



MUFIN GREEN FINANCE LIMITED

Mufin ESMS Manual	ANNEXURE-1	Document Version: 2
	Document Title: Environmental, Social & Governance (ESG) Policy	Date of Issue: 01/04/2026
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		Issued by: ESMS Committee
		Approved by: Board of Directors

Environmental, Social & Governance (ESG) Policy

1. Introduction

Mufin Green Finance Limited as a responsible Non-Banking Financial Company (NBFC), is dedicated to embedding Environmental, Social and Governance (ESG) considerations into its financing activities, operational processes, and overall decision-making. The Company acknowledges that its lending practices, day-to-day operations, and stakeholder interactions can exert a considerable influence on both society and the environment.

This Policy sets out our approach to ensuring that all business activities are aligned with sustainable development principles, responsible finance practices, and compliance with applicable national and international standards.

2. ESG Vision

Our vision is to be a responsible and innovative financial services provider that fosters inclusive growth while effectively managing environmental, social, and governance (ESG) risks. We are committed to generating long-term value by financing sustainable solutions particularly in the fields of electric mobility and green finance while maintaining the highest levels of transparency, accountability, and governance.

ESG Commitment

We are dedicated to ensuring that all our operations and services remain both socially responsible and financially sustainable.

Target Beneficiaries

Our initiatives aim to empower economically weaker sections, low- and middle-income groups, first-time borrowers, small-scale entrepreneurs and operators, women, and MSMEs, with a focus on green and health segments.

Business Diversification

We will continue to broaden our portfolio by extending loans for commercial vehicles, four-wheelers, three-wheelers (including e-rickshaws), and two-wheelers. In addition, we will offer financing solutions for solar and battery charging infrastructure as well as loans to cover health insurance premiums.

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Measuring Impact

Our performance will be regularly assessed against defined ESG benchmarks, with transparent reporting to ensure accountability.

Value Creation

We strive to foster inclusive human and social development by delivering innovative, affordable, and impactful financial solutions.

3. Objectives & Scope

Objectives

A significant portion of our offerings is directed towards financing electric vehicles, Solar, and battery infrastructure and Medclaim facilities. We acknowledge that our employees, customers, and third-party service providers, through their association with our operations, can create substantial impacts on the environment and society. Accordingly, we emphasize the importance of aligning our activities with robust environmental, social, and governance (ESG) practices that are consistent with our vision.

Through this ESG Policy, the Company commits to:

Promote Sustainable Finance: Ensure that our financial services are both socially and financially sustainable, with a clear focus on advancing environmental sustainability.

Enhance Social Impact: Empower underserved communities through affordable financing, livelihood support, and financial inclusion.

Integrate ESG Parameters: Embed ESG considerations alongside financial criteria across the loan cycle and within our operations, ensuring responsible and sustainable practices.

Stakeholder Engagement: Proactively engage with stakeholders to raise awareness, build capacity, and drive collective action on ESG matters.

Transparency and Accountability: Strengthen disclosure practices to ensure internal and external transparency on ESG performance through periodic reporting.

In pursuit of these objectives, we are committed to adopting globally recognized ESG standards and principles. This approach will enable us to effectively integrate ESG criteria into our decision-making processes and strengthen our role in driving sustainable development.

Scope: The ESG Policy applies to all employees, customers, key stakeholders, and third-party service providers, to the extent applicable. It shall govern our operations and all products considered or offered from the effective date onward and will be interpreted in accordance with applicable local, state, and national laws and regulations.





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4. Roles & Responsibilities

- **Board of Directors:** Approves and oversees the implementation of this Policy.
- **ESG/E&S Committee:** Provides strategic direction and ensures alignment with sustainability goals.
- **E&S Officer:** Ensures integration of E&S criteria into decision-making, lending, and monitoring.
- **Employees & Business Teams:** Responsible for implementing E&S principles in day-to-day operations, loan origination, monitoring, and reporting.

5. ESG Commitments

The Company will:

a) Compliance with Laws and Standards

- Ensure continual compliance with all applicable national and state laws, RBI guidelines, global reference standards, and other relevant regulatory requirements across business operations and financing activities.

b) Environmental Stewardship

- Incorporate environmental and sustainability outcomes in all financing and operational decisions by:
 - Promoting eco-friendly, low-carbon, and resource-efficient alternatives.
 - Finance sustainable mobility and renewable energy solutions to reduce CO₂ emissions.
 - Encouraging a sustainable value chain by partnering with reliable EV brands, OEMs, and dealers in both B2B and B2C segments.
 - Implementing measures for pollution prevention, waste reduction, energy efficiency, and responsible resource use across operations.
 - Assess and disclose Scope 1, 2, and 3 emissions, including financed emissions.

c) Social Responsibility

- Support social development impacts through lending (e.g., EV livelihood financing like e-rickshaws, two-wheelers, or small commercial EVs, health insurance).
- Respect human rights principles, local cultures, and ethical practices, including responsible loan recovery.
- Prohibit child labour, forced labour, and discrimination while ensuring fair recruitment, equal opportunity, and freedom of association.
- Provide fair wages, safe and healthy working conditions, and conduct regular assessments to minimize health and safety risks.
- Maintain employee engagement through continuous training on ESG awareness, data privacy, information security, workplace safety, and environmental protection.

