

**MANAPPURAM FINANCE LIMITED (MAFIL)**  
**BUSINESS RESPONSIBILITY POLICY (“BR Policy”)**

**The policy was approved by the Board on 17<sup>th</sup> March 2017**

**1. BACKGROUND**

This is an overarching policy in line with the nine principles of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business 2011, released by the Ministry of Corporate Affairs and required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”). This policy is supported by a series of existing policies, and the principles set out in this document will be reflected in new policies that would be put in place from time to time, and as relevant to each business.

**2. OBJECTIVE**

The objective of this policy is to:

- ensure a unified and common approach to the dimensions of Business Responsibility across Manappuram Finance Limited (“MAFIL”, “the Company”);
- act as a strategic driver that will help the Company respond to the complexities and challenges that keep emerging and be abreast with changes in regulation;
- continue effort to strike proper balance between economic, social and environmental performance in dealings with various stakeholders of the company namely customers, investors, lenders, shareholders and the society;
- make best efforts to impress upon other entities in the value chain and its subsidiaries to participate in the Business Responsibility initiatives depending upon their means and resources.

**3. SCOPE AND APPLICABILITY**

This policy is designed to ensure a unified and common approach across the organisation and shall be applicable to employees, subsidiaries, affiliates, vendors, service providers, consultants and other stakeholders of Company.

**4. PRINCIPLES**

The Company has adopted the nine key principles of Business Responsibility as prescribed in the National Voluntary Guidelines and formulated policies based on these principles.

**Principle 1:** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

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

**Principle 3:** Businesses should promote the wellbeing of all employees.

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

**Principle 5:** Businesses should respect and promote human rights.

**Principle 6:** Businesses should respect, protect, and make efforts to restore the environment.

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

**Principle 8:** Businesses should support inclusive growth and equitable development.

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

## 5. **POLICY STATEMENTS**

We believe that, the Company would continue to be one of the top NBFC only by doing businesses on sound sustainability principles that address the dimensions of good governance as well as environmental, economic and social responsibility. Our Business Practices would therefore be governed by the following **Principles**:

### i. **Ethics, Transparency and Accountability:**

The Company accords utmost importance to ethical, transparent and accountable conduct by its employees and stakeholders. The Compliance function of the Company ensures compliances with various regulatory and statutory requirements at various levels within the Organization. It also updates the Board and the Management on the status of compliances in the changing regulatory environment. The Corporate Governance practices apply across various businesses of the Company including Board Governance. The Board oversees the service of the Management towards protection of stakeholders' interest in the long run.

Policies and frameworks have been set up at various levels across the Company to guide employees and stakeholders in fair dealings and ensuring compliance to regulatory norms applicable to NBFCs. Some of the policies formulated by the Company which underline the essence of this Principle are:

**Code of Conduct and Vendor Declaration Statement** describes business ethics, anti-money laundering and anti-corruption as one of the pillars for the Code of Business Conduct. Through this policy the employees are discouraged from accepting / falling prey to any inducements and are also encouraged to adopt high standards of professionalism, honesty, integrity and ethical behaviour in their business operations.

**Whistle Blower Policy and Vigil Mechanism** is applicable to all Directors, Employees and other stakeholders of the Company. The policy is enabling the stakeholders, including individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices, malpractices and events for which any employee or any stakeholder can blow a whistle. This policy provides a framework to promote responsible and secure whistle blowing.

**Employee Speak-Up Policy** intend to be highly effective Management tool designed to enable concerned Employees, to put a stop to practices that have a negative effect on the Company. Speak up is an extended arm of the Whistle Blowing policy.

The **Gift Policy** prevents employees from accepting any valuable or pecuniary advantage by corrupt and illegal means or by abusing his position as an employee. It discourages the possession of assets by employees disproportionately by misappropriation, forgery, cheating or through criminal offences.

The Company has always been committed to good corporate governance practices, including matters relating to Related Party Transactions. The Company has formulated the **Policy on Related Party Transactions** through which it monitors the transactions of the Company with the related parties. The details of the transactions with related parties are placed before the Audit Committee and Board of Directors from time to time.

**The Fair Practice Code ('FPC')** has been formulated by the Company in response to guidelines issued by Reserve Bank of India which is applicable to all the offices of the Company across India. Through this FPC, the Company is committed to adopt the best practices in dealings with customers; set challenging benchmarks and strive to achieve high operating standards for ensuring customer satisfaction; follow transparent, fair, ethical and legally tenable practices while conducting business; provide all necessary information and inputs to customers / prospective customers and promote a mutually beneficial long term relationship; facilitate a continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.

