



MUTHOOT MICROFIN LIMITED

Implementation Framework for Child Labour, Forced Labour and Human Trafficking Policy

Purpose	Provides a framework for the implementation of the Board-approved Human Rights Policy, subsection pertaining to Child Labour Forced Labour and Human Trafficking
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In addition to not utilising any child or forced labour itself, MML's objective is also to ensure that its *customers/borrowers* are educated about the risks of child and forced labour in their businesses, as defined in IFC Performance Standard 2, and specifically paragraph 21 and 22, which state:

"21. The client will not employ children in any manner that is economically exploitative, or is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development. The client will identify the presence of all persons under the age of 18. Where national laws have provisions for the employment of minors, the client will follow those laws applicable to the client. Children under the age of 18 will not be employed in hazardous work. All work of persons under the age of 18 will be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work."

"22. The client will not employ forced labor, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. This covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. The client will not employ trafficked persons."

In order to achieve this objective:

Training of Branch Employees in International Best Practices

- MML will ensure adequate training of all Branch Managers about the risks of child labour, forced labour and human trafficking, and international best practices to address the issue of child labour. A Good Practice Note from the IFC (part of the World Bank Group) is attached herewith and shall be shared with all branch managers.
- Branch Managers will be responsible for training all branch employees regarding the risks of child labour, forced labour and human trafficking, including identifying potential use of child or forced labour by customers/borrowers.
- All branch employees will also be made aware of the reporting process should they suspect use of child labour, forced labour or human trafficking by customers/borrowers.

Process for Educating Borrowers

- Branch Managers will regularly attend centre meetings with existing and prospective customers/borrowers, and will periodically educate borrowers on the risks of child and forced labour, as well as MML's policy with regard to use of child and forced labour by customers/borrowers.

Process for Employees to Report Suspicions of Use of Child Labour, Forced Labour and Human Trafficking

- In case any branch employee suspects that a customer/borrower is using child labour, forced labour or human trafficking, they should report these suspicions to the Branch Manager
- Upon receipt of any such report, the Branch Manager should (i) report the receipt of

the report to HR Dept via email and (ii) conduct supplementary inquiries about the complaint, including by visiting the site or work place where such violation is suspected to be occurring.

- Upon completion of the necessary inquiries, the Branch Manager should submit a report via email to Company Secretary & Compliance Officer/ CEO indicating whether use of child or forced labour has been confirmed or not.
- Upon receipt of a confirmation from the Branch Manager, the Company Secretary & Compliance Officer/ CEO shall decide the future course of action, which can include the following:
 - Informing the borrower, and advising the borrower to immediate cease using child labour, or risk a termination of her/his relationship with MML and/or a report to the relevant local authorities.
 - In case of a serious and continued violation by the customer/borrower, termination of MML's lending relationship with the customer/borrower as soon as feasible, along with a report of the suspicion to the relevant local police authorities.
 - In case of violations which are in flagrant violations of applicable law (including forced labour or human trafficking), an immediate termination of the relationship with the customer/borrower and a report to the relevant local authorities.
- The Company Secretary & Compliance Officer/ CEO will inform the Branch Manager on the level of severity and the recommended course of action, and will follow-up with the Branch Manager to ensure that this has been completed.
