

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG REPORT FY2021



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ABOUT THE ESG REPORT

Our vision is to build an enduring institution that serves the protection and long-term saving needs of customers with sensitivity. Towards building an enduring institution, sustainable value creation for all stakeholders is of paramount importance. We continue to adopt sustainability principles across our business activities. The sustainability framework is built on the three pillars of: Environmental – leaving the planet a better place for our next generation, Social – giving back to the society, and Governance – transparency in functioning.

We are fortunate to be in the business of life insurance, a unique financial planning tool that directly provides families a financial safety-net and enables them to achieve their long-term financial goals. In the prevailing context of the social security framework in India, life insurance is a key imperative for all citizens of the country. Our endeavour is to ensure that every Indian family has adequate financial protection while, also taking into account our wider responsibilities to the society and the environment.

We have a well-defined framework to identify, monitor and mitigate the risks pertaining to environmental, social, and governance (ESG) issues and their potential impact for our stakeholders. We started making our disclosures on ESG practices a year ago, and have now put in place several initiatives to address the areas of improvement. We are also interacting with various investors and analysts to understand their expectations and incorporate the same in our ESG framework. Accordingly, this report incorporates the various initiatives we have put in place towards responsible investing, diversity & inclusion policy, privacy policy and enhanced disclosures on human capital, environmental impact and ethical aspects. The ESG Committee comprising our senior leaders provides oversight on ESG-related policies and initiatives, and monitors the implementation of the same.





PERFORMANCE SNAPSHOT



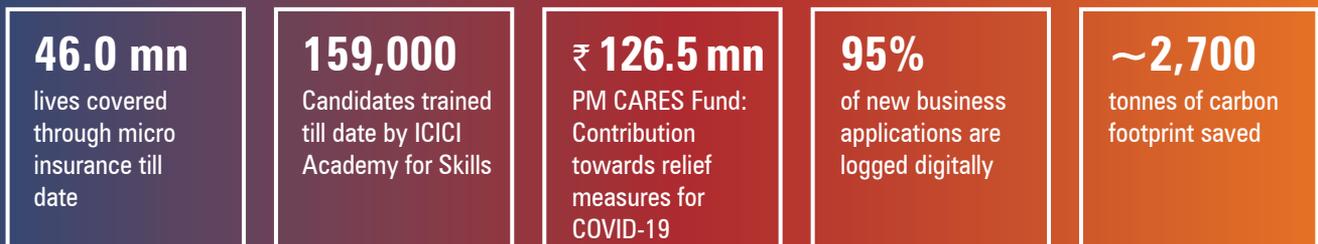
CUSTOMERS



EMPLOYEES



SOCIETY



Figures mentioned are for financial year ended March 31, 2021.

¹ Calculated in accordance with IRDAI circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014; excluding group policies

² Individual death claims

³ Average turnaround time for non-investigated claims from receipt of last requirement

⁴ Top two box score on advocacy, alignment to strategy, safety & well-being and technology & infrastructure

ESG RISKS AND OPPORTUNITIES

We are in the business of life insurance, serving the protection and long-term saving needs of customers in India. Given our nature of business, we have made disclosures around the following ESG risks and opportunities.



Human Capital

A key objective of our people strategy is to enable alignment of employees with the strategic business imperatives to facilitate seamless execution of strategy. We have consistently invested in the growth & development of our people which has created the edge that makes our human resources a key source of strength and a key competitive advantage.



Responsible Investing

We are a significant institutional investor in the capital markets and would like to ensure that the businesses that we invest in, operate in a responsible manner. Towards this, we have enhanced our investing framework to formally include ESG considerations.



Data Privacy & Security

Our business model requires collection and handling of sensitive personal data. With evolving fintech business models and associated risks around information and cyber security, this key issue assumes significant importance. We are focussed on making digitalisation safe for all stakeholders.



Access to Finance

Our business itself is social in nature, and beyond business, we are committed to drive inclusive growth and social advancement.



Emerging Risks

We are exposed to emerging risks associated with various factors such as climate change, demographic shifts, public health trends and evolving lifestyle. We are committed to follow robust risk management practices in order to ensure that our risk exposures remain within our risk appetite.



Governance

Poor governance may lead to interest of minority shareholders being marginalised and increase our Company's exposure to legal, regulatory and reputational risks. Additionally, managers can make poor business decisions in the absence of a proper risk management architecture. We are committed to function in a transparent manner and have a robust risk management architecture.



Environment

Given the nature of our business, there is minimal (direct) impact of our business activities on the environment. We are focussed on efficient use of energy, water and paper in our internal operations to reduce our carbon footprint.



Corporate Social Responsibility (CSR)

CSR offers an opportunity for companies to contribute towards the goal of changing the socio-economic landscape of a country and improve the well-being of its citizens. We continue to commit to a wide range of CSR initiatives.

CREATING THE PEOPLE EDGE

A key objective of our people strategy is enabling alignment of employees with the strategic business imperatives to facilitate seamless execution of strategy. The evolving external environment necessitates agility in responding through all elements of the people strategy value chain, namely capacity creation, skill upgradation, talent development, talent engagement and employee alignment to our Company's ethos, culture and strategic business imperatives. We have consistently invested in the growth & development of our people which has created the edge that makes our human resources a key source of strength and a key competitive advantage.

The COVID-19 pandemic created an unprecedented threat to lives and livelihood. Our foremost priority was to ensure the health, safety and well-being of employees, customers and partners. It was also a test of our commitment towards delivering the employee promise of Fairness & Meritocracy, Learning & Growth and providing a Supportive Environment. Accordingly, the people agenda was re-oriented in FY2021 to deliver the following:

#01
Support during COVID-19

#02
Enabling productivity

#03
Building an agile and engaged workforce



#1: SUPPORT DURING COVID-19

We offered physical and psychological safety to all our employees by creating a supportive environment through a healthy, safe and secure workplace, offering technology and infrastructure to support high performance and by standing by employees in their hour of need. This year, we deployed several initiatives to mitigate the unprecedented challenges created by the pandemic by:

A. Enabling health, safety and well-being

B. Technology support

A. Enabling health, safety and well-being

We accord paramount importance to employee health, safety and well-being. With the onset of the COVID-19 pandemic, a two-tier command structure was set up to implement the Business Continuity Plan, set direction and ensure compliance to statutory guidelines. We undertook several initiatives to support the physical & psychological well-being of employees and agents and help them seamlessly transition to a work from home (WFH) mode.

Physical & psychological well-being

The immediate need to ensure office safety & hygiene was fulfilled through regular sanitisation, fumigation, installation of UV air purifiers and HEPA filters in ACs. Social distancing measures were implemented by restricting entry to offices through rostering. Plexiglass shields were installed at all customer service desks and all workstations in the Head Office and face shields were provided to customer service employees. We instituted protocols for office working and a playbook was circulated to all employees to reinforce COVID-19 appropriate behaviours such as masking, social distancing etc.