The Company has formulated **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**, in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, for fair disclosure of practices and procedures that the Board of Directors of the Company will adhere to while handling and disclosure of Unpublished Price Sensitive Information ('UPSI'). The Company shall always make a fair disclosure of corporate events, occurrences, transactions which could give rise to UPSI which in turn can impact price discovery in the market of its securities.

The Company has adopted the **Code of Conduct for Prohibition of Insider Trading** in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Board of Directors and Employees of the Company, their immediate relatives and other insiders.

**Risk Management Policy and Anti-Money Laundering Policy** facilitate reporting of frauds and money laundering during business operations. The Risk Management policy provides a governance framework and mechanism to manage fraud and other risks on a proactive basis, protecting the Company's reputation and assets from loss or damage. The Anti-Money Laundering Policy lays down a framework for monitoring transactions and reporting of suspicious transactions to appropriate authorities.

Relevant norms in the HR Policy or HR related internal circulars assist in upholding the Company's commitment to organizational values, highest ethical standards and compliances with all applicable laws and regulations through its coverage of business practices and procedures. It sets out basic principles to guide all employees while dealing with its clients and customers.

**Policy on Preservation of Documents and Archival of Documents in the Company Website and Policy for Determination of Materiality and Disclosure of Material Information** together ensures that all material data is disseminated at appropriate time and all data is reasonably preserved and made available. This forms a base of transparent dealing with various stakeholders.

The Company promptly disseminates information regarding quarterly, half-yearly and annual financial results/statements (standalone and consolidated) of the Company and its subsidiaries, notices of general meetings, intimations of 'record-date', annual reports, shareholding patterns, prospectus, profile of Board of directors and other information / disclosures as per the SEBI (LODR) Regulations, 2015 with stock exchanges on its website and the same is easily accessible to the holders of the listed securities. The website will be updated from time to time.

The website is also containing a page for Investor Contact and Customer Complaints / Grievances Contact which may be accessed by investors and customers of the Company for redressal of their complaints / grievances.

**ii. Safety and Sustainability of Goods & Services:**

The Company has received in principle approval for engaging in distribution of solar lamps to the bottom of the pyramid customers and is also actively involved in the financial inclusion drive initiated by the government of India.

The Company is committed to ensure safety of services that it offers to customers. The Company regards trust and loyalty of its customer as one of its most valuable assets and strives to devise robust mechanism to fulfil customer expectations.

**The Loan Policy** has put in place multiple level control mechanisms to ensure security of gold deposited with the Company by regulating custody storage arrangements and locker facility.

iii. **Human Resources Development and Wellbeing of Employees:**

The Company recognises its employees as its most valuable-asset. It constantly strives to provide all employees with opportunities for learning, professional growth and development. There is a robust mechanism in place to provide a work atmosphere completely free of any discrimination and harassment. Employees are pivotal to the Company's growth and success. The Company inspires a collaborative work environment with rewarding career opportunities for professional and personal growth. Providing health, safety and security to its employees at the workplace, is a priority for the Company. There are various policies in place to ensure employee wellbeing. The HR Policy provides and maintains equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation. The employees are being given an opportunity to grow along with the Company's growth by participating in the employees stock option plan.

**Whistle Blower Policy** provides the employees with an appropriate grievance redressal mechanism to identify any breach of ethical behaviour and malpractices by any employee. For more information on this policy, please refer Principle i.

The Company has adopted four Values which are imbibed into each employee, namely:

**Balance**—to stay balanced by being ambitious but grounded: risk taking yet careful; to not only ideate but also execute.

**Collaborate**—to work together, proactively sharing information, ideas and solutions.

**Drive**—driven by high focus and energy to constantly delight customers.

**Integrity** —to be honest and to be transparent to all stakeholders

The Company has various formal and informal channels of employee engagement. Regular communication through emails and intranet, team off-sites, town halls, rewards and recognition programs, festival celebration, health awareness sessions, time-out sessions etc. are some of the initiatives undertaken by the Company to continually engage its employees on various aspects concerning professional and personal development.

The Company has in place the **POSH (Protection of Women against Sexual Harassment) Policy** which obligates employers to have a process to prevent sexual harassment at workplace as well as to provide redressal of complaints relating to sexual harassment. Through this policy, the Company conforms to zero-tolerance to any form of prejudice, gender bias and sexual harassment at work.

