



## **Environment Sustainability Governance (ESG) Policy/ Business Responsibility & Sustainability Reporting (BRSR) Policy**

Version Control		
Version Number	Description	Date
Version 1	New Policy	08 <sup>th</sup> August 2025

**Effective Date** : 08th August 2025  
**Next Review Date** : 08th August 2026  
**Policy Owner** : Secretarial Department  
**Prepared By** : Secretarial department  
**Reviewed by** : MAFIL Policy Review Committee  
**Approved by** : Board of Directors

## **1. Background/ Introduction**

Manappuram Finance Limited (“MFL”) is registered as a as Non-Deposit Taking Systematically Important (“NDSI”) Non-Banking Financial Company in Middle Layer (“NBFC-ML”) under Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (“RBI SBR Direction”) and within the meaning of the Reserve Bank of India Act, 1934, as amended (the “RBI Act”).

Established in 1949, the Company began as a modest money-lending operation. Over the decades, it provides diverse array of products and services, meticulously designed to meet the varied financial needs of our esteemed clientele from gold loans to MSME financing, housing to vehicle loans, and insurance, our offerings reflect our dedication to comprehensive financial solutions. The balanced portfolio underscores the Company's commitment to catering to diverse financial needs across various customer segments.

The Company is the second largest gold loan provider in the country with a trusted and nationwide reach. The Company is the pioneer in offering online gold loan services through ‘OGL’ product and cellular vaulting mechanism, enabling customers to avail loans 24x7 with minimal documentation from anywhere in the world. The Company’s mobile application is available in different regional languages to cater to all sections of society and regions of the country.

This policy (hereinafter referred to as the “Policy”) shall be called "Environment Sustainability Governance Policy (ESG Policy)/ Business Responsibility and Sustainability Reporting (BRSR) Policy" of Manappuram Finance Limited (hereinafter referred to as “MFL” or the "Company").

With good governance practice and core value of integrity, the Company aims to conduct business in a transparent and ethical manner. Environmental, Social, and Governance (ESG) concept has received recognition over the last few years with many Institutional investors investing in those companies which confirm to ESG principles and sustainable business practices. Compliance of ESG principles is the important compliance for corporates and big corporates, that really facilitates the investors to make informed investment decisions.

The ESG screening process identifies companies that have built sound environmental practices, strong social responsibility tenets, and ethical governance initiatives into their corporate policies and everyday operations. ESG processes and procedures focus on non-financial performance indicators that address a company’s approach towards responsible investment, sustainability, its impact on society and the environment, as well as other ethical and corporate governance considerations. The ESG analysis is sought as a measure of responsible investing, and goes beyond the traditional method of using only financial factors for evaluation of an investment or potential investment.

## Regulatory provisions

This policy is put in place originally with the objective of complying with the nine guiding principles outlined in the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business 2011, as released by the Ministry of Corporate Affairs. This requirement also forms part of the requirements prescribed by the Securities and Exchange Board of India (SEBI) through the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015. This policy also outlines the Company's approach towards sustainability and ESG. It proposes to act as a guiding framework to manage the Company's environmental, social and governance impacts and risks as well as enable responsible financing oriented towards long-term value creation.

On May 10, 2021, SEBI issued a circular mandating that the top 1000 publicly listed companies by market capitalization must submit a Business Responsibility & Sustainability Report (BRSR) from the financial year 2022-23. This requirement is voluntary for the year 2021-22. The BRSR represents a significant shift from the prior Business Responsibility Report (BRR), aiming to place sustainability reporting on par with financial reporting. SEBI notes that the BRSR is designed to offer investors access to consistent disclosures regarding Environmental, Social, and Governance (ESG) criteria. Such information enables investors and other stakeholders to evaluate the sustainability-related risks and as to how the company is managing the same, facilitating more informed investment decisions.