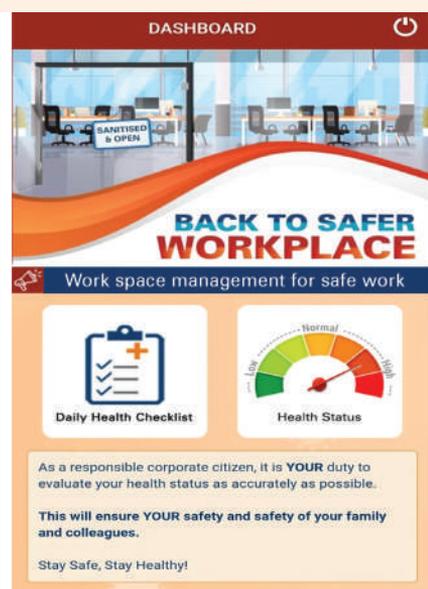
An app – “iWorkSafe” was created for employees to submit their health status daily and to enable social distancing via a Bluetooth-based buzzer. The app has

been downloaded by all employees which enables us to get real-time data on the health status of employees. We set up monitoring mechanisms to track cases among employees and support staff, supported hospitalisation of employees and families and conducted contact tracing when needed.

We supported the health and well-being of employees by offering a variety of programmes. Employees were offered free tele-consultation with Company doctors and partnerships were set up with healthcare providers to facilitate COVID-19 testing for all employees. We availed services offered by our health insurance partner



and launched Home Care packages to support the medical needs of employees. To ensure affected employees are given sufficient time to recover, COVID-19 leave was provided in addition to sick leave. The pandemic brought the discourse on mental health to the forefront and normalised talk about stress and mental health in all forums.



CREATING THE PEOPLE EDGE

Accordingly, we set up an Employee Assistance Programme that offered free tele-counselling for employees and dependents. Through the iSupport initiative, we have created a verified database offering city-specific information pertaining to COVID-19 facilities such as hospitals, pharmacies, quarantine centres etc. We have also tied up with healthcare providers to facilitate vaccination for employees.

Workplace safety sessions were conducted to highlight the need for safety at the workplace. These sessions covered measures to handle the COVID-19 situation at the workplace and were directed at managers. Additionally, communication campaigns were launched to encourage adherence to COVID-19 appropriate behaviours via an e-pledge; health advisories, branch visit advisories. Besides branch protocols were released in regular intervals in case of COVID-19 employees. Employees were encouraged to avail of the various policies and benefits offered. About 10,000 employees participated in webinars and calls with our Company's Chief Medical Officer. Our Company Chief Medical Officer covered COVID-19 related Do's and Don'ts, nutrition and immunity building advice and helped bust myths related to the disease.

Health, Safety & Environment guidelines

We have stringent guidelines to ensure safety of employees and Company property. These include policies covering aspects of fire-fighting equipment, emergency exits, floor marshals in each branch, fire drills, safety parameters for office maintenance and processes for regular certifications of all offices.

Fire safety week was celebrated through

training drills, educative mailer campaigns and fire safety sessions. With 70% of our workforce being in frontline sales roles and meeting customers regularly, road safety is an important priority for us. In addition to communication campaigns, road safety sessions were conducted

in association with local traffic police representatives. Adherence to the Health, Safety & Environment guidelines is regularly reviewed internally.

WE STAND BY YOU!

- COVID-19 testing and reimbursement
- Home Care facility as part of Mediciclaim policy
- Information on COVID-19 related facilities through iSupport
- Teleconsultation with empaneled doctors
- Paid Leave during COVID-19 recovery
- Facilitation of COVID-19 vaccination through private hospitals
- Counseling for mental wellbeing through the Care Connect initiative, in partnership with Santulan

#StaySafeStayHealthy!

B. Technology support

Enabling work from home

Due to the pandemic and the subsequent restrictions, work from home became the new normal. We undertook various initiatives to enable seamless migration. To support accessibility, all employees were equipped with required devices – laptops, tablets and internet dongles. All work applications were enabled for remote access. Further, remote technology support was offered to all employees to resolve technology issues to ensure smooth working. Employees were also offered reimbursement of data charges / Wi-Fi to encourage them to get higher bandwidth plans. Collaboration platforms were offered to all employees to enable virtual meetings and collaboration among employees. Finally, given the need for ergonomic support while working from home, office chairs were provided to employees for those with health issues.

A digital office has been set up through our employee app ATOM and the enterprise social network PULSE. These apps enable self-service transactions that range from leave / attendance to compensation-related transactions, managing team requests such as relocation / leave etc., changing team reporting, booking official travel and getting updates on medical insurance. Employees are able to access their performance achievement against targets on-the-go so they get timely feedback to enable them to take corrective action. Instant query resolution is enabled through call centres for all daily repeated transactions and I-Helpline, an online query resolution mechanism for any IT / travel / expense reimbursement / performance update related issues.

“Technology and infrastructure that supports high performance”

Remote work

- Access to work applications & email
- Video conferencing
- Data security
- Communicate

Self service

- Leave & attendance
- Salary details
- Team requests
- Travel planning & claims
- Mediclaim

Performance updates

- Navigator
- IContribute
- Ineo

Queries

- Chatbot Tara
- AskHR
- IHelpline
- IT requests

CREATING THE PEOPLE EDGE

#2: ENABLING PRODUCTIVITY

A. Talent attraction and onboarding

Each year more than 50% of hiring is undertaken through the campus programme which enables hiring of graduate and post-graduate freshers for entry-level frontline and supervisory roles. These graduates are trained through a specially crafted onboarding programme that encompasses classroom learning sessions and on-field experience. Additionally, wherever required, capability gaps are augmented by hiring specialist talent laterally. This diversified mix, along with internally grown talent with valuable functional experience, enables successful execution of the business strategy.

This year, we enabled digital, seamless onboarding of all new joinees through pre and post-joining documentation, offer letter generation and identity card creation. “STAR” and “Business Leadership Programme (BLP)” are induction programmes specially designed for freshers in frontline sales and first level supervisory roles. These are aimed at enabling the transition from campus to corporate life and help them to understand life insurance essentials. In FY2021, we onboarded 5,030 campus graduates via the STAR programme and 281 via the BLP.