The Company organises various health camps for its employees wherein the health of employees is assessed by doctors in the office / branch premises itself. There are health camps conducted specially for women employees.

Regular fire drills and audits are conducted to ensure that risks relating to fire are mitigated.

The Company has made provision for fire and security procedures at the office premises and branches. Centre for Yoga and Gym facility is also initiated for the employees' wellbeing.

The training needs are identified and imparted for different employees based on the skill requirements of their jobs. All new recruits undergo a compulsory induction and values workshop which ensures employees are aligned to the Organization's history and culture.

The Company will not use child labour, forced labour or any form of involuntary labour, paid or unpaid. The Company takes cognizance of the work-life balance of its employees, especially that of women.

#### **iv. Protection of Stakeholders' Interest**

The Company is committed to providing financial services in rural/unbanked areas.

The Company believes that stakeholders have ability to influence the way an organisation progresses with growth. They influence the way an NBFC operates, its products and services. It is our endeavour to build strong relationships with each of its stakeholders to enhance innovative services for them. The Company has evolved formal and informal engagement mechanisms to understand stakeholders' expectations and concerns.

The Company's engagement with a few key stakeholders is described below:

##### **Shareholders, Customers & Investors;**

Equity Shareholders, Debenture/Bond holders, FIIs, Banks/Lenders and Customers, form part of key stakeholders of the Company. There are various procedures for resolving complaints of these stakeholders including through toll-free telephone lines, SEBI SCORES portal, RBI, customer engagements at branches, registered office and corporate office. Customer Complaints / Grievances Cell and Investor grievance cells also help in resolving the complaints of these stakeholders.

The Company communicates to its customers in transparent manner about the terms and conditions of the loans, including interest rates, service charges, penal interest, loan pre-payment charges, auction of gold jewellery, notice for re-possession of vehicles / property in the event of default, mechanism for redressal of customer's grievance etc. The Company will make loan products available to all qualified applicants without discrimination and to treat all customers consistently and fairly.

The management ensures that while dealing with customers, the employees follow Company's Fair Practice Code. The Fair Practice Code is displayed on website of the Company and the same will be amended from time to time in line directions of Reserve Bank of India.

Conference calls are organised by the Company post quarterly results for analysts and investors

to interact with senior management of the Company. The transcript of this call will also be available on the Company's website: [www.manappuram.com](http://www.manappuram.com).

The company strives to be transparent, proactive and responsive towards its responsibility towards the investors. The company gives special attention to stakeholders from under-developed areas. The Company will resolve differences with stakeholders in a just, fair and equitable manner.

#### **Employees;**

Employees too form a category of stakeholders of the Company. The programs, benefits, rewards, redressal grievance cells and employee satisfaction initiatives are given under Principle iii above.

#### **Government & Regulators;**

The Government and Regulators such as Reserve Bank of India, the Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Registrar of Companies, etc. are engaged through various statutory filings, regular meetings, emails & letters.

#### **Business Associates, Consultants, Vendors and Suppliers;**

Business Associates, Vendors, Consultants and Suppliers are engaged through meetings, letters, emails, service level contracts, supplier contracts and such other means.

#### **Community;**

Manappuram Foundation, a trust under Indian Trust Act, 1882 and a CSR implementing agency of the Company, will undertake various Corporate Social Responsibility ('CSR') initiatives. The company will give special attention to stakeholders from under-developed areas. As a part of Corporate Social Responsibility, the Company will provide financial assistance, directly as well as indirectly to the dis-advantaged, vulnerable and marginalized sections of the society.

#### **Media;**

The Media is engaged through advertising, media interaction, interviews, press releases, emails etc. The marketing and corporate communication team partakes in the dialogue with such stakeholders.

#### **v. Promoting Human Rights:**

The Company is increasingly concerned about the impact on human rights. It respects every citizen's right and bases its policies and operations without discrimination, upholding dignity of

every employee, customer and stakeholders. As a good corporate citizen, the Company respects the human rights of those who come into its direct as well as indirect contact.

HR Policy, Whistle Blower Policy, Employee Speak up policy and POSH Policy articulate that The Company strives to create an innovative and integrated culture to promote human rights. The Company pays fair wages to our employees and do not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits. Please refer to Principle iii above for more information on these policies.

The Company recognizes and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups. The Company ensures compliance and adherence to all the human rights laws.

The Company will within their sphere of influence, promote the awareness and realization of human rights across our value chain.