Further to the original SEBI circular of May 10 2021 SEBI has issued a series of directives on the subject as per details below

Circular dated July 12 2023 introducing "BRSR CORE" as a subset of basic BRSR and also updating the basic BRSR. prescribed that listed entities shall mandatorily undertake reasonable assurance of the BRSR Core, as per the time lines ending 2026-2027 and wanted ESG disclosures for Value chain firms. Circular dated December 20, 2024, prescribing Industry standard forms for reporting, formulated by Industry Standards Forum ("ISF") comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges. [https://ficci.in/public/storage/sector/6/Add\\_docs/ek5jPcEPduI0yP16ApX8MPGFJKnB8EcWmuSpiLwH.pdf](https://ficci.in/public/storage/sector/6/Add_docs/ek5jPcEPduI0yP16ApX8MPGFJKnB8EcWmuSpiLwH.pdf)

Circular dated 28 March 2025 with further clarifications on Assessment/Assurance requirements and providers, ESG disclosure for value chain requirements, modifications in Principle 6 of the BRSR, reconfirming the time lines for implementation by listed entities and making these changes to the "Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities", dated November 11, 2024. Disclosure requirement for value chain disclosures have been postponed to FY2026/27.

## **Specific Requirement applicable as per SEBI directives**

Based on the directives it is necessary for Mafil to ensure the following in its policy and procedures with effect from FY 2025/26

### **Implementation of BRSR**

The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes. Keeping in view the relevance to the Indian /Emerging market context, few new KPIs have been identified for assessment or assurance such as job creation in small towns, open-ness of business, gross wages paid to women etc. Further, for better global comparability intensity ratios based on revenue adjusted for Purchasing Power Parity (PPP) have been included.

Assessment/assurances to be in the format prescribed in the SEBI circular

### **Policy statement**

Based on the revised directive of SEBI Mafil puts in place this policy

#### **2. Policy Objectives**

The objectives of this policy are as follows:

- Establish a consistent and uniform approach to business responsibility and sustainable business practice across Manappuram Finance Limited ("MAFIL", "the Company").
- Act as a strategic framework that helps the company respond to evolving challenges and comply with regulatory changes.
- Maintain a balanced focus on economic, social, and environmental performance, fostering positive relationships with stakeholders, including customers, investors, lenders, shareholders, and society at large.
- Encourage other entities in the value chain, including subsidiaries, to actively participate in business responsibility initiatives to the extent that their resources allow.

#### **3. ESG Commitments**

The company is committed to sustainability and aims to positively impact the environment, society, and corporate governance. This policy directs our operational practices, products, and services to achieve these goals. We recognize that ESG considerations are vital to our stakeholders—customers, employees, investors, and the broader community. Through best practices in ESG, we aim to create lasting value for all stakeholders.

#### **4. Environmental Responsibility**

The company recognizes the importance of protecting the environment for future generations. The Company shall conduct its business in a sustainable and efficient manner, thereby mitigating any adverse environmental impacts. The Company shall prioritize initiatives encompassing digitization, reduction in greenhouse gas emissions

energy conservation, reduction in water footprint, waste management and sustainable procurement of products/ services.

## **5. Social Responsibility**

We believe that the success of our business is intrinsically linked to the well-being of our employees, customers, and the communities in which we operate. The Company shall ensure equal employment opportunities without discrimination on the basis of race, colour, religion, age, gender, sexual orientation, national origin, citizenship, disability, marital status, pregnancy (including unlawful discrimination on the basis of a legally protected pregnancy/ maternity leave), veteran status or any other characteristic protected by law. The Company shall be committed to fostering a work environment where every individual is treated with the utmost respect and dignity.

The Company shall foster a high-potential workforce, investing significant resources into talent acquisition, development, and retention. Employee training programs and initiatives shall remain an integral part of the Company's HR vision and long-term strategic objectives. Additionally, the Company shall develop institutional knowledge and capacity on issues pertinent to sustainability and ESG through various initiatives such as BRSR training.

The Company shall ensure to provide a safe and healthy work environment for all its employees complying with all relevant health and safety regulations and laws. Additionally, the Company shall provide employees with necessary training on the EHS issues, concerns, and best practices.

In addition, the Company shall advocate for a balanced work-life approach and promote a culture that values employees' mental and physical well-being.

The Company shall place a high value on cultivating a work environment where all individuals receive fair treatment, respect, and dignity. The Company shall uphold a firm commitment to the protection of human rights at all levels of its operations, in accordance with the applicable statutes. The Company shall commit to the prevention of sexual harassment at the office. The Company shall ensure that there is no violation of human rights in its conduct, both externally or internally.

Additionally, we support local communities through charitable contributions and volunteering programs. Our robust Corporate Social Responsibility (CSR) policy guides our efforts in supporting communities through various CSR projects.