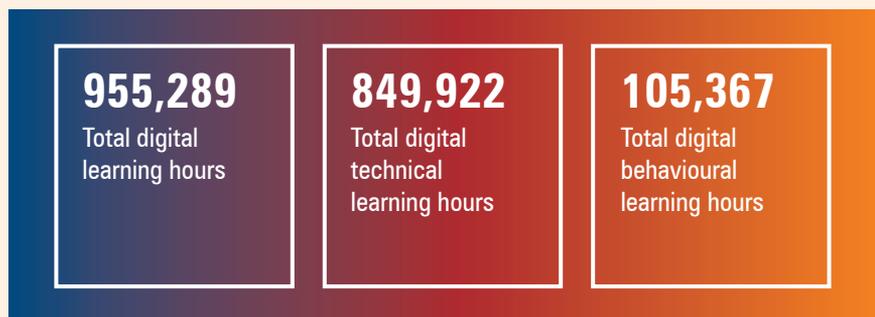
B. Learning and development

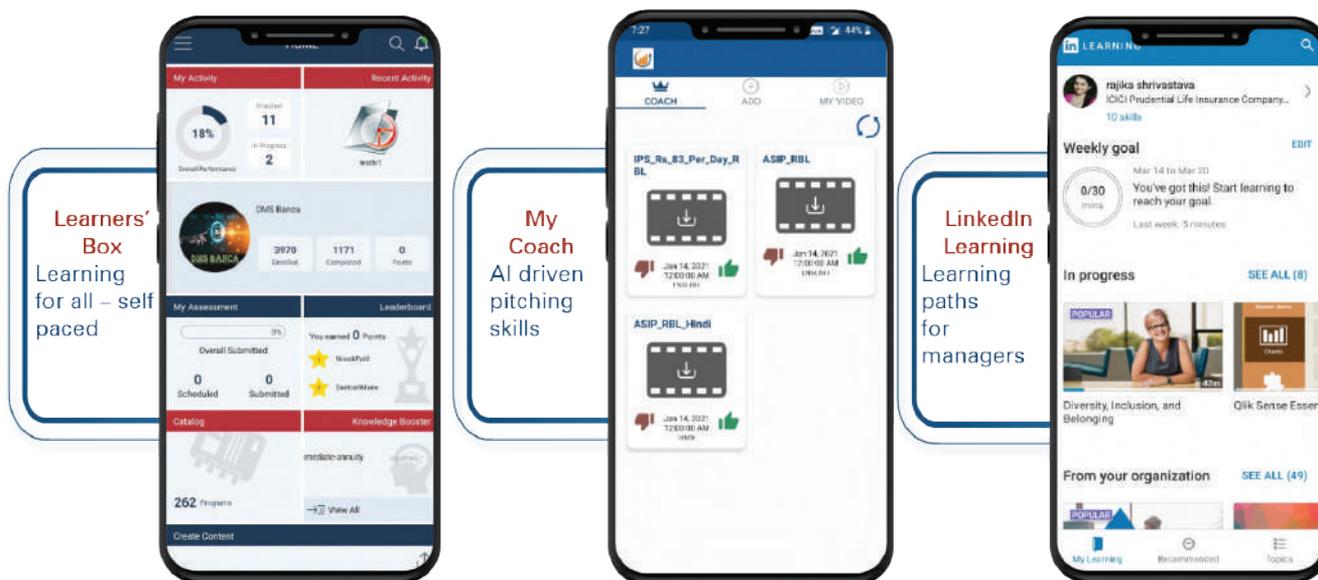
We have various learning interventions in place to enable the culture of Excellence. These are conducted through inductions and technical & behavioural programmes for various roles and levels in the organisation. The details on these learning programmes is given in Annexure I.

We have an established digital learning framework which is multi-platform, mobile-first and offers customised learning that caters to the needs of employees across levels. “Learning at one’s pace and time” is enabled via our learning management system - Learner’s Box. This is the “go-to” platform for all domain-specific programmes that enable testing and certification. We also have an AI-based learning app - “My Coach” that enables participants to improve their sales pitching skills with machine-generated feedback. In addition to these, we have tied up with LinkedIn Learning in FY2021 that offered role-based learning journey to all managers.



Building a culture of Excellence





Certification architecture

We have an integrated certification architecture for frontline sales employees and over 13,000 employees have been certified at various levels. Details on the certification architecture are outlined in Annexure II.

Expertise in digital technologies, data sciences and deep functional capabilities are being built to ensure that we continue to have differentiated competitive advantage in the future. Professional development on these fronts is enabled through our Education Assistance Policy. The courses covered in the policy are also mentioned in Annexure II.

Our Company is also putting in place a functional training architecture for niche skills and has subscribed to

Coursera courses to offer educational content and certificates from renowned institutions like University of Michigan, Yale University and Google.

We have a defined Internal Job Rotation policy that provides opportunities to employees to move across functions and locations so that they can broaden their skills and knowledge through diverse experiences and have a more holistic understanding of the business. About 66% of total employees have undergone at least one role change in the last 5 years. We have focussed on both leadership depth and breadth, with 85% of the leadership team having served our Company for more than 10 years. Besides, 88% of all positions at leadership levels have been closed internally.



CREATING THE PEOPLE EDGE

C. Performance and talent management

We have an established performance and talent management framework. The objectives of the framework are three-fold – a) to ensure alignment to the Key Performance Indicators (KPIs) of our Company as set out by the Board and ensure clarity of purpose across levels, b) to create a talent pipeline by nurturing high potential talent, and c) to enable differentiated rewards and capability development to help ring fence talent for the future.



We have a structured performance management system (PMS) anchored on the principles of meritocracy and fairness. It enables clarity of goals and alignment between KPIs of our Company as set out by the Board and individual KPIs. Alignment to Company’s strategy and KPIs is cascaded by the Management Committee comprising the MD & CEO and his direct reports and the same is further driven by the Executive Committee comprising the top 20 senior leaders of our Company.

The Executive Committee reviews our Company’s Balanced Scorecard (BSC) every month – a framework that enables strategy and KPI implementation by:

- Identifying and improving internal business functions and resulting external outcomes
- Establishing linkage of Company Vision to strategic objectives, measures, targets and initiatives
- Measuring and providing feedback to the organisation

These measures are further reviewed by cross-functional councils led by senior leaders, as outlined in Annexure III.

We have a well-defined succession planning process to facilitate the development and career planning of high potential talent, mitigate vacancy risk arising from attrition and ensure business continuity. We have developed a framework for identifying key roles and measuring the depth of leadership cover for each role by identifying successors who can move to the role either immediately or over a period of time, or by restructuring the role to mitigate vacancy risk and ensure business continuity, where successors are not immediately available to fill the vacancy. Based on the number of successors identified, their readiness to move to the next level role and the feasibility of conducting restructuring for each role, a score called the Leadership Cover Index (LCI) is derived for each key role. An annual exercise is carried out to identify the LCI for each key role along with the talent development actions.



We enable a meritocratic culture through relative assessment of performance and reinforcing performance accountability and linkage to rule-based rewards. Employees in homogenous roles like sales frontline and sales managerial roles have the opportunity to track their performance real-time on their individual KPIs through performance dashboards. These dashboards are available on the PMS microsite of our Company intranet.

With an objective to review business quality, integrated dashboards and forums for right-selling practices have been constituted for the sales teams. This helps segment employees in top, middle and bottom cohorts within their roles – frontline sales, first line managers, managers of managers and so on.

