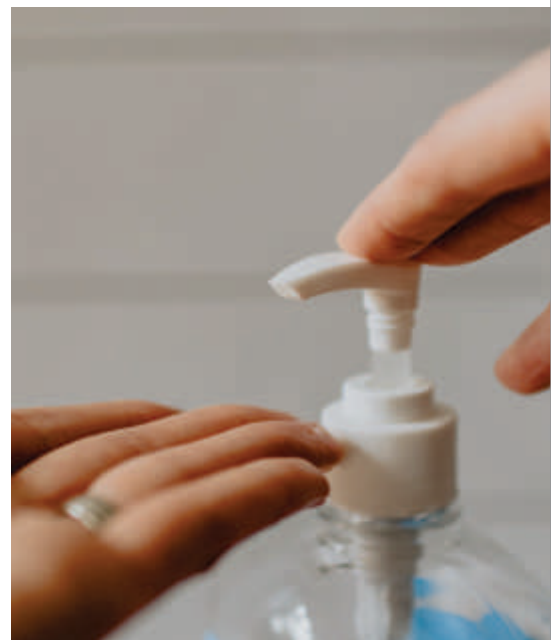



# Elevating life through science

Purpose. Passion. Progress.







A year where life has been the critical  
element to safeguard, nurture and preserve.

A year that kindled our  
purpose to employ science to

**elevate life.**

and make our world safer, healthier and  
stronger.



# Purpose. Passion. Progress.

A year into the pandemic, the defining sentiment for science is hope.

Each year, 3M conducts a global independent study called the **State of Science Index\*** which explores global attitudes towards science.

In India, this optimism includes priorities that science can solve for beyond health – such as sustainability and STEM equity gaps. These findings reinforce the significant role science has to play in solving problems for our society.

A renewed enthusiasm for science amongst our youth suggests that the image of science may continue to improve as younger generations age.



**90%**

of people in India trust science today.

The pandemic has renewed focus on STEM in India and has inspired more people to pursue a career in the field.



**89%**

agree young people are more engaged in science & science-related issues than ever before.



**9-in-10**

Indians agree the world needs more people pursuing STEM related careers.



# Science is driving hope for a better world.

The pandemic has made many in India be more environmentally conscious, and believe science is a part of the solution.



**88%**

of Indians are more likely to feel the pandemic has made them more environmentally conscious.



**89%**

Indians also believe people should follow science to help make the world more sustainable.



**87%**

agree better solutions to mitigate climate change need to be put in place immediately.

We believe science matters and it continues to inspire us to lead with purpose as we navigate through uncertainty.

\*The State of Science Index is a third-party, independent research study commissioned by 3M that tracks and explores global attitudes toward science, taking the pulse on how people think and feel about the field and its impact on the world around us.



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# Message from the Chairman

Dear Shareholders,

As India continues to fight COVID-19, we look back on a year that has been both unique and unprecedented. The events of the past year have challenged our thinking, disrupted all modes of life and work, and reminded us that we have to consciously stay resolute in the face of an evolving pandemic.

## COVID-19 continues to shape our reality and the future.

While global economic output is showing signs of recovery, it remains uneven as countries continue to contend with resurgent variants of the virus while deploying vaccination programs that are at various stages. Outlook remains uncertain with the level of GDP in 2021 expected to be 3.2% \* below pre-pandemic projections, the impact being higher on emerging and developing countries.

During FY 20-21, India's GDP had contracted by 7.3% triggered by the recession brought on by COVID impacting all sectors of the economy. Economic recovery packages, monetary measures, increased expenditure in infrastructure and healthcare saw some resurgence in the January-February quarter but the rise in infections in March and the subsequent second wave have dampened the recovery. Securing vaccination for the larger population remains the priority and need of the hour. The Government has taken strong fiscal measures to fuel economic recovery while looking out for marginalized sections of society affected by the economic disruptions.

