

Sustainability In-depth: Meeting Needs and Keeping in Touch; 3M's Approach to Stakeholder Engagement

3M strives to maintain a continuous and open dialogue with the community, shareholders, employees, customers, community members, retirees and other interested parties about the company's past activities and future sustainability goals. These discussions help the company keep abreast of emerging issues and shape its response. 3M develops engagement plans and communicates with its wide variety of stakeholders at the corporate and local or regional level.

Local / Regional Stakeholder Engagement

3M is a diverse company, producing thousands of products and operating in over 60 countries. These products are made in large and small communities all over the globe. 3M recognizes the link local and regional stakeholders have to its business. These stakeholders are employees, communities, customers, and regulators and each group has an important interest in our operations.

In 2005, 3M developed a new, more systematic, local and regional stakeholder engagement process. This new method was developed using Six Sigma tools and is a formalized process to help facilities establish a consistent, documented and proactive system to drive engagement. The new system is a component of 3M's Environmental, Health and Safety (EHS) Management System and requires 3M manufacturing facilities to complete and document the following activities:

- Identify critical stakeholders,
- Analyze and evaluate their current stakeholder engagement activities,
- Identify communications opportunities,
- Develop and implement a stakeholder engagement plan, and
- Measurement the plan's effectiveness.

While each facility will develop a stakeholder engagement process using the same 3M developed system, the engagement tactics employed by each location are developed to meet the needs of local stakeholders. For an example, 3M locations employ a wide range of methods to consult with our stakeholders, such as:

- Neighbor meetings.
- Employee meetings.
- Employee surveys.
- Community newsletters.
- Facility open houses and tours.
- Active participation in local civic groups.
- Participation in community organizations like chambers of commerce or task forces around issues such as economic development and job creation.

Milestones

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| 2005 | 3M launches its new standardized regional stakeholder engagement process |
| 2006 | 3M completes its corporate sustainability engagement process and develops its communications plan |
| 2007 | Adherence with 3M regional stakeholder engagement process is added to 3M's EHS Scorecard |

- Facility Web sites.

These consultations yield insight for 3M's locations and the corporation as a whole concerning issues such as our environmental performance, management systems, and community interaction. The frequency of these consultations varies according to the stakeholder and the issues at hand. For instance, a 3M location may meet with employee groups monthly and with community leaders and regulators quarterly. The feedback we receive from our stakeholders is invaluable in shaping our sustainability strategies and helps to ensure that we continue to operate in a way that is sensitive to their needs.

Corporate Stakeholder Engagement


While the majority of 3M's stakeholder interaction occurs at the local and regional level where 3M's activities touch our stakeholders, 3M also endeavors to meet stakeholder expectations at a global level on global issues. As a complement to its local and regional engagement process, 3M also analyzes and creates plans concerning its corporate stakeholder engagement around sustainability programs and issues. This corporate process follows AccountAbility's *AA1000 Stakeholder Engagement Standard* and was developed using tools from *"From Words to Action; The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement"* created by AccountAbility, the United Nations Environment Programme, and Stakeholder Research Associates.

3M's corporate sustainability stakeholder engagement process involves the following steps taken from The Stakeholder Engagement Manual:

1. **Mapping 3M's Stakeholders.** This step includes identifying 3M's key global stakeholder categories and subgroups for each category. As an example, "3M Employees" are a key stakeholder category and "exempt employees," "non-exempt employees," "production employees," and "senior management" are examples of some of the 3M Employees' sub groups.
2. **Identifying Engagement Issues.** Key sustainability issues for 3M and our stakeholders are documented.
3. **Documentation of Engagement Objectives and Issues**
4. **Assessing Engagement Issue Materiality.** Issues are ranked as being of high, medium, or low materiality using AccountAbility's five-part materiality test. This test examines issues in the following five areas: "Issues that have direct short-term financial impacts," "Issues where the company has agreed policy statements of a strategic nature," "Issues that comparable organizations consider within their sphere of materiality," "Issues that your stakeholders consider important enough to act on (now or in the future)," and "Issues which are considered

Stakeholder Categories Engaged by 3M

Employees, Retirees,
Customers, Peer Companies,
Academics / Universities,
Students, Competitors,
Communities, Governments,
Investors, Suppliers, & Non-
governmental Organizations



social norms.¹

5. **Assessing 3M's Stakeholders' Perceptions of the Issues Identified.** Each issue was ranked as a high (9), medium (3), low (1), or no (0) interest level for each of the identified stakeholder categories.
6. **Engagement planning** around material sustainability issues with high stakeholder interest. The combined interest of our stakeholders and issue materiality to 3M was used to identify a sub-set of key engagement issues. Again, using the tools outlined in *The Stakeholder Engagement Manual*, 3M created a plan which outlines the engagement strategy and includes items, such as the following, for each key issue:
 - Stakeholder expectation
 - 3M goals / objectives
 - Recommended engagement method & channel
 - Actions, abilities, resources needed for engagement

This analysis was completed in 2007 and will be reviewed every four years.

¹*From Words to Action; The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement*, First Edition October 2005, AccountAbility, the United Nations Environment Programme, and Stakeholder Research Associates