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d) Stakeholder Engagement and Grievance Redressal

- Establish transparent, fair, and effective communication mechanisms to engage with stakeholders at regular intervals.
- Provide accessible grievance mechanisms for employees, customers, OEMs, dealers, and other stakeholders to ensure timely resolution.

e) Governance and Accountability

- Uphold high standards of corporate governance, ensuring transparency, accountability, integrity, and ethical conduct in all business dealings.
- Maintain robust systems of internal control, risk management, and documentation to support ESG compliance and continuous improvement.
- Strengthen data privacy and cybersecurity measures.
- Prohibit political contributions that may result in conflicts of interest and ensure open, cooperative engagement with regulators.
- Operate a whistleblower mechanism to allow confidential reporting of violations.

f) Performance Monitoring and Reporting

- Define clear roles and responsibilities for ESG implementation across the organization.
- Set, review, and achieve E&S objectives and adopted SDG targets through periodic monitoring, audits, and performance evaluations.
- Disclose ESG performance to investors and stakeholders using appropriate and recognized reporting frameworks.

6. Environmental & Social Risk Management

- **Screening:** All financing products shall undergo E&S screening to identify potential risks.
- **Due Diligence:** Borrowers will be assessed for compliance with E&S standards and, where required, action/mitigation plans will be developed.
- **Monitoring:** Continuous monitoring and reporting mechanisms will ensure alignment with agreed E&S performance requirements.
- **Exclusions:** The Company will not finance activities listed in the Prohibited Investment Activities List (aligned with international best practices such as IFC exclusion lists).





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7. Review & Disclosure

The enforcement of this policy rests with the Company's Managing Director and Chief Financial Officer. They are authorized to make amendments, additions, or removals to the operational aspects of the policy, in line with the overall objectives and spirit of the Company. Such changes may be necessitated by technological or process upgrades, regulatory requirements, market dynamics, or evolving risk environments. All revisions shall be reported to the policy-approving authority at the time of the next scheduled review.

The Managing Director and Chief Financial Officer may also delegate authority as appropriate and may design or redesign operating systems and reporting mechanisms to strengthen accountability and ensure effective implementation across the organizational hierarchy.

Annexure A: Prohibited Investment Activities List

Exclusion as per the Asian Development Bank (ADB) prohibited investment activities list shall be applicable. The following activities shall not be qualified for financing

The Company will not finance activities involving:

- **Forced or exploitative labour** – including any form of harmful, exploitative, or coercive practices such as forced labour or child labour.
- Illegal or internationally banned products and activities, including but not limited to:
 - a. Prohibited pharmaceuticals, pesticides, and herbicides
 - b. Ozone-depleting substances
 - d. Trade in or exploitation of protected wildlife
 - e. Transboundary movement or trade of hazardous waste
- Trade in wildlife or products regulated under CITES.
- Weapons, munitions, and paramilitary equipment.
- Gambling, casinos, and equivalent activities.
- Alcoholic beverages (include beer/wine) and tobacco.

Annexure B: Credit Assessment

At **Mufin Green Finance**, our product portfolio is designed to promote sustainable and inclusive growth by offering financing solutions across multiple segments. These include:

- Green and inclusive finance: Commercial EV, four-wheelers EV, three-wheelers (including E-Rickshaw), two-wheelers EV, loans for renewable energy assets (such as solar), battery charging infrastructure and health insurance premiums.

B2B Credit Assessment

- For B2B lending, Mufin Green Finance undertakes a thorough screening, scrutiny, and validation process to evaluate environmental and social implications. The assessment is based on the following criteria:
 - Purpose of the loan
 - Nature of the business and rationale for loan utilization

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- Borrower profile, financial position, and borrowing history
- Business output and growth potential
- Overall social and environmental impact of the business
- Any other relevant supporting information

Vehicle Credit Assessment

- For vehicle financing, Mufin Green Finance conducts due diligence to ensure environmental responsibility and borrower credibility. The credit assessment considers the following factors:
- Proposed purpose of the vehicle
- Nature of business (wherever applicable)
- Borrower profile and repayment history
- Driver eligibility and compliance with statutory requirements



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