



Make Life Easy

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

Version Control		
Version Number	Description	Date
Version 1	ESG /BRSR Policy	08 th August 2025
Version 2	ESG /BRSR Policy	11 th August 2026

Effective Date : 11th August 2026
Next Review Date : 11th August 2027
Policy Owner : Secretarial Department
Prepared By : Secretarial Department
Reviewed by : Corporate Social Responsibility Committee
Approved by : Board of Directors

1. Background/ Introduction

Manappuram Finance Limited (“MFL”) is registered as a Non-Deposit Taking Non-Banking Financial Company as per the extant RBI regulations.

MFL began as a modest money-lending operation. Over the decades, it offers a diverse array of products and services, meticulously designed to meet the varied financial needs of its 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.

Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, introduced the Business Responsibility & Sustainability Report (BRSR) framework, making it mandatory for Top 1000 listed entities (by market capitalization) to include BRSR as part of their annual report with effect from 2022-23 onwards.

Subsequently, amendments were made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), and under the amended provisions, the top 1,000 listed entities by market capitalisation are required to furnish a Business Responsibility and Sustainability Report (BRSR) covering environmental, social and governance (ESG) disclosures in the format specified by SEBI. Additionally, such entities must obtain assessment or assurance of the parameters prescribed under the BRSR Core and extend the relevant disclosures and assessment/assurance requirements to their value chain, in accordance with the timelines and manner specified by SEBI from time to time.

The BRSR is an initiative towards ensuring that investors have access to standardized disclosures on ESG parameters. Access to relevant and comparable information will enable investors to identify and assess sustainability-related risks and opportunities of companies and make better investment decisions.

The Ministry of Corporate Affairs (MCA), Government of India, released a set of guidelines in 2011 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs). This was expected to provide guidance to businesses on what constitutes responsible business conduct. In order to align the NVGs with the Sustainable Development Goals (SDGs) and the ‘Respect’ pillar of the United Nations Guiding Principles (UNGP) the process of revision of NVGs was started in 2015. After revision and updation, the new principles are called the National Guidelines on Responsible Business Conduct (NGRBC) 2018.

Some of the key drivers of the NGRBC are given below:

1. The UN Guiding Principles for Business and Human Rights (UNGPs)
2. UN Sustainable Development Goals (SDGs)

3. Core Conventions 138 and 182 on Child Labour by the International Labour Organization (ILO)

4. Companies Act, 2013

The NGRBC provided the foundation for the Business Responsibility and Sustainability Reporting (BRSR) framework introduced later by SEBI. BRSR is a reporting mechanism based on the principles of the NGRBC.

This policy (hereinafter referred to as the "Policy") shall be called "Environment Social Governance Policy (ESG Policy)/ Business Responsibility and Sustainability Reporting (BRSR) Policy" of MFL

The Management of MFL, prioritizes good governance practices, core value of integrity and 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 conform to ESG principles and sustainable business practices. Compliance of ESG principles is an important responsibility requiring compliance for corporates that 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. MFL incorporates these elements into its business practices and operational processes.

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, Economic Responsibilities of Business 2011, as released by the Ministry of Corporate Affairs. This requirement also forms part of the requirements prescribed by LODR.

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.

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 MFL.
- 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

MFL is committed to sustainability and aims to positively impact the environment, social , and corporate governance. This policy directs our operational practices, products, and services to achieve these goals. The Company recognizes that ESG considerations are vital to its 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. MFL shall be committed to fostering a work environment where every individual is treated with the utmost respect and dignity.

MFL 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, MFL shall develop institutional knowledge and capacity on issues pertinent to sustainability and ESG through various initiatives such as BRSR training.

MFL 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, MFL shall provide employees with necessary training on the EHS issues, concerns, and best practices.

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

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

Additionally, MFL shall 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.

MFL 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

MFL 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.

MFL has implemented the Risk Management Policy across its various business and monitored by the Risk Management Committee. The Company maintains 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. MFL shall follow a comprehensive approach to business security, maintaining Confidentiality, Integrity and Availability (CIA) of Business Information, in whatever form and location where it is stored.

MFL 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, and the same is hosted in the Website of the Company.

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

MFL shall have a robust mechanism for resolving queries and apprehensions from stakeholders, which encompasses environmental, social, and governance issues. MFL 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 MFL

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 stipulate that: –

- i. **Principle no. 1** – Businesses 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** - Businesses 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

MFL has adopted the aforementioned nine key principles of NGRBC in accordance with the SEBI Regulations. As required MFL 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.

MFL 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.

MFL is committed to offering products and services that are safe for customers and sustainable for the environment.

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.

MFL regards its employees as a crucial asset, offering various opportunities for learning and career development. MFL has 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.

MFL 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, MFL conduct quarterly conference calls with analysts and investors.

MFL 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.

MFL is committed to respecting human rights in all its operations and 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.

MFL is committed to minimizing its environmental impact through digital initiatives and efficient resource usage and 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.

MFL's advocacy efforts align with the principles outlined in this policy. Further, 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.

MFL's Corporate Social Responsibility (CSR) policy supports various initiatives that promote equitable development, especially to support the deprived sections of the community and also encourage employees to participate in social and environmental projects, fostering a sense of civic responsibility.

MFL actively contributes to financial inclusion by engaging with formal banking systems to promote financial literacy and development in remote areas and 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.

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

MFL aims 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 is responsible for overseeing the implementation of this policy. The Managing Director 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 ensure that the Business Responsibility Report 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.

MFL 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. Further, Assessment/Assurances to be provided in the format prescribed in the relevant SEBI Circulars.

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

12. Disclosures & Reporting

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 of 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.