In FY2021, several employee productivity improvement initiatives have been stepped up through investments in digital learning and certification, re-calibration of manpower based on business needs, job enrichment and job rotation. These have resulted in best-in-class employee productivity and cost ratios in the industry.

Our long-term pay schemes are designed to encourage institution building among employees. Long-term pay

may be administered either through our Company’s employee stock option scheme or the long term reward scheme of our Company. Typically, this is a critical element in rewarding the middle and senior management of our Company. As a philosophy, long-term pay is given to:

- Enhance employee motivation
- Enable employees to participate in the long-term growth and financial success of our Company
- Act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an ‘owner-manager’ culture

Employees at the senior management and the leadership team are granted stock options in line with our Company’s Employee Stock Options Scheme.





CREATING THE PEOPLE EDGE

#3: BUILDING AN AGILE AND ENGAGED WORKFORCE

We aim to build an engaged and agile workforce by:

- A. Enabling a diverse workforce**
- B. Institutionalising an engagement architecture**
- C. Addressing employee concerns through a robust grievance redressal mechanism**
- D. Measuring employee alignment and engagement and taking corrective actions**

A. Enabling a diverse workforce

We have a multi-generational workforce that blends the richness of experience with the energy of youth. Accordingly, the varying need and priorities of each employee cohort are catered to with differentiated propositions. These are enabled through various policies on:

- a) Flexibility:** Through flexible modes of employment, flexible compensation plans and flexible leave policies catering to various personal, biological and health needs.
- b) Family support:** Through policies on health, financial security, support for children, post retirement benefits and bereavement support to employees' families.
- c) Safety, health and wellness:** Through initiatives around road and fire safety and policies including health insurance, executive health check-ups and mental health counselling.
- d) Learning:** Through policies on internal job rotation and education assistance and various initiatives on learning and development.

The details on these polices are mentioned in Annexure IV.

We promote an inclusive culture and have instituted a Diversity and Inclusion policy with the following emphasis:

1. Encouraging women at the workplace

The workforce comprises people across different backgrounds, educational qualifications and skill sets. We are an equal opportunity employer with zero tolerance for any discrimination based on gender, religion, caste or class. This is also implemented through our Talent Acquisition Policy. Over the last two years, women comprised more than 40% of our campus hires. At March 31, 2021, we had 14,413 employees, which included 3,737 women comprising about 26% of the total workforce. The percentage of women in customer service and operations and corporate roles is 40%.

To enable women employees to stay invested in their careers, we offer supportive policies for women which cater to their varied life stage needs. Some of these policies are Specific leaves namely Maternity Leave, Adoption Leave of 3 months and medical leave in case of miscarriage or medical termination of pregnancy, any illness arising out of pregnancy and for tubectomy operation. To ensure safety while on official travel, they are also provided additional entitlements for outstation stay and travel.



Further, we offer external mentoring programmes for young women leaders to hone their leadership skills, build a network and stay invested in their goals. We aspire to achieve a gender balance in the coming years and to do so following measures are being considered:

- o Strengthen accountability at leadership level for delivering on diversity and inclusion goals
- o Re-evaluating hiring sources to ensure access to a diverse pool of prospective candidates
- o Showcasing of women role models & mentoring by senior women colleagues

2. Culture that enables employees to bring their authentic selves to work

We are committed to ensuring that all employees have a safe, secure and supportive work environment. A robust grievance redressal mechanism for addressing employee concerns is in place and our Company's Code of Conduct and Employee Service Rules (ESR) clearly delineate employee responsibilities and acceptable employee conduct. These constitute the foundation for promoting a diverse & inclusive culture and encourage zero tolerance for discriminatory behaviours.

B. Institutionalising an engagement architecture

It is based on the 3i framework of Inform, Involve & Invigorate.



1. Inform

The objective is to keep all employees informed about business updates, organisation imperatives and way forward while ensuring adherence to health and safety protocols at the workplace. These communications are done through a multi-platform communication architecture (app, emails, and Company social network) to ensure reach to all employees.

Communications from the MD & CEO's desk include:

- Sharing immediate priorities with all employees
- Quarterly business updates and commending employees for their contribution during difficult times
- CEO Connect - addressing the top 100 colleagues

The Chief Distribution Officer engages with the Sales & Distribution teams every month through a webinar called CDO Speak, wherein he shares feedback on the month gone by, the opportunities and plan for the following month.



Quarterly Business Update



2. Involve

The remote working environment required all employees to be engaged proactively and differently. Accordingly, 'Coffee and Connect' sessions were conducted across markets, in which employees participated wholeheartedly. The events included mood check-ins via simple games, stories of employees coping and thriving with work from home and were generally opportunities for colleagues to connect with each other and enjoy a sense of belonging. Additionally, town hall sessions and one-on-ones as platforms to build connect were conducted.



Diwali Week long virtual celebrations with employees and families

- Workshops such as sweet making, lamp making and diya painting workshop
- Gala evening held virtually to connect all employees



Coffee & Connect sessions



3. Invigorate

We celebrated important national festivals through virtual events. While all branch offices were decorated on special days, we discouraged gatherings in the branches due to COVID-19.



Women's Day #CelebratingTheExtraordiNaari

- Weeklong webinar series on women's health, financial planning, nutrition and physical fitness - over 400 women employees attended
- Panel Discussion on enabling success in sales careers and creating an equal workplace- 1500 employees participated



World Mental Health Day - #KindForTheMind

- Communication campaigns on being aware, practicing mindfulness and managing anxiety
- Webinar series in partnership with the company's Care Connect partner

CREATING THE PEOPLE EDGE



Communication campaign on theme of "Protect ourselves from Covid-19"
Pledge of health, safety and positivity

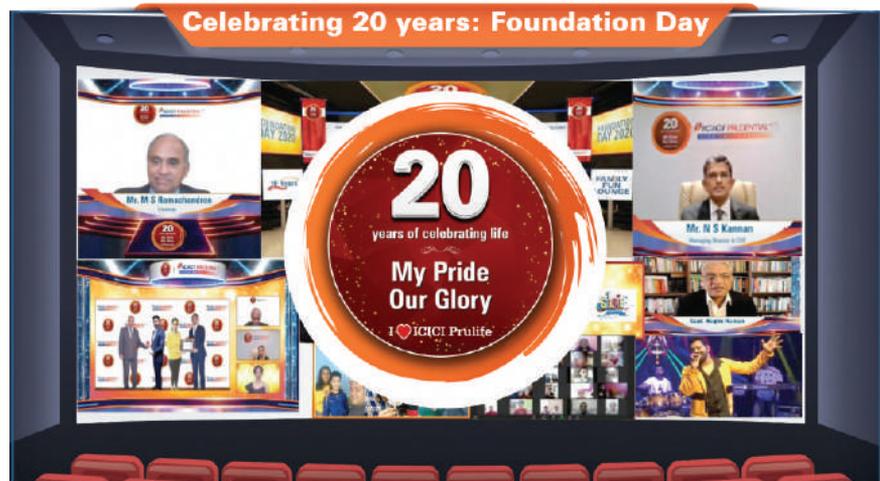


Cumulative steps challenge:
Traverse across India conducted over 5 days virtually



Employee and family contest-
Singing, Dancing, Cooking, etc.

