism to learn from the successes and failures of our peers.

Community Giving

Because of 3M's business success, we are able to invest in innovative community programs that help make the future brighter for everyone. Community giving is an important part of 3M's sustainability strategy. 3M's philanthropy combines 3M and 3M Foundation cash gifts, donated products and volunteerism by employees and retirees. Our global Community Giving Program is decentralized with 3M subsidiaries in each country developing and administering a program that is consistent with the local culture, community needs and environment in which we operate.

Bringing Greater Opportunity to Employees

- **Health and Productivity:** Health and productivity score cards have been introduced in U.S. 3M plants. 3M continues to work to reduce preventable health care incidences and optimize productivity worldwide.
- **Performance-Based Compensation:** 3M employee awards are closely linked to the company's growth through employee performance and competitive compensation processes. By linking performance and pay, we are better able to nurture and reward accelerated performance and build on our status as an employer of choice. This, in turn, drives innovation and continues global strength and success.
- **Leadership Development:** 3M's Leadership Development Institute includes the 3M Accelerated Leadership Development Program, an intense three-week accelerated development experience for some of our most promising leaders. Participants experience real-life learning by working on 3M business issues and presenting recommendations to senior management.
- **Career Opportunity:** 3M's reputation as an industry leader and our culture of innovation continue to help us attract and retain quality employees around the globe who value the 3M career opportunity.
- **Equal Opportunity and Diversity:** 3M considers a diverse work force to be essential to the overall success of our company as well as an important social commitment. Diversity at 3M is defined as: respecting our differences; maximizing our individual potential; valuing our uniqueness; and synergizing our collective talents and experiences for the growth and success of 3M. As a global company, 3M works with diverse customers in diverse markets. The diversity of 3M's global workforce is an indispensable asset and is key to global success.

2006 Social Progress

- Employment of 75,333 people in more than 60 countries.
- 3M employs mostly local nationals. In 2006, 320 or 0.4 percent of 3M employees worldwide were foreign service employees not residing in their home countries.
- In the United States, 3M and the 3M Foundation donated more than \$37 million through its community giving programs.



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