In an uncertain environment, your Company focused on protecting citizens and helping them fight the pandemic, providing customers with innovative solutions and maintaining prudent cash position. During FY 20-21, COVID headwinds softened demand from automotive and manufacturing sectors. At the same time, the demand from healthcare, personal protection, home improvement and cleaning remained strong as customers looked for new solutions to adapt. In an extremely challenging environment, your Company was able to put in its best efforts to sustain a reasonable performance without a steep decline. Your Company's overall growth rate on a standalone basis declined by 12% for the financial year ended March 31, 2021. The operating margin for the current year is 10.8% compared to 13.6 % for the previous financial year.

## Adversity brings out the resilient spirit.

Your Company furthered its efforts on all fronts - employee safety and vaccination, enhanced manufacturing to meet the rapid and growing demand for respirators, sanitizers and other essential commodities and continuing to deliver to customers with innovative solutions. Emerging trends provided opportunities to improve healthcare outcomes, create safer and more hygienic experiences at home, and support business recovery with solutions for enhanced safety and hygiene to name a few. I would like to make a special mention of the employees of your Company who stepped up when they were needed the most. Whether it was dedication to duty to show up on the shop floor to manufacture essential commodities during the harsh lockdown months or supporting each other and families or extending support to the local communities, the efforts have been inspirational. During the second wave, there have been several instances of employees going beyond the call of duty to lend a hand and even save a life. I am also pleased to share that your Company has contributed to the country's COVID immunization program by facilitating the vaccination of all its employees, dependents, and contingent workers across all locations.

COVID also exposed the vulnerabilities of our communities bringing urgent attention to issues such as food security, access to healthcare, disruption of education and several livelihoods. Your Company augmented its CSR efforts through multiple partnerships and collaborations to support communities in various ways like cooked meals and ration distribution to vulnerable communities, enhancement of healthcare infrastructure and skilling and digital education initiatives.

I would like to laud the leadership and employees of your Company for their efforts to serve the country, our customers and communities. We are optimistic about the recovery of the Indian economy as the country scales up mass vaccination and works to contain the spread of infection. We are grateful to the national, state and district Government agencies for their support throughout the year. On behalf of the Board of Directors of 3M India Limited, I want to thank you, shareholders for your trust and support. I am confident we will emerge stronger with science and innovation driving a more inclusive and sustainable future.



**Bharat D. Shah**

Chairman

**"We have to move along a resilient path that is both inclusive and sustainable."**

\* Sources: Global Economic Prospects: The Global Economy: on Track for Strong but Uneven Growth as COVID-19 Still Weighs (worldbank.org) – 8th June 2021

# Message from the Managing Director

## Elevating life through Science

The past twelve to fifteen months were a unique period in our history, bringing to the forefront what matters most – the health and safety of all. It was a year of several learnings for your Company, appreciating new opportunities to take our science and innovation to people who needed them the most.

I would like to first thank our shareholders and the Board of Directors for their support through what has been a challenging year, as we present the Annual Report of your Company for the Financial Year (FY) 2020-21.

The pre-pandemic slowdown was exacerbated by the onset of COVID, and the economy contracted due to the nation-wide lockdown. Subsequently, the gradual reopening of the economy with support from various initiatives and relief packages by the Government, helped boost economic activity on a sequential basis. The national vaccination program launched at the start of the 2021 calendar year further helped improve the economy and boost sentiment, until the onset of the second wave which impeded this momentum. The second wave has also sent all of us a strong message – that we should never let our guard down and continue to adhere to all safety protocols.

Your Company is driven by purpose and built on trust with all stakeholders. You should take pride in the various ways by which your Company brought this to life in the past year. I am delighted to share stories highlighting several aspects of this, not only through my message here, but also in the subsequent pages of this Annual Report.

3M is a science-based company, investing in technology platforms to develop science-based solutions to address customer problems and more broadly, improve life. The past year has brought this into sharp relief, where we have focused on elevating life through science. This was possible by us staying rooted in our purpose, driven by the passion of our people and partners, and support from the various government departments. It was most heartening to see some of the progress we have been able to make in collaboration with a broad group of stakeholders.

On a standalone basis, your Company's growth declined by 12% in FY 2020-21. Profit after tax declined by about 31.8% versus prior year. Your Company maintained a diligent focus on operating prudently in an uncertain environment.