We celebrated our 20th Foundation Day, on December 12, 2020 with a special and unique employee celebration. Being the 20th anniversary year, the occasion was made memorable for all employees despite challenges of the lockdown. For the gala evening, we created a virtual auditorium and a grand stage to resemble the physical event. Our Chairman addressed all employees and the whole event was live streamed. We also continued our tradition of felicitating employees completing 10 years of service with the institution as part of the Foundation Day celebrations.



2,029

Number of employees completed 10 years

11

Number of employees completed 20 years

C. Addressing employee concerns through a robust grievance redressal mechanism

We have a grievance redressal process for employees to ensure that all grievances are suitably investigated and action is taken as per due process stipulated in the ESR with the principles of natural justice being upheld. The redressal process outlines the method by which employees may register their grievances, the role of the Employee Governance team, the classification of grievances, the process of enquiry, disciplinary action, appeal mechanism and

reporting. The detailed process is outlined in Annexure V.

Employees are encouraged to register any grievance they may have against any employee, agent, partner and customer or report any breach of the Code or any of our Company policies. We have instituted the "egov" portal on our intranet for employees to record and register their grievances. The egov portal serves as the repository

of all relevant information pertaining to each grievance and for the purpose of monitoring and tracking of all grievances for timely resolution. Employees may also write and submit their grievances over email to employeeassist@iciprulife.com or raise their grievances through their reporting hierarchy or the Human Resources department.

D. Measuring employee alignment & engagement and taking corrective actions

We have instituted the Voice of Employee (VoE) survey to seek employee feedback on the delivery against the employee value proposition and to help assess employee engagement. The focus of the survey is to capture the perception of colleagues on the employee value proposition i.e. the Cornerstones of Fairness & Meritocracy, Learning & Growth and Supportive Environment through an interactive and personalised one-to-one informal chat using a chatbot while giving the comfort of anonymity to the employee. This is a biennial survey and is administered across the organisation. This year, 95% of the eligible population responded, covering 9,419 employees.

- Our Company providing technology and infrastructure support as role enablers

Employees also appreciated the support offered by our Company during the COVID-19 pandemic. Over 90% of employees also felt that our Company had taken adequate measures to ensure their safety and well-being and had kept them well informed and connected through various learning initiatives and engagement activities during COVID-19. As per the result, employees expressed a need for support through more time to learn new skills.

Going forward, the findings from the survey will be communicated to the leadership team and function heads and further disseminated to employees. Additionally, manager-wise scorecards will be developed and shared with respective teams. The HR teams will conduct focussed group discussions to secure insight and actionable feedback based on the survey scores to identify specific improvement areas.

Over the last survey held in FY2019, the employees have continued to rate the below parameters significantly high¹:

- Advocacy in terms of recommending the Company to their friends and family as an organisation to work for
- Alignment to Company's Vision, Values and Strategy and these inspiring them to go the extra mile at work
- Company providing support in their hour of need



¹ Greater than or equal to 90% top 2 box score on the Voice of Employee survey

INVESTING IN A RESPONSIBLE MANNER

Our Company, in the course of discharging its fiduciary responsibility towards our policyholders, is a significant institutional investor in the securities of various companies. We would like to ensure that the businesses that we invest in, operate in a responsible manner. Therefore, in our journey towards responsible investing, we have improved upon our investment framework with an objective to incorporate Environmental, Social and Governance (ESG) factors.

Most of our funds' performance is compared with well recognised external benchmarks. These benchmarks do not have any specific inclusion of ESG considerations. Given our responsibility to deliver fund return above benchmark, we need to maintain a balance between our fiduciary responsibility to our policyholders and ESG risks consideration as part of our investment process.

FRAMEWORK:

We incorporate responsible investing (RI) in our investment processes by adhering to the following:



STEWARDSHIP POLICY:

We follow active ownership in our investee companies and have implemented a Stewardship policy which is publicly disclosed (<https://www.icicprulife.com/about-us/corporate-policies.html>)

- We engage with an investee company on corporate actions of material importance. Some of the issues where we may engage are enhancing shareholder value, capital allocation decisions, improving disclosures, treatment of minority shareholders, compliance with regulations, governance issues etc.
- Depending on merit, we may also collaborate with other investors
- We have a process on managing potential conflict of interest
- We exercise our voting rights in respect of companies where we have material exposure
- We disclose our voting actions on a quarterly basis. (<https://www.icicprulife.com/about-us/investor-relations/yearly-public-disclosures.html>)



INTEGRATING ESG INTO OUR INVESTMENT FRAMEWORK:

ESG issues are an important investment criteria for our investee companies. The processes and structures pertaining to ESG framework have been made operational in the financial year 2022. We have subscribed to ESG ratings provided by a recognised external service provider (“service provider”).

For investment in equity securities, the investment team refers to ESG ratings and descriptions thereof as provided by the service provider, as an additional input. The team also considers the rating parameters on the basis of which the companies have been rated by the service provider and decides the materiality of the impact on such companies given the business environment in India. For an investee company or potential investee company, where ESG rating by the service provider is not available, the team analyses ESG issues based on the disclosures made by our company. We also incorporate our view on ESG practices as part of our

investment arguments while investing into any new company.

In case a company has a low ESG rating due to legacy businesses, the fund manager(s), while making the investment decision, may consider the direction in which our company is moving forward and whether our company is likely to improve its ESG ratings. Where a company falls below the average bucket of ratings distribution as defined by the service provider, investment in such a company will require specific approval from the Chief Investment Officer (CIO). Depending on the merit of the business and the need to imitate the benchmark, the decision is taken by the CIO and the exposure is taken with due care.

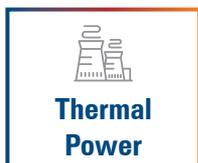
Building capability: We have appointed a dedicated person in the investment team to manage the ESG framework. Further, the entire team is being trained to understand ESG issues better while evaluating a company.



EXCLUSION BASED ON ESG FACTORS:

We have also instituted a screening policy based on governance risks, and industries which could be of social or environment concern. We have outlined below a list of restricted industries out of which coal and thermal power addresses the climate change impact. Exclusion criteria will apply to any company that derives more than two-third of its revenue from the following industries:

Within our equity portfolios, any company in our exclusion list cannot have an exposure higher than the respective benchmark exposure. Exposure up to the benchmark weight is allowed in order to protect the interest of policyholders’ as part of our responsibility to deliver competitive returns versus the benchmark.



