

Reporting on discharge of stewardship responsibility

Insurance Regulatory and Development Authority of India (IRDAI) through 'Guidelines on stewardship code for insurers in India' ('the Guidelines') sets out the framework on discharge of the stewardship responsibilities. The guidelines require that the Board of the insurer shall ensure that there is effective oversight on the insurer's stewardship activity and the Audit Committee shall exercise the same. Further, the guidelines require the insurer to comply with all the principles given in the guidelines and submit an annual certificate of compliance to the Authority and publish a report on the discharge of its stewardship responsibilities as part of public disclosures.

The subsequent paragraphs details the manner in which the elements of the stewardship code have been discharged by the Company.

The Company has framed the policy on discharge of stewardship responsibilities ('the Policy') which was last reviewed and approved by the Board at its meeting held on April 19, 2021. The Policy defines the stewardship responsibilities to be undertaken by the Company and the processes that the Company should follow in order to safeguard the interests of its policyholders'. The responsibility for the overall implementation and execution of the Policy rests with the Executive Investment Committee (EIC). Accordingly, the EIC has specified a threshold of investment in an Investee Company beyond which the Company shall perform its stewardship activities and has also specified a procedure for voting.

The status of Compliance with the Stewardship code is stated below:

- **Principle 1**

Insurers should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it.

Complied with.

The Company has framed the policy on discharge of stewardship responsibilities ('the Policy') which was last reviewed and approved by the Board at its meeting held on April 19, 2021. The Policy is disclosed on the website of the Company under the public disclosure section.

Link for the Stewardship Policy is mentioned below:

<https://www.iciciprulife.com/about-us/investor-relations/yearly-public-disclosures.html?ID=about3&action=fy21-yearly>

- **Principle 2**

Insurers should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Complied with.

The Policy as approved by the Board and disclosed on the website under the public disclosures section has prescribed procedures to be followed by the Company for identifying and managing conflict of interest. The EIC at its meetings held on July 10, 2020, October 12, 2020, January 11, 2021 and April 8, 2021 have reviewed and noted all investments where the Company is likely to have a conflict of interest based on guidance provided in the Policy for identifying such potential conflict.

- **Principle 3**

Insurers should monitor their investee companies.

Complied with.

The Company engages with the investee companies as part of the research process that leads to an investment in an investee company, which include meetings with management. The EIC at its meeting held on April 8, 2021 has reviewed monitoring and engagement activities carried out by the Investment team for the year ended FY2021.

- **Principle 4**

Insurers should have a clear policy on intervention in their investee companies.

Complied with.

The Policy covers when and how to intervene, if any intervention is required in any investee company. The EIC at its meeting held on January 11, 2021 and April 8, 2021 noted intervention done by the investment team in the investee companies during FY2021.

- **Principle 5**

Insurers should have a clear policy for collaboration with other institutional investors, where required, to preserve the interests of the policyholders (ultimate investors), which should be disclosed.

Complied with.

The Policy provides for collaboration with other institutional investors in case it is required in the interest of policyholders and if the situation warrants. The EIC at its meeting held on April 8, 2021 noted that there was no collaboration needed with other institutional investors during FY2021.

- **Principle 6**

Insurers should have a clear policy on voting and disclosure of voting activity.

Complied with.

The Policy as approved by the Board, also covers clear policy on voting carried out by the Company. The Board Audit Committee noted the voting activities for the quarter ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021 at their quarterly meetings held on July 20, 2020, October 26, 2020, January 25, 2021 and April 15, 2021 respectively. The Board Investment Committee also noted the same at their meetings held on July 20, 2020, October 26, 2020, January 25, 2021 and April 15, 2021 respectively.

Links for the quarterly voting disclosures are mentioned below.

Q1 FY2021 - https://www.iciciprulife.com/content/dam/icicipru/about-us/PublicDisclosures/FY2021/fy2021q1s/Voting_Activity_disclosure_and_Stewardship_Code_Standalone.pdf

Q2 FY2021 - https://www.iciciprulife.com/content/dam/icicipru/about-us/PublicDisclosures/FY2021/fy2021q2s/Voting_Activity_disclosure_and_Stewardship_Code_Standalone.pdf

Q3 FY2021 - https://www.iciciprulife.com/content/dam/icicipru/about-us/PublicDisclosures/FY2021/fy2021q3s/Voting_Activity_disclosure_and_Stewardship_Code_Standalone.pdf

Q4 FY2021 - https://www.iciciprulife.com/content/dam/icicipru/about-us/PublicDisclosures/FY2021/fy2021q4s/Voting_Activity_disclosure_and_Stewardship_Code_Standalone.pdf

- **Principle 7**

Insurers should report periodically on their stewardship activities.

Complied with.

The compliance status of the stewardship principles for FY2020 was approved by the Board on April 25, 2020 and was submitted to the IRDAI within prescribed timelines. Further, the same along with the voting MIS was published under the public disclosures section of the Company's website. The Company presented its compliance status of the stewardship principles for FY2021 to the Board at its meeting held on April 19, 2021 and will submit the same to the IRDAI within prescribed timelines. Further, the same is published under the public disclosure section of the Company's website.

The quarterly voting MIS for the quarter ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021 are disclosed on the Company's website along with the quarterly public disclosures.