**vi. Protection of Environment:**

The Company is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment. Energy Audits are conducted to identify and plug the gaps as regards effective energy utilisation within the company premises. The Company encourages shareholders to opt for electronic copies of the Annual Report through its Green Initiative program. A Paperless office project and Digital Meetings Portal for Board and Committee meeting have been initiated to ensure minimum usage of paper during office functions and in meetings. Several measures are undertaken to minimise the environmental impact due to business travel such as company transportation, video / audio conferencing facilities at all major branch offices.

The Company encourages its shareholders to hold shares in dematerialized mode and provide their email addresses for dispatch of notices for communication purpose. The Company endeavours to use electronic mode for remittance of dividend to its investors

The Company uses low noise and low emission diesel generator sets at its regional offices. The Company reduces its environmental and carbon footprint by continuously exploring opportunities to enhance energy efficiency through measures such as monitoring energy consumption, use of energy efficient equipment etc.

The Company minimises the usage of lightings, air-condition systems and other various infrastructure services in branches, regional offices and the corporate office to inculcate an atmosphere of energy efficiency.

The Company will proactively encourage and support its value chain to adopt this principle.

**vii. Public and Regulatory Policy:**

The Company while pursuing advocacy policy, will ensure that their advocacy positions are consistent with the principles and core elements contained in this policy.

To the extent possible, the Company will utilize the trade and industry chambers and associations and other such collective platforms to undertake such advocacy policy. The Company shall be an active member of trade bodies and associations. Some of the major ones are listed below:

1. Confederation of India Industry ('CII')
2. The Federation of Indian Chambers of Commerce and Industry ('FICCI')
3. FIDC
4. AGLOC
5. India Bullion and Jewellers Associations Ltd. (IBJA)

By being involved with these associations, the Company intends to promote an efficient and transparent financial system and to enhance financial literacy. The Company also participates in key initiatives undertaken by the Government and Regulators.

**viii. Inclusive Growth and Equitable Development:**

Through its business model and business correspondents tie ups, the Company helps in linking excluded sections of the society with formal banking systems to achieve financial inclusion in remote locations.

The Corporate Social Responsibility Policy adopted by the Company outlines the provisions for contribution of the organisation towards CSR activities.

The Company provides platforms to encourage employees to contribute to social and environmental projects and reaffirm their civic responsibilities. Employees are encouraged to take a break from work and participate in lead community development.

The Company makes effort to complement and support the development priorities at local and national levels. The Company aims at operating its business in the regions that are underdeveloped should be especially sensitive to local concerns.

**ix. Value to Customers and Consumers**

The customer satisfaction is key of our growth and success in this line of business. The Company strives hard to provide better services to customers at large. The Company has devised several mechanisms for gathering feedback for resolving grievances of its customers. The grievance redressal mechanisms at the Company include Customer queries and complaints being addressed by own employees as well as through a dedicated call centre. This facility has been implemented dedicatedly for imparting information on our products, resolving queries relating to loan account balances, account statements, KYC documentation, etc.

Some of the key policies for protection of customers are:

- The Customer Grievance Redressal Policy underlines the treatment to customers fairly and equally without any bias. Grievances are resolved within the Turn Around Time ('TAT'). Customers are made aware of alternative remedial channels if they are not satisfied and endeavour is made to enable customers to make informed choices regarding our products and to reduce errors in financial transactions.
- Through the Fair Practice Code, the Company undertakes to provide comprehensive information relating to fees, charges, refunds, processing timelines, application status for products, loan processes and communication of approval and rejection of loan applications.
- The Company imparts regular training to its employees with an aim to enable the employees to understand the customer's needs and enhance quality service to them.
- The Company provides transparent information on all its products through its website, [www.manappuram.com](http://www.manappuram.com), which has details such as product features, service charges, applicable fees, interest rates, deposit schemes etc. The Company also has online tools for customers to understand eligibility for its products.

## **6. POLICY IMPLEMENTATION AND MONITORING**

Managing Director and CEO of the Company will monitor implementation of this policy through various projects / activities / initiatives undertaken for this purpose. MD & CEO may designate any senior management official to monitor implementation of this policy and periodically report its status. MD & CEO or designated senior management official will update the Board on the implementation of the policy and feedbacks and suggestions received in connection therewith. Board may review implementation of this policy at such interval as it may deem fit and approve Business Responsibility Report of the Company to be annexed with Annual Report.

## **7. DISCLOSURES**

The Business Responsibility Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at [www.manappuram.com](http://www.manappuram.com).

## **8. AMENDMENTS TO THE POLICY**

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authorities. The Board may modify, add, delete or amend any of the provisions of this Policy.

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