



## **Environmental Sustainable Policy (GHG) Emission Policy**

<b><u>Purpose</u></b>	This policy document provides the initiatives taken by the company on GHG. Policy responses to the risks posed by climate change are mitigation, or reduction in greenhouse gas emissions from human activities
<b><u>Version</u></b>	1.0
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<b><u>Policy Approval</u></b>	Board of Directors- Muthoot Microfin Ltd
<b><u>Date</u></b>	11 August 2022

## **Introduction**

MML recognizes that social and ecological challenges facing humanity today are as integral to business as economic drivers. The triple bottom-line of Economic, Environmental and Social good are an essential part of our approach to responsible Corporate Citizenship.

The crisis of climate change poses one of the biggest threats to humanity the impacts of which will be global with vulnerable communities being hit the hardest. As a responsible corporation, we are committed to minimizing our impact and have set for ourselves the goal of Net Zero greenhouse gas emissions for Scopes 1,2 and 3 by the year 2040 in line with the Paris agreement with clearly defined intermediate targets. A basic principle underlying our efforts will be a predominant focus on direct decarbonization with deferment of offsets to the target year.

## **Purpose**

Our business operations and value chain result in direct and indirect impacts on the environment on account of use of energy, materials, water and land as input-factors and generation of solid waste as byproducts.

MML recognizes its plausible responsibility to minimize the environmental impact of its business activities and to protect the ecological commons upon which all life depends.

A fundamental principle of our approach is that our environmental policy must address not only immediate imperatives of operational efficiency but must also incorporate a longer-term view of environmental along with the responsible use and protection of the natural environment through conservation and sustainable practices to enhance ecosystem resilience and human well-being towards future generations.

MML will strive to reduce and minimize the ecological footprint of its internal operations. Our focus will primarily be on four dimensions:

- (i) Reduction in our Energy and GHG (Greenhouse Gas) footprint
- (ii) Increase in the efficiency of use and recycling of water
- (iii) Sustainable Waste management minimizing waste-to-landfill
- (iv) Enhancing Biodiversity in our premises.

MML shall implement the policy through a three pronged approach of

- (i) Setting rigorously defined goals that are based on globally accepted scientific principles
- (ii) Establishing good governance and robust execution processes and
- (ii) Implementing best practice solutions and technologies.

**Integration with business strategy**

MML will integrate critical environmental issues into its core business strategy. The key elements of this are the incorporating of environmental risks into its Enterprise Risk Management (ERM) strategy, improving resource and cost efficiencies of its operations sustainable procurement policies and customer services.

**Stakeholder Inclusiveness:**

Progressing on the path of ecological sustainability requires collective efforts from multiple stakeholders. In addition to customers, we will address the most material issues for our investors, employees, suppliers and communities. For each of our stakeholders, we will follow a process of jointly identifying the key issues that are relevant in terms of environmental impacts on and due to them. Given the fact that environmental concerns affect everyone, it is important collaborate in multiple ways. Towards this, we will actively engage in strategic advocacy with industry and civil society networks at regional, national and global levels.

**Reducing MML's Operational Footprint:**

MML will strive to reduce and minimize the ecological footprint of its internal operations.

Our focus will primarily be on four dimensions:

- (i) Reduction in our Energy and GHG (Greenhouse Gas) footprint,
- (ii) Increase in the efficiency of use and recycling of water,
- (iii) Sustainable Waste management minimizing waste-to-landfill
- (iv) Enhancing Biodiversity in our Premises.

**Leadership Commitment:**

MML's leadership commits itself to the principles and requirements of being an ecologically sustainable organization by provisioning adequately for the investment of necessary resources, by setting up effective governance processes of planning and review and by catering the entire organization to align with our stated vision and goals.

We will drive the implementation of our policy through widespread awareness and concrete actions, while being open to continuous improvement. We believe that the policy serves as a strong foundation for seamless integration of our marketplace, workplace, operations, environment and community concerns in order to support the larger goals of sustainable development.

**Review**

This policy will be reviewed periodically and updated as necessary.

**Final Authority**

When there is any conflict or any ambiguity in regard to the policy, then the decision of management would be final and shall not be called upon for questioning.

**Amendments**

The Management reserves the right to amend, modify or revise this, Policy.

**General:**

This policy supersedes all other policies, procedures, and practices prevalent on this subject till date. Company reserves the right to add to, alter or amend, or cancel this policy at its discretion if needed in future.

**Disclaimer:**

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