INVESTING IN A RESPONSIBLE MANNER



GOING FORWARD:

We will continue to evolve the Responsible Investing framework in order to invest in businesses that are sustainable, socially responsible and better governed as part of our investments portfolio. We are also working on evaluating how we would integrate ESG into Fixed Income investments going forward.

PORTFOLIO:

At March 31, 2021 our total AUM of ₹ 2,142.18 billion is split as follows.

Asset Class (₹ billion)	At March 31, 2021
Fixed income	1,168.16
Equity	974.02
Total	2,142.18

At March 31, 2021 over 89% of our equity assets under management (AUM) was covered by the service provider towards ESG rating. Similarly, over 83% of the fixed income AUM is in sovereign / quasi sovereign securities or in corporate bonds that have been covered by the said external ESG service provider. ESG, as a concept, is still evolving in the domestic fixed income market. Going forward, our endeavour will be to evaluate credit taking into consideration the ESG parameters.

Investments towards economic development: For socio-economic development in the country, there is an immediate need for substantial investment in critical sectors including infrastructure and housing. The Indian insurance industry plays a key role in channelising household savings to

provide long-term capital needed for infrastructure and housing, as also investing significantly in Government bonds. At March 31, 2021, we have invested ~47% of our AUM in the industries related to infrastructure/housing and Government bonds (₹ 314 billion and ₹ 689 billion respectively).

MAKING DIGITALISATION SAFE

Our Company recognises the importance of information privacy especially given the responsibility placed on it by customers as they share their medical, financial and other sensitive information during the policy purchase or later policy lifecycle. The Privacy Policy of our Company (hosted on our website: www.iciciprulife.com), provides our commitment to privacy throughout the lifecycle of the information including collection, processing, sharing, retention and destruction.

The policy details the below-mentioned aspects:

Definition of Personal Information	Definition of Sensitive Personal Information	Collection of Information – covering methods of collection as well as the nature of information that may be collected
Specifics pertaining to the usage of Information	Circumstances under which the information would be shared with other parties	Storage, retention and security related aspects

It also highlights that changes (if any) to the policy, will be applicable prospectively.

Our Privacy policy is also in accordance with the applicable laws/regulations.

Further, steps are undertaken to protect the confidentiality of the Personal Information provided and ensure protection from unauthorised access or unauthorised alteration, disclosure or destruction.

Additionally, we have controls in place to ensure data is obtained through lawful and transparent means and is also collected and processed only for the stated purpose. On Data Request Management, we have defined responsibilities and processes to evaluate and respond to law enforcement or Government agencies. The data submission is done in accordance with the applicable rules and regulations.

We also undertake employee awareness programmes covering the aspects related



to data privacy such as 'Do's and Don'ts in the areas of privacy & confidentiality, workplace responsibilities, password and email security as well as information and cyber security. Employee onboarding and induction process includes information and cyber security aspects. Our Company also

conducts cyber security workshops for tactical and strategic teams with a view to assess the response to a possible cyber-attack, through a simulated and interactive session. Learnings from such workshops help our Company to strengthen the cyber security incident response framework.



MAKING DIGITALISATION SAFE

INFORMATION AND CYBER SECURITY FRAMEWORK:

Our information and cyber security framework ensures that all business information assets are safeguarded by establishing comprehensive management processes throughout the organisation and information is protected adequately through appropriate controls and proactive measures. Our information and cyber security policy is in line with the regulatory and legal requirements. For this policy, best practices have also been adopted from the ISO27001 standard.

Our internal governance body, the Information and Cyber Security Committee (ICSC), oversees and guides the implementation of suitable controls. Further, the implementation of our cyber security policy is directed through our information and cyber security department which reports to the ICSC. The ICSC reports to our Executive Risk Management Committee. Updates on Information Security related matters are also discussed at the Board Risk Management Committee every

quarter, and the Committee's guidance is sought. Additionally, information pertaining to cyber issues identified in the external environment, as available in the public domain, is also assessed to identify any learnings therefrom.

Considering the dynamic nature of the technology ecosystem and emerging cyber threats, Information and Cyber Security controls are periodically benchmarked with the help of external consultants to identify whether best-in-class controls continue to be implemented, as well as, specific reviews are undertaken in an ongoing manner.

The controls implemented by us include deployment of security solutions such as firewall, intrusion prevention system, anti-malware solutions and dynamic URL filtering. Further, a programme for regular vulnerability assessment of critical IT applications and infrastructure is in place. We also engage with government and

private agencies for threat intelligence and cyber risks and the solutions to address them. We also take assistance from external consultants and experts to reassess the controls and solutions implemented and enhance them accordingly. We also have a requisite framework and process in place to investigate incidents and take corrective actions through our Information and cyber security policy and Fraud risk management policy.

Based on the Information Security Management System (ISMS) controls implemented and the assessment conducted by the certification body, we have been awarded a certification under the ISO 27001:2013 standard. Further, in the current situation of the COVID-19 pandemic, we have implemented security protocols for the infrastructure supporting work from home which is enhanced through a periodic review.



TOWARDS FINANCIAL INCLUSION

OFFERING PRODUCTS IN A RESPONSIBLE WAY

We, as an organisation, are committed to providing adequate and affordable financial protection and promoting savings to achieve financial goals as per the individual's life stage for all sections of the society. This is achieved through our wide range of products and our multi-channel distribution architecture which enables customers to choose their preferred mode of purchasing products.

On the savings side, our product offerings range from unit-linked products which offer market-linked returns at one end, to fully guaranteed return products on the other. To meet protection needs, we have a suite of individual term life, group term life and critical illness products. All our products are approved by the Insurance Regulatory and Development Authority of India. We have designed a proprietary suitability matrix as part of our endeavour to offer the right products to match the needs of our customers which is based on multiple parameters like life stage, risk profile etc.

1. We have specially designed micro insurance products, targeting socially and economically weaker sections.
 - a. Our Group micro insurance range of products like 'Shubh Raksha' offers protection to the member's family in case of death of the member by paying out a corpus or clearing the financial liabilities. In FY2021, we covered 21 million lives, bringing the total coverage under such products to 46 million lives at March 2021. These plans offer a sum assured as low as ₹ 1,000 to ₹ 200,000. At March 2021, we have provided a total insurance cover of ₹ 1,292 billion under these plans. A substantial part of this cover has been provided to women.
 - b. Our retail micro insurance term product 'Sarv Jana Suraksha' has premium starting as low as ₹ 50 per annum. We have provided a total cover of ₹ 273 million under this product at March 2021.
 - c. Our retail micro-insurance savings product 'Anmol Bachat' enables one to save with as little as ₹ 200 p.a.
 - d. We partner with ICICI Bank in promoting Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY) a social security initiative. At March 2021, about 500,000 lives are covered under the PMJJBY scheme.
 - e. While designing products, we have incorporated features to specifically address the unique needs of women. For example, our retail protection plans not only offer lower premium rates for women, but also cover women-specific illnesses like breast, cervical cancer. Within the savings segment, our product "Lakshya", offers a higher guaranteed benefit exclusively for women.
 - f. To ensure greater reach and better understanding of our products, we have created sales collaterals in local regional languages. This is part of our endeavour to make our products accessible to all, including the underserved population.
2. Understanding the customers' need to protect the most important aspect of their life, which is health, we offer products like:
 - a. "Heart and Cancer Protect" which provides financial protection against most common major illnesses and
 - b. "Protected Life" which is a one of its kind plan and offers life cover for individuals with existing health conditions.
3. Savings: In these times of uncertainty, we have strived to reassure our customers by launching products like 'Guaranteed Income For Tomorrow' and 'Guaranteed Pension Plan' that offer guaranteed income during pre and post retirement phase respectively.

