

BUSINESS RESPONSIBILITY REPORT

[Regulation 34(2)(f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L31300KA1987PLC013543
2. Name of the Company: 3M INDIA LIMITED
3. Registered address:
PLOT NOS.48-51, ELECTRONICS CITY, HOSUR ROAD, BANGALORE – 560 100
4. Website: www.3m.com/in
5. E-mail id: vsrinivasan@mmm.com
6. Financial Year reported: 2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise):
3290 – Other manufacturing n.e.c (as per NIC 2008)
8. List three key products/services that the Company manufactures/provides(as in Balance Sheet):
Abrasive, Fusion bonded epoxy coating, Medical surgical and dental products
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5): Nil
 - (b) Number of National Locations: 3 Plants and 6 Branch Locations across India
10. Markets served by the Company – Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY (as at March 31, 2017)

1. Paid up Capital (INR): 1,126.51 lakhs
2. Total Turnover (INR): 2,45,784.93 lakhs
3. Total profit after taxes (INR): 23,831.51 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.45%
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a) Education
 - (b) Social Innovation
 - (c) Women Empowerment
 - (d) National Calamity
 - (e) Sustainability (from June 1, 2016)

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s): Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

The Company collaborates with all relevant stakeholders by sharing its Ethical Business Practices, Code of Conduct, Anti-Bribery Policy and Supplier Code of Conduct with its contract manufacturers, suppliers and other major third parties associated with the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: 00044840
2. Name: B.V. Shankaranarayana Rao
3. Designation: Whole-time Director

(b) Details of the BR head:

No.	Particulars	Details
1	DIN Number (if applicable)	00044840
2	Name	B.V. Shankaranarayana Rao
3	Designation	Whole-time Director
4	Telephone number	080- 30614801
5	e-mail id	rshankar@mmm.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility as under-

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	Business Ethics	Sustainability	Employees 'well being	Stakeholders' welfare	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer Responsibility
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	-	-	Y	-	-	Y	-	-	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)\$	-	-	-	-		Y	-	-	-

4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?*	-	-	-	-	-	-	-	Y	-
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	-	-	-	-	Y	-
6	Indicate the link for the policy to be viewed online @	http://solutions.3mindia.co.in/wps/portal/3M/en_IN/about-3M/information/corporate/financial-facts/summary/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	-	-	Y	-	-	Y	-	-	-

\$ -ISO 14001, @-except for P7

* -3M India Ltd has a globally accepted Code of Conduct policy approved by the CEO of the Parent Company, 3M Company, U.S.A. which is also followed by the Company, being one of its subsidiaries.

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)#	-	-	-	-	-	-	√	-	-

The Company through various Industry Forums endeavors for economic reforms and inclusive sustainable business principles. Therefore, the Company currently does not find it necessary to frame a policy on principle #7.

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Assessment is an ongoing exercise and is an inherent part of corporate function. BR Committee comprises the Whole-time Director, who heads the Committee and three senior managerial personnel, including the Managing Director.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report. It is available also at http://solutions.3mindia.co.in/wps/portal/3M/en_IN/about-3M/information/corporate/financial-facts/summary/. and forms part of Annual report. The Global sustainability report can be accessed at <http://www.3m.com/sustainabilityreport>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1-Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company's Code of Conduct is based primarily on the Code of Conduct of 3M Company, USA, the holding/ Parent Company, which is followed by all 3M Group Companies. The Code has to be adhered by all other stakeholders who do business with the Company.

3M's Code of Conduct is comprised of our core business conduct principles that set forth global corporate expectations for all 3M employees and certain third parties who act on 3M's behalf. 3M's Code of Conduct applies to all "3M People." 3M People are 3M's employees and may include others who act on 3M's behalf. 3M People are expected to live 3M Values. All 3M People are partners in complying with 3M's Code of Conduct and supporting others' compliance. Together, 3M People ensure the continued success of 3M Company and protect 3M's longstanding reputation for doing the right thing, always and everywhere.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
 - i. No. of complaints received in Ethics point = 14
No. of complaints resolved = 12 (2 work-in progress)
 - ii. No. of complaints received from shareholders = 57
No. of complaints resolved = 57

Principle 2- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) Product Name: 3M Sun Control Window Films

Product Technical description/ Features/ Benefits:

