



## 3M INDIA LIMITED

### BUSINESS CONDUCT CONCERN REPORTING POLICY (WHISTLEBLOWER POLICY)

In accordance with the requirements of Section 177(9) & (10), Companies Act 2013, Rule 7, Companies (Meetings of Board and its Powers) Rules, 2014 and the requirements prescribed by Securities and Exchange Board of India vide Clause 49 of the Listing Agreement<sup>1</sup>, 3M India Limited (the “Company”) wishes to establish an effective vigil mechanism by way of this Business Conduct Concern Reporting Policy (Whistleblower Policy) as follows:

#### **I. Purpose**

Upholding 3M’s Code of Conduct (available at [3M.com/businessconduct](http://3M.com/businessconduct) ), 3M’s values and all laws applicable to 3M India Limited’s operations in India is the responsibility of everyone acting on 3M’s behalf.

It is also everyone’s responsibility to raise a concern promptly about unethical behavior, actual or suspected fraud, a possible violation of 3M’s Code of Conduct or laws applicable to the Company’s operations in India. The Company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing. Reporting suspected misconduct or even asking a compliance question can take courage, but it is the right thing to do. The measure of a good company, and a good compliance program, is whether a company finds problems early and fixes them while they are small.

The best way for the Company to find out early about suspected violations is when employees and others acting on 3M’s behalf support the compliance program by being the “eyes and ears” of compliance in the Company. This policy sets out ways through which 3M’s employees, investors, customers, vendors and other stakeholders can raise concerns that relate to actual or suspected violations of 3M’s Code of Conduct, accounting or auditing matters and applicable national and international laws.

This Policy is not intended to question financial or business decisions taken by the Company without any misconduct or fraud nor should it be used to cover career related grievances.

#### **II. Applicability**

The policy will apply to 3M’s employees, investors, customers, vendors and other stakeholders who wish to raise or report any unethical behavior, suspected violation of applicable laws or 3M’s Code of Conduct. Such person is hereinafter referred to as the “*The Concerned Party*”.

#### **III. Declaration against retaliation**

It is hereby declared that the Company prohibits retaliation against anyone who raises a business conduct concern or cooperates in a Company investigation. Complaints made in good faith will not

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<sup>1</sup> For full text of Section 177(9) &(10), Companies Act 2013, Rule 7, Companies (Meetings of Board and its Powers) Rules, 2014\_ and the applicable provisions of Clause 49, Listing Agreement as on 29 May 2014, please refer to Annexure A.

expose the Concerned Party to any sanctions, regardless of whether the underlying facts prove to be correct or result in any corrective action. If a Concerned Party believes that he /she has faced retaliation of any kind, he /she can report it to any of the persons mentioned in Clause IV below so that the Company can investigate.

#### **IV. Procedure for making raising or reporting concerns or issues**

1. The Concerned Party may raise the concern directly within 3M to any of the following, as appropriate:
  - a. Managing Director or any Whole-time Director of the Company
  - b. Chairperson, Audit Committee of the Board of Directors
  - c. General Counsel
  - d. Internal Auditor
  - e. Head of Compliance Department
  - f. If the Concerned Party is an employee, he or she may also approach his or her immediate supervisor or designated Human Resources Manager
  - g. Through the designated website [www.3M-Ethics.com](http://www.3M-Ethics.com) or calling the International Toll Free Service (ITFS) from India – 000-800-100-1071/000-800-001-6112 along with the full details of the alleged violation to the operator. The Concerned Party may request anonymity if desired.
2. While a Concerned Party is not required to furnish any more information than he/she wishes to disclose, to effectively conduct an investigation into a complaint, it is imperative that the Company has all critical information necessary to understand the matter. Therefore, the complaint or disclosure should ideally provide as many details and be as specific as possible including names and dates and should contain proof, wherever possible.

#### **V. Procedure for addressing any concerns or issues**

1. The recipient of the concern or issue will forthwith refer the same to the Company's General Counsel who will forthwith track, investigate, or assign the investigation to the appropriate investigation team.
2. An Investigation will be initiated by the Company's General Counsel within 5 working days of the receipt of the complaint by the General Counsel, if the General Counsel deems that an investigation is necessary based on the nature and complexity of the allegations, and the investigation will be conducted in an expeditious manner. The person being investigated shall be given an opportunity of being heard in the matter.
3. During the process of investigation, confidentiality of the Concerned Party and any confidential information provided by the Concerned Party will be maintained, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations.
4. The outcome of the investigations, where such investigation has been assigned to an appropriate investigation team, shall be submitted to the Company's General Counsel. The Concerned Party shall be informed of the same.

**VI. Report to the Audit Committee**

On a periodic basis (at the minimum, on a quarterly basis) a brief summary and the status of complaints received / open investigations will be provided to the Audit Committee of the Board of Directors by the Company's General Counsel.

**VII. False allegations; frivolous complaints**

While this Policy is intended to protect genuine Concerned Parties against any retaliation or unfair treatment as a result of a complaint, misuse of this Policy by making bogus or false complaints is prohibited. A Concerned Party, who knowingly makes false allegations of alleged violations, shall be liable for disciplinary action or other sanctions as may be decided by the Company.

In case of repeated frivolous complaints being filed by a director, the Audit Committee may take suitable action against the concerned director including reprimanding them and termination of services in accordance with the Company's internal policies and procedures.

**VIII. Retention of documents**

After the conclusion of the Investigation, all information, documents, reports, and other relevant material collected as part of the investigation shall be retained for a period of 10 years or such other period prescribed by applicable law, whichever is later.

**IX. Informing New Employees/Directors/Vendors**

All new employees/directors/vendors shall be informed about this policy by the Human Resources / Legal / Sourcing Departments, as appropriate, upon joining/commencing work with the Company. The Policy, as amended from time to time, shall be posted on the website of the Company.

**X. Modification**

The Company may modify this Policy at any time without notice. Modification may be necessary to maintain compliance with state or central regulations and/or to accommodate organizational changes within the Company.

## Annexure A

### Statutory Requirements for Establishing an effective vigil mechanism

#### I. Section 177 (9) & (10), Companies Act, 2013 effective from April 1, 2014 states:

*“(9) Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.*

*“(10) The vigil mechanism under subsection (9) shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases: Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board’s report.”*

#### II. Rule 7, Companies (Meetings of Board and its Powers) Rules, 2014 states as follows:

*“7. Establishment of vigil mechanism – (1) Every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-*

- (a) the Companies which accept deposits from the public;*
- (b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.*

*(2) The companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.*

*(3) In case of other companies, the Board of Directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report concerns.*

*(4) The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.*

*(5) In case of repeated frivolous complaints being filed by a director or an employee, the audit committee of the director nominated to play the role of audit committee may take suitable action against the concerned director employee including reprimand.”*

#### III. Clause 49(I) (B)(e) of the Listing agreement as amended on 17 April 2014 and applicable from October 1, 2014 states as follows:

*“e. The company should devise an effective mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.”*

#### IV. Clause 49(II) (F) of the Listing agreement as amended on 17 April 2014 and applicable from October 1, 2014 states as follows:

*“1. The company shall establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy.*

*2. This mechanism should also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.*

*3. The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board's report. "*