TOWARDS FINANCIAL INCLUSION

EMPOWERING CUSTOMERS

Customer experience: Our service promise to our customers is that we will always be Fair, Transparent, Empathetic and Responsive in all our dealings with them. Digital platforms like our Company website, WhatsApp, chatbot LiGo, and Mobile App enable customers to access information on their policies 24x7 from the comfort and safety of their homes. The adoption of Artificial Intelligence (AI), Machine Learning (ML), and Robotic Process Automation (RPA) powered solutions have enabled our Company to replace the physical handshake with a virtual one and deliver a superior experience across the customer lifecycle. The fact that 90% of service requests were completed through self-help modules in FY2021 is a testimony of that trend. Our determined efforts to ensure customer delight have been rewarded with customer loyalty which reflects in our 13th month persistency, which stands at more than 87%. Similarly our grievance ratio has improved to 46 per 10,000 new business policies issued for FY2021.

Further, the following specific measures were undertaken to enhance our customer experience at various touchpoints.

- Pan-India refresher training programme for employees in branches on key processes identified based on customer feedback

- Tracking application status: Updating customers on the status of their applications at all stages of the purchase journey through a communication framework that covers all milestones, channels, and governance architecture
- Transparency of charges and a detailed break-up of the amount paid to customers
- Single and simple communication (jargon-free) to customers for all pending requirements, i.e., medicals, additional documents etc.

Claims philosophy – ‘First Time Right’:

Our philosophy of ‘First Time Right’ ensures that all information is provided to the claimant in the very first interaction. Technology solutions like Optical Character Recognition (OCR) to read scanned documents have paved the way for shorter processing time. In FY2020, we had introduced ‘claims for sure’, a one day settlement promise for certain categories of claims. For FY2021, 100% of all eligible claims under this process were settled within the promised timeline of one day. The average time taken for settlement of non-investigated death claims improved to 1.4 days in FY2021. Our claim settlement ratio for individual death claims was 97.9% for FY2021.



“Claims & Customer Service Excellence Awards” - Life Category by FICCI in 2020



“Customer Service Company of the Year” - India Insurance Summit & Awards in 2020



Awarded the “Best Contact Centre” by the Customer Fest Leadership Awards 2021



INCREASING INSURANCE AWARENESS

Our Company conducts several activities to increase the awareness of life insurance. Given the pandemic situation, the digital medium was widely used during the last year.

Below is a snapshot of the activities conducted:

1) Term insurance media campaign:

A campaign was launched to help customers understand the need for financial protection. Since the onset of the pandemic, the need to stay healthy and secure, has become a priority for a lot of people. As the nation was embracing the new normal, people were doing a lot to protect themselves and their loved ones. The campaign addressed this change in customer behaviour of being extra cautious in the present and urged customers to do the same in the future. Through this campaign, we focussed on encouraging customers to get an all-in-one term plan that provides them with not just a life cover but also a critical illness cover and an accidental death benefit cover. The campaign was executed in multiple regional languages and was visible on key news channels, popular TV shows, outdoor hoardings, social media and other digital platforms. An engaging video for social media was also done to emphasise the importance of protecting the present as well as the future.

2) Insurance awareness programmes in rural areas (District of Unakoti - Tripura, Dahod - Gujarat and Fatehpur - Uttar Pradesh):

- a. Due to the ongoing pandemic and rules regarding social distancing, no

large gatherings were held in these areas. Mass SMS campaigns were carried out to spread awareness about life insurance. The key was to educate people about the importance of securing the financial future of their families with a term life insurance plan.

- b. Awareness campaigns were conducted on Facebook in the regional language to educate locals on the importance of the following:
 - i. Staying cautious due to the current pandemic situation
 - ii. Securing their family's future with a life insurance plan

3) Spreading insurance awareness amongst the salaried class:

Webinars were organised for employees from various corporates. Topics covered included the importance of life insurance, financial planning and the need for a critical illness cover.

4) Using newspaper articles effectively to spread awareness:

News articles featuring write-ups and quotes by senior management on key topics were featured in leading publications. Some of the topics covered were:

- a. Need and importance of buying life insurance
- b. Annuity as an option to secure one's retirement
- c. Term plan - an important way to ensure protection
- d. Importance of a critical illness cover to secure oneself against rising medical costs to treat a critical illness
- e. Points to consider while buying life insurance during the pandemic
- f. Buying insurance policies using eKYC



TOWARDS FINANCIAL INCLUSION

5) Digital campaigns:

- a. Awareness was created using social media platforms - Facebook, Instagram, Twitter, YouTube and LinkedIn.
 - i. Customers were made aware of key insurance terminologies through our “Know Your Life Insurance” series
 - ii. The platform users were educated on the benefits of goal-based savings plans and term plans through posts and videos
 - iii. Important days like Children’s Day, Karwa Chauth and key festivals were used to create awareness about the importance of life insurance plans
 - iv. Customers were informed about our policies covering COVID-19 life claims. They were also informed of our 24x7 digital channels where they could resolve all their policy-related queries

b. Important aspects of life insurance were highlighted on our Company website in an easy-to-understand manner. Some of the topics covered were:

- i. Basic concepts of life insurance
- ii. Importance of term and health insurance
- iii. Understanding ULIPs and their benefits
- iv. Things to keep in mind while buying a life insurance plan
- v. Grievance redressal process
- vi. Claim settlement process
- vii. Online tools and calculators

6) Education for existing customers of our Company:

We sent out communication to customers highlighting the importance of life insurance, retirement planning,

need for a critical illness cover and goal-based savings. We also made customers aware about their rights and cautioned them against spurious calls. To create maximum awareness, various mediums such as email, SMS, WhatsApp and social media were used. Some of the topics covered were:

- a. COVID-19 life claims being covered by our policies, at no additional cost
- b. Importance of retirement planning
- c. Our 24x7 digital channels for policy servicing and list of open branches
- d. Importance of updating contact details and staying connected
- e. Digital channels available for raising claims
- f. The importance of staying invested for the long term



MEETING CHALLENGES FROM EMERGING RISKS

IMPACT ON OUR BUSINESS

The life insurance industry faces a number of emerging risks. Even as the ongoing COVID-19 pandemic continues to pose several challenges for life insurers, there are new risks related to ESG issues. One of the most prominent ESG risks is that of climate change and its potentially far-reaching consequences. There is currently a lot of uncertainty about the impact of climate change and we have started working to better understand and address the potential impacts on our business. Apart from climate change, there are other emerging risks associated with public health trends such as increase in obesity-related disorders and demographic changes such as population urbanisation and ageing.