In FY 2020-21, your Company's diverse product portfolio has helped us absorb some of the impact of COVID induced slowdown. We were able to take advantage of the strong recovery in certain market segments and this was borne out by our fiscal Q4 results, with sequential growth of 12.4% over prior quarter and 22.6% growth over prior year, reflecting the ability to bounce back. It is fair to say that your Company's business model and portfolios were pressure tested during the pandemic over the past year. I am pleased to report to you that your Company demonstrated good resilience and agility in managing our revenue recovery, cash position, transitioning non-factory employees to successfully work from home, and operating our factories with high safety standards.

## Helping our Customers stay resilient through COVID

Our vision of advancing every company, enhancing every home and improving every life took on renewed purpose against the backdrop of the pandemic. We helped our customers navigate uncertainty by sharing our expertise in ensuring business continuity, protecting their workforce, and creating a safe and hygienic environment for end-users.

- Protecting people became a priority, with our respirators, sanitisers and personal protection equipment. With the surge in demand, our manufacturing plant in Ranjangaon never shutdown continuing to produce essential commodities to protect frontline workers.
- Our Design team worked closely with customers across segments like airports, railways and commercial spaces with solutions that extended across cleaning chemicals, disinfectants, personal protective kits, and antimicrobial surfaces, including communicating the need for social distancing in spaces.



**Ramesh Ramadurai**

Managing Director

**“Driven by purpose, built on trust and propelled by the passion of our people.”**



- When our customers couldn't see product demos in our labs, our application engineers brought 3M science to life virtually, through webinars and interactive means leading to enhanced product modifications and solutions.
- Our range of cleaning tools, home improvement solutions and air purification products made staying indoors during extended lockdowns a more comfortable experience.
- Our digital learning platforms, **3M Healthcare Academy** and the **3M Energy Academy** (launched in FY 2020-21), supported the learning aspirations of healthcare workers and electrical professionals respectively with on-demand self learning courses and webinars.

## Helping our people thrive through the pandemic

FY 2020-21 was also a year which demanded greater adaptation to change and agility.

- We pivoted to remote working and executed new safety protocols across our operations in a phased manner to ensure employee safety.
- We partnered with third party service providers to support our employees and their families to manage COVID and get the medical care they needed.
- We introduced several initiatives to support employee mental health and well-being and flexible work options to balance work and personal commitments.
- We also established two new Employee Resource Networks to strengthen inclusion.
- As the country stepped up its vaccination drive, we have been supporting and facilitating vaccination of our employees and their dependents across our sites.

## Building resilience in our communities

Since the initial outbreak, your Company's community response towards COVID-19 has been directed around three key areas: food security for vulnerable communities, medical equipment and infrastructure support to Government hospitals and departments and programs to build resilience in education and healthcare. As the pandemic evolves, we continue to ascertain the challenges of our communities and respond with sustainable models to build resilience to combat future waves.

We remain confident and optimistic about the growth prospects of India. The high priority accorded by the Government for investments in infrastructure, strengthening of health-care capacity and capability, and production linked incentive schemes for the "Make in India" initiative provides us the basis for this confidence. India is also an innovation hub with many start-ups creating new business models for value delivery, with a strong emphasis on digital-first.

I would like to thank our Board of Directors led by our Chairman, Mr. Bharat Shah for their guidance and support. We are grateful to the support we have received from all our customers, channel partners, various national, state and local Government agencies through the year. Thank you, dear shareholders for your trust and confidence in your Company. I look forward to your sustained support as we build a stronger tomorrow.

Thank you.



# Purpose



## 3M Design: Empathy drives design.

As the 'new normal' shaped our behaviour and interactions, 3M Design became a powerful way to enable change with solutions to help businesses reopen, welcome their people and customers and establish new norms for safety and hygiene.

We learnt from our customers' problems because we were experiencing them ourselves and turned those insights into meaningful solutions through a collaborative effort.

From public spaces, retail businesses, manufacturing plants, mass transport hubs to quick service restaurants, we have used design to work closely with our customers to develop solutions for COVID preparedness that extended across cleaning chemicals, disinfectants, personal protective equipment, anti-microbial surfaces including communications for social distancing.