When tenants complain about rooms that are too hot or you notice that your energy costs are trending skyward, 3M™ Window Films can help. Our films offer protection from accidents, natural disasters, break and entry, bomb blasts and flying glass fragments. 3M was issued the first sun control window film patent in 1966, and our innovative window film products have helped provide protection from the sun's harmful rays for 50 years. Innovations over the years have helped 3M build a strong reach with millions of square feet of 3M™ Window Film installed all around the world. An estimated 33% of cooling expenses are due to solar heat gain from windows. That's why cost-effective, energy-saving technologies like 3M™ Window Films are crucial to protecting your bottom line by rejecting the sun's heat to keep your space at an even, moderate temperature. What sets our films apart is the precision with which light waves are controlled as they pass through or reflect off of hundreds of layers of film. Compared to other films, 3M™ Window Films increase performance at a faster rate as the sun's angle increases. That means greater protection and comfort when you need it the most. Solar heat comes from two primary sources, the visible light you can see and the infrared light you can feel.

In the case studies conducted in India, the energy savings from installation of sun control films from 10-14% with payback period ranging from 2- 7 years* (*figures depends on project to project & the type of 3M window films chosen).

Environmental / social benefits:

- Allows high transmission of natural light into your building to provide excellent aesthetics.
- 3M™ Window Films are proven to save energy in all climate zones.
- Reduces your energy consumption and your carbon emissions.
- Reduce light pollution.
- Significantly blocks the amount of harmful UV rays that cause fading, helping to extend the life of furnishings.
- Reduce heat gain in summer months by up to 79%.
- Let's in natural light while rejecting heat.

- Help qualify for LEED credits for Green building certification program.
- 3M™ Window Films can become carbon negative in as short as 6 months from install.

(b) Product Name: Solar RPM

Product Technical description/ Features/ Benefits

3M Solar RPM is a maintenance free, raised pavement marker used to improve traffic safety on Indian roads. This product uses a reflective lens along with a self-illuminating feature for active as well as passive safety of road users.

This product harnesses the Sun's energy during the day through a solar panel and stores it in a rechargeable battery. In absence of daylight, the stored energy is then efficiently & optimally used with the help of 3M light management technology that offers a 360-degree illumination using just 4 LED's.

The product is expected to perform for 3 to 5 years without any maintenance.

(c) Product Name: Dry wash – waterless wash

Product Technical description/ Features/ Benefits:

3M introduced unique water based chemical solution for washing cars without use of external water resource. 3M Dry wash is for painted surfaces which is normally difficult to clean without high pressure water. The product is optimally designed using biodegradable wetting agents, surfactants, degreasers and lubricants which helps in removal of dirt, mud, hard dust, bird drops, oil, grease and to most extend tar marks, bug splatters and tree saps from exterior automotive painted surfaces without creating scratches on the surface. The product is ready to use and no further dilution is required. 3M Dry wash is readily biodegradable over 80 % as per OECD 301 B standard and helps to save water use for car wash up to 99%.

Environmental / social benefits:

- Save's water usage for car wash up to 99%
- Helps conserve precious water resources
- Water treatment facilities & its maintenance is completely eliminated in the service centers are not required since it save's water usage for washing of the cars
- Product very well fits for door step wash services and compact service models which does not have dedicated wash bays or water treatment plants to treat water used for car wash
- Compatible with automotive parts and components like paint, plastic, metals and rubber parts
- Time taken is less when compared to water wash
- Readily biodegradable over 80 % as per OECD 301 B standard

(d) Product Name: Diesel Fuel System Cleaner

Technical description/ Features/ Benefits

Rising Air Pollution and increasing vehicular movement has become one the top for the current Governments to tackle. The Diesel fuel system cleaner solution targets the core environmental concern prevailing in India i.e. Air Pollution due to diesel emissions from on road & off road Engines. This solution for the diesel engines will help restore Injector performance and enhance the vehicle in-cylinder combustion in various diesel engines and hence significantly reduce the emission of various pollutants into the atmosphere and restores engine health and fuel economy of the Diesel Engines. Thus this program helps reduce the carbon footprint addressing the global sustainability challenge.

