

SUSTAINABLE SOURCING AND PREFERENTIAL PROCUREMENT POLICY

Muthoot Finance Limited



Version: 1. of 2023
Version approved by: Policy Review Committee of Muthoot Finance Limited
Version approved on: May 05, 2023
Last Modified on:
Next Review on: NA
Department: Administration



SUSTAINABLE SOURCING AND PREFERENTIAL PROCUREMENT POLICY

Muthoot Finance Ltd. (herein referred to as “The Company” or “MFL”) is committed to adopting the standard sustainability practices in adherence with various environmental, social and governance guidelines when procuring goods and / or services. The Company intends to be associated only with supply chain partners that are willing to maintain the standards and dynamically evolving labor practices while upholding basic human rights.

As a forward-looking business strategy, we endeavor to help develop a robust supply chain which can adapt to risks or opportunities coming from the regulatory, enviro-social, and technical trends.

Sustainable Sourcing

- MFL shall comply with all the applicable environmental laws and regulations.
- The Company will ensure mandatory compliance of its suppliers and vendors on the following ESG aspects.
 - Adoption of environmentally and socially responsible practices
 - Health & Safety standards
 - Human Rights
 - Applicable labour laws to have a zero tolerance on all forms of child or forced labour
 - Diversity, equity, and inclusion policies wherever applicable
 - Respect for collective bargaining rights
 - Maintaining data privacy and take appropriate measures to ensure prevention of breaches.
 - Adherence to anti-corruption / anti-bribery and code of ethics
- MFL shall encourage its Suppliers / vendors to undertake periodic ESG training to update themselves to the latest norms and regulations.
- The company shall engage with its suppliers through transparent communication methods disclosing its ESG approach and in turn help raise ESG awareness and improve supplier performance.
- The suppliers will adhere to supplier code of conduct by maintaining high standards of ethics, labor practices, fair treatment of their employees and safe working conditions.

Preferential procurement

- The Company shall aim to procure, to the extent possible, the services and products which are recycled, eco-friendly, energy efficient and sourced locally, from within the district and neighboring districts.
- The Company shall endeavor to give procurement preferences to MSMEs, enterprises owned by people from SC/ST community, PWD, LGBTQIA, and women owned enterprises.

- Purchase preferences shall be given to local suppliers from within the district and neighbouring districts, thus providing enhanced business opportunities for them.
- The procurements made in MFL will be made in with BRSR requirements.

Oversight

The responsibility for oversight of the Sustainable Sourcing & Preferential Procurement shall lie with the ESG committee and the board of directors.

Monitoring & Review

This policy shall be regularly monitored, and activities reported through BRSR disclosure. The sustainable sourcing and preferential procurement policy will be reviewed annually or earlier as warranted for its suitability and updated as necessary.

Dated:

Signing Authority