

3M Sustainability In-depth: Defining Sustainability Report Content

3M's Sustainability Report is the company's primary mechanism to communicate its sustainability policies, programs, and performance to its stakeholders. Therefore, defining the report's scope and content is extremely important. 3M uses the following key information sources to help define its report's content:

1. 3M's sustainability issue materiality determination
2. 3M's stakeholder interest evaluation
3. Direct feedback from users of previous Sustainability Reports
4. The Global Reporting Initiative sustainability reporting guidelines

3M's Sustainability Issue Materiality and Stakeholder Interest Determination

As part of 3M's corporate stakeholder engagement process, the company evaluates and documents the materiality of and stakeholder interest in key sustainability issues. 3M uses *From Words to Action: The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement's* five part materiality test to evaluate the materiality of sustainability issues to 3M. This system ranks issues as being of high, medium, or low materiality for an entity by scoring the issue based on the following five criteria:

- "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),"
- "Issues which are considered social norms."


Issues that score an average high score across each of the five areas are determined to be highly material for the company.

As an example, greenhouse gas / climate change management and disclosure of business conduct policies and procedures both score as "highly material" to 3M. In the case of greenhouse gas / climate change management, the issue was scored as "highly material" regarding each of the 5 criteria. In the case of disclosure of business conduct policies and procedures, the issue was scored as being "highly material" overall for the corporation and for each of the sub-criteria except "Issues that have direct short-term financial impacts" where it was scored as having "medium materiality."

Stakeholder interest is determined by aggregating each of 3M's stakeholder groups relative interest around a particular sustainability issue. If a stakeholder group has a high interest in an issue it is scored as a "9", if that group has a fair level of interest the issue is scored as a "3," if the group has low, but some, interest in the issue the issue receives a score of "1", and if the group has no defined interest in the area it is scored as "0." Each stakeholder groups' scores on a particular issue are aggregated to yield the issue's overall score which is used to rank relative interest by 3M's stakeholders in various sustainability issues.

Milestones

1993	3M publishes its first corporate environmental report
1998	3M publishes its first environmental, health, & safety report
2002	3M Publishes its first Sustainability Report based on 2001 accomplishments
	3M develops its first report based on the Global Reporting Initiative's G2 guidelines
	3M publishes its first fully integrated, electronic only report.
2003	3M publishes its first externally verified Sustainability Report
2007	3M redesigns its Sustainability Report adopts the Global Reporting Initiative's G3 guidelines and publishes a "C" level report
	3M seeks third-party verification of the latest version of its Sustainability Report.



Both the materiality determination and relative stakeholder interest evaluation are important factors in determining what issues are included and their depth of coverage in 3M's Sustainability Report.

Feedback from Users of 3M's Sustainability Reports

3M also draws on direct feedback from users of its Sustainability Report / website to determine future content. Any visitor to 3M's Sustainability Report / website may complete a short on-line survey about the report. This information is reviewed several times throughout the year and when each new report is developed.

In 2007, 3M performed a targeted survey of sustainability site users. Over 125 individuals representing 3M employees, customers, peer companies, non-governmental organizations, citizens from the communities where 3M operates, students, academics, and governmental organizations were asked to complete an on-line survey to evaluate 3M's current report / website and offer suggestions for improvement. In addition, 3M performed in-depth phone interviews of an additional 12 individuals from the same stakeholder groups. The feedback from the surveys and interviews was used to redesign the sustainability web site to make it more user friendly and to better align the site's content with site user's interests. Some of the key suggestions included:

- Make information on greenhouse gas management and climate change more visible on the site
- Include more information about 3M products
- Include more information on 3M's stakeholder engagement
- Include more information on 3M's sustainability strategies
- Performance indicators should be aggregated and easier to use

The Global Reporting Initiative Sustainability Reporting Guidelines

3M uses the Global Reporting Initiative (GRI) Guidelines to develop its Sustainability Report. In 2007, 3M developed its report to encompass "C-level" G3 reporting. The GRI guidelines are developed using a multi-stakeholder process. By following the requirements outlined in the guidelines, 3M hopes to ensure it is addressing the core sustainability issues facing industry in general.