Environmental / social benefits:

- Up to 53% injector deposit or clogging reduction which leads to carbon emission reduction & restoration of engine power & pick up
- Restores up to 4-12% of the power & torque of the engine
- Significant reduction of smoke
- Restores overall fuel economy of the diesel engine

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Refer point no. 1 above
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? Refer point no. 1 above
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
- Yes, the Company has procedures in place for sustainable sourcing, covering areas such as standardized processes for supplier's audits for EHS compliance including conflict Minerals, Paper and pulp and frugal automation to improve sustainability of materials procured. Manufacturing process are selected and improved year on year to consume less energy and resource. The Company has also reduced the transportation cost over the years through various methods.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
- The Company as a policy ensures localization and outsourcing for each of the plants with suppliers who are competitive as well as close to the plants. Localized vendors are preferred, if they meet the quality specifications and EHS Compliance. Technology Investment by suppliers for new products are encouraged by the Company and thereby focusses on increasing the capacity of its suppliers.
5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
- 3M has a World class program called "Pollution Prevention Pays" popularly known as "3P program" where every effort is a made right from the design stage to reduce waste. Used oil is recycled through authorized recyclers. Spent solvents are recycled through authorized recycles. Powder residue collected through dust collectors is recycled into product. Close to 38% of waste is recycled and balance waste is disposed through authorized distributors.

Principle 3- Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.
1,373 employees as on March 31, 2017
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
1,032 employees as on March 31, 2017
3. Please indicate the Number of permanent women employees.
143 women employees as on March 31, 2017
4. Please indicate the Number of permanent employees with disabilities – Nil
5. Do you have an employee association that is recognized by management:
The Company does not have union for the employees
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	1	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- (a) Permanent Employees 100%

- (b) Permanent Women Employees 100%
- (c) Casual/Temporary/Contractual Employees 100%
- (d) Employees with Disabilities Nil

Principle 4- Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders: Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company works with NGO partners to inculcate innovative thinking among underprivileged children through its Mobile Science Lab initiatives in Pune and Bengaluru. Other programs include a skills development program which is equipping women with disability with the necessary skills to make them employable; an entrepreneurship program supporting women in rural Karnataka and a program to upgrade and improve the infrastructure and learning environment in Anganwadis in Kolkata and Bengaluru.

Principle 5 – Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Code of Conduct is based primarily on the Code of Conduct of the 3M Company, USA, which is followed by all the entities in the 3M Group worldwide. The principle of the Code of Conduct are expected to be adhered by other stakeholders including customers and vendors.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? Nil

Principle 6-Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company's EHS Policy is based primarily on the EHS Policy of 3M Company, USA, the Parent / Holding Company, which is followed by all 3M Group Companies worldwide. The EHS Policy has to be adhered by all other stakeholders who do business with the Company.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc. Yes, http://www.3m.com/3M/en_US/sustainability-report/
3. Does the Company identify and assess potential environmental risks? Yes
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? No
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company has implemented multiple programs on Energy efficiency and Renewal Energy. The facility at Ranjangaon has implemented 500 KWp roof top solar power plant.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emission and waste generated by the Company are within the permissible limits approved by CPCB / SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. Nil

Principle 7-Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - (a) Confederation of Indian Industries (CII)
 - (b) American Chamber of Commerce in India(AMCHAM)
 - (c) National HRD Network
 - (d) Bangalore Chamber of Commerce (BCC)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, on the following broad areas:

 - a. Road safety
 - b. Industrial safety for factory workers

Principle 8-Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has programmes, inter alia, for providing Education, Social Innovation, Women empowerment and Sustainability.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programmes / projects are implemented through a Charitable Trust, United Way of Bengaluru.
3. Have you done any impact assessment of your initiative?

The Company is in the process of doing an impact study.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

For details, please refer Annual Report on CSR activities section.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Not Applicable

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are total 2 consumer cases pending in different consumer courts/forums as on the end of the financial year and the same are sub-judice.

% age of Customer complaints pending = 3.29% (from CAREs data system)
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

Yes, apart from the mandated declarations, additional declarations are furnished on the products / labels relating to the products and their safe usage and disposal.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. No
4. Did your Company carry out any consumer survey/ consumer satisfaction trends? Yes

On behalf of the Board of Directors

Place : Bengaluru
Date : May 26, 2017

Debarati Sen
Managing Director
DIN: 07521172

B.V. Shankaranarayana Rao
Whole-time Director
DIN: 00044840