The Company shall contribute towards customers by understanding their needs, seeking new opportunities, addressing & delivering unique solutions as per their expectations. The Company shall maintain consistent engagement with its customers, seeking their feedback and implementing individual grievance redressal mechanisms in each of its businesses to facilitate better communication and customer support.

## **6. Governance and Ethics**

The company is dedicated to maintaining high standards of corporate governance and ethical conduct. Our Board of Directors is responsible for overseeing the implementation of our ESG policy, ensuring its integration into our business strategy. We value transparency, accountability, and stakeholder engagement, regularly interacting with our stakeholders to understand their expectations and concerns.

We expect the same level of ethical conduct from our suppliers and partners. Measures to uphold governance include ensuring our Board has the appropriate skills and expertise, and that our business operations adhere to high ethical standards.

The Company has implemented the Risk Management Policy across its various business and monitored by the Risk Management Committee. The Company shall establish a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures appropriate for business operations. The Company shall follow a comprehensive approach to business security, maintaining Confidentiality, Integrity and Availability (CIA) of the Business Information, in whatever form and location where it is stored.

The Company has a dedicated Code of Conduct applicable to the employees and directors and also its subsidiaries & Group Companies separately to protect and enhance the Company's reputation for integrity and fair dealings. The 'Code of Conduct for Directors and Senior Management Personnel' and 'Code of Practices & Procedures for Fair Disclosure of published Price Sensitive Information' promote ethical business practice, fair dealing, managing situations of conflict of interest, and compliance with applicable laws and regulations.

The Company shall adhere to a high standard of corporate governance and ensures robust internal reporting and controls, transparency, and accountability to all stakeholders. The Company shall prevent and detect fraud and corruption, and to promote transparency and accountability.

The Company shall have a robust mechanism for resolving queries and apprehensions from stakeholders, which encompasses environmental, social, and governance issues. The Company shall remain committed to consistently and appropriately addressing these matters in accordance with established procedures.

## **7. Scope and Applicability**

This policy provides a unified framework applicable to all employees, subsidiaries, affiliates, vendors, service providers, consultants, and other stakeholders associated with Manappuram Finance Limited.

## 8 Key Principles

The BRSR/ ESG is based on the 9 principles in line with the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ (NVG) issued by Ministry of Corporate Affairs (MCA). The guidelines state that the companies should not be just responsible but also socially, economically and environmentally responsible. Through such reporting, the guidelines expect that businesses will also develop a better understanding of the process of transformation that makes their operations more responsible. The NVGs were further revised and the MCA formulated the ‘National Guidelines on Responsible Business Conduct’ (NGRBC). The said guidelines stipulated that: –

- i. Principle no. 1 – Business should conduct and govern themselves with Integrity, and in a manner that is ethical, transparent and accountable.
- ii. Principle no. 2 - Businesses should provide goods and services in a manner that is sustainable and safe.
- iii. Principle no. 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.
- iv. Principle no. 4 - Businesses should respect the interests of and be responsive to all its stakeholders.
- v. Principle no. 5 - Businesses should respect and promote human rights.
- vi. Principle no. 6 - Business should respect and make efforts to protect and restore the environment.
- vii. Principle no. 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- viii. Principle no. 8 - Businesses should promote inclusive growth and equitable development.
- ix. Principle no. 9 - Businesses should engage with and provide value to their consumers in a responsible manner.

## 9. Commitment to Principles

The Company has adopted the aforementioned nine key principles of BRSR in accordance with the SEBI Regulations. As required the Company shall prepare specific actions to be implemented within the scope of the 9 principles as required under “BRSR Core” and shall put in place specific matrix for measuring the impact. **Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.**

**Objective:** Create a governance structure that fosters integrity, ethical conduct, transparency, and accountability at every level, to build stakeholder trust and ensure regulatory compliance.

Our company places a high value on ethical, transparent, and accountable behavior among employees and stakeholders. The compliance function ensures adherence to regulatory and statutory requirements, while the Board of Directors oversees corporate governance practices to protect stakeholder interests in the long term.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.**

**Objective:** Provide goods and services in a manner that is safe and sustainable, with minimal environmental impact. This involves implementing resource-efficient practices, assessing environmental impact, and reducing carbon footprints.

The company is committed to offering products and services that are safe for customers and sustainable for the environment. As part of our commitment to sustainability, we engage in a government-led financial inclusion drive and maintain robust security measures for the safety of our customers' assets.

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Objective:** Create a work environment that encourages diversity, equity, and inclusion, while providing opportunities for professional growth and ensuring a safe workplace.

The company regards its employees as a crucial asset, offering various opportunities for learning and career development. We have robust mechanisms to ensure a discrimination-free work environment, focusing on health, safety, and security.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

**Objective:** Engage effectively with stakeholders, ensuring open communication, transparency, and fair resolution of grievances.

The company interacts with various stakeholders, including equity shareholders, debenture/bond holders, banks/lenders, customers, employees, government regulators, business associates, consultants, vendors, suppliers, and the broader community. We have procedures to resolve stakeholder complaints, including customer service hotlines and grievance cells. Additionally, we conduct quarterly conference calls with analysts and investors.

The company also operates in a manner that aligns with stakeholder interests, providing information on loan terms and conditions in a transparent manner and addressing grievances promptly.

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

**Objective:** Uphold human rights within the organization and across the supply chain, ensuring fair treatment and preventing discrimination.



The company is committed to respecting human rights in all its operations. We comply with human rights laws and encourage their realization within our sphere of influence.

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

**Objective:** Reduce the company's environmental impact and contribute to environmental restoration through sustainable practices and reduced waste.

The company is committed to minimizing its environmental impact through digital initiatives and efficient resource usage. We encourage the adoption of electronic reports to reduce paper use and use low-noise, low-emission equipment at our facilities.

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

**Objective:** Advocate for public and regulatory policies responsibly, with consistency and transparency.

Our advocacy efforts align with the principles outlined in this policy. The company is an active member of industry associations and collaborates with key trade bodies to promote fair business practices.

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

**Objective:** Support inclusive growth and equitable development through CSR initiatives and community engagement.

The company's Corporate Social Responsibility (CSR) policy supports various initiatives that promote equitable development, especially in underdeveloped areas. We also encourage employees to participate in social and environmental projects, fostering a sense of civic responsibility.

The company actively contributes to financial inclusion by engaging with formal banking systems to promote financial literacy and development in remote areas. We strive to operate in regions where development is most needed, working to address local concerns and priorities.

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

**Objective:** Ensure customers receive value and are treated fairly, while protecting their privacy and ensuring ethical business practices.

The company is committed to providing transparent information about products and services, ensuring customer privacy, and following fair lending practices.

We aim to ensure that customer complaints are resolved fairly and efficiently, and that privacy and data protection are top priorities in all interactions.

## **10. Policy Implementation and Monitoring**

The Managing Director and CEO are responsible for overseeing the implementation of this policy. The MD & CEO may delegate this responsibility to a senior management official, who will monitor and report on the policy's progress. The Board of Directors will review the policy's implementation periodically and approve the Business Responsibility Report, which will be annexed to the company's Annual Report.

## **11. Review and Oversight**

a) Assessment /Assurance by third party

Selection of the Assessment provider shall be approved by the Board. While approving the Board shall ensure that the assurance provider of the BRSR Core has the necessary expertise, for undertaking reasonable assurance.

The Company shall ensure that there is no conflict of interest with the assurance provider appointed for assuring the BRSR Core. For instance, it shall be ensured that the assurance provider or any of its associates do not sell its products or provide any non-audit / non-assurance related service including consulting services, to the listed entity or its group entities.

The Corporate Social Responsibility (CSR) Committee will enhance its role to oversee the company's Sustainability and Environmental, Social, and Governance (ESG) activities. This enhanced committee, responsible for ESG oversight.

## **12. Disclosures & Reporting's**

As per Regulation 34(2) (f) of Listing Regulations, top 1000 listed entities based on market capitalization shall issue a Business Responsibility and Sustainability Report (BRSR) on the environmental, social and governance disclosures, in the format as prescribed by SEBI. Accordingly, the Company shall basis its market capitalization ranking, publish its BRSR describing the initiatives undertaken on the topics of environmental, social and governance. Additionally, the Company shall undertake reasonable assurance of the BRSR Core indicators in accordance with provisions as laid down by the SEBI. This report shall be annexed as a part the Annual Report of the Company.

## **13. Amendments to the Policy**

This policy is subject to change in response to new guidelines or clarifications from statutory and regulatory bodies. The Board of Directors reserves the right to modify, add, or delete any portion of this policy as required.

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