MANAGING OUR LIFE INSURANCE RISKS

For the impact of ESG risks on the asset side, we are implementing a framework for investment decisions that will support mitigation of risks due to climate change as well as other environmental, social and governance risks by factoring these in our investment decisions. For the liability side, it is difficult to estimate the impact of climate change on mortality and morbidity given the complex interactions with other factors such as environmental, social and demographic changes. Over the short-term, we do not expect climate change to have a material impact on our mortality and morbidity claims. Over the longer term, the financial impact of risks due to climate change on our insurance liabilities could be more significant.

In our risk management framework, some of the key control mechanisms which are applicable for the management of ESG risks are summarised below:

Further information on our approach to risk management has been set out in the sections on 'Enterprise Risk Management' and 'Risks and Opportunities' of the Annual Report.

Actual vs expected experience

We periodically review the actual experience relative to the expected experience for various risks such as mortality, morbidity etc. and track trends in key indicators like surrender rates. Such a review provides us insights on emerging risks if we face any. In the current situation of COVID-19 pandemic, we have been closely monitoring the overall mortality experience including the deaths on account of COVID-19. We have been holding additional provisions towards potential COVID-19 claims and adequacy of this reserve has been continually assessed, in line with the claims experience.

Re-pricing of existing products

We can consider re-pricing of a product if any worsening of experience is observed due to change in investment or insurance environment or due to emerging risks.

Underwriting strategy

We have in place underwriting procedures and processes that must be followed to identify risk at the time of acceptance of the contract for different classes of business. A review of the underwriting strategy is carried out periodically. The underwriting strategy can be adjusted to allow for emerging risks.

Review of bases

We conduct a review at least annually of the basis of assumptions, which are used for various purposes such as valuation, pricing etc. to assess any change in risk profile. A widespread increase in mortality or morbidity, for example as a result of climate change or emergence of new diseases, may require us to re-evaluate our assumptions.

Developing new products

We design exclusions and terms and conditions in consultation with reinsurers and with due regard to market practices to manage the various risks, especially mortality and morbidity risks. In order to deal with any emerging risk, new products could be developed with more suitable features, policy wordings, exclusions and terms and conditions.

Reinsurance arrangements

We use appropriate reinsurance arrangements, including catastrophe reinsurance, to manage insurance risk. Such reinsurance arrangements can support in transfer of emerging risks.



MEETING CHALLENGES FROM EMERGING RISKS

We assess the effectiveness of our risk controls through periodic stress testing exercises. These exercises analyse our resilience under various adverse scenarios such as severe economic shocks and the impact of catastrophic events like pandemics.

Operational risk management: Operational impacts from physical events triggered by climate change or otherwise could also challenge our operational resilience. Some of the key mitigation approaches for the ESG risks which are followed by us are as follows:

a) Business Continuity Management (BCM) framework: We have a Business Continuity Management (BCM) framework to ensure resilience and continuity of key products and services at a minimum acceptable level to achieve business - as usual presence in the marketplace and safety of human resources. We regularly test our disaster recovery plans and update our business continuity plans to better integrate evolving risks and the findings of our testing programmes. As a part of the BCM framework, business impact analysis and risk assessment is conducted to assess the likely impact on our business processes of adverse events such as natural disasters, pandemic, technical disruption like cyber-attack and administrative decisions like lockdown. We have been accredited with the ISO 22301:2012 certification for the BCM systems. In the current situation of the COVID-19 pandemic, we have undertaken measures to ensure our employees and customers are least impacted and we are able to serve or take care of them. Our employees are able to Work from Home when required and customers can comprehensively access our services digitally. Our robust

technology platform has positioned our distributors and sales management teams to carry out all functions remotely. We have been periodically reviewing our business continuity plan and updating it based on the learnings from the current situation of COVID-19 pandemic.

- b) We also have our information and cybersecurity framework along with privacy policy, details of which is shared under the section of 'Making Digitalisation Safe' on page 19.
- c) We have an Outsourcing policy and operating framework for the required

due-diligence for any new activity or vendor empanelment. Our Company has constituted an Outsourcing Committee which oversees the compliance to the IRDAI (Outsourcing of Activities by Indian Insurers) Regulations 2017.

Additionally, from the product offering perspective, we have designed a suitability matrix as part of our effort to offer the right product to the customer based on multiple parameters like life stage needs, risk profile etc. Further, ICICI Prudential Life plans to develop new products in line with the latest and upcoming health risk trends.

We have a risk management governance structure comprising the Board Committee and internal committees, the details of which are mentioned under the risk management section of "Promoting Accountability, Transparency and Ethical Behaviour".



PROMOTING ACCOUNTABILITY, TRANSPARENCY AND ETHICAL BEHAVIOUR

We are building on our organisation’s foundation of over twenty years by continually enhancing the governance structures, policies, processes and controls that support and promote accountability, transparency and ethical behaviour. We remain steadfast in our commitment to create and reinforce a strong and healthy culture in which all employees feel respected and empowered to do what is right for our customers, communities and shareholders.

Our Board of Directors and senior management take their responsibilities very seriously to set the tone at the top to provide effective leadership and rigorous oversight. We recognise ethics and governance to be of paramount importance. Through the policies, processes and practices, we have built a strong governance framework. We strongly believe that success and sustainable growth of any organisation depends on good governance.

In December 2019, our Company featured for the second consecutive year among the top three of the 50 companies that got listed between 2015 and 2017, based on its scores on corporate governance. The award was based on the scorecard on corporate governance, developed jointly by International Finance Corporation (IFC), BSE Limited and Institutional Investor Advisory Services (IIAS).

The following are the facets of corporate governance embodied by our Company:

A. GOVERNANCE STRUCTURE

A sound corporate governance mechanism is critical to retain and enhance the stakeholders’ trust. Our Company’s corporate governance philosophy is based on an effective independent Board and the separation of the Board’s supervisory

role from the executive management. The Board primarily concentrates on the direction, control and governance of our Company, through various policies and processes. With this perspective in mind, it has shaped the level of risk adoption, standards of business conduct and ethical behaviour for our company.

A.1 Board Composition and Independent Directors

Our Company’s Board is constituted in compliance with the Companies Act, 2013 (CA2013), Securities and Exchange Board of India (LODR) Regulations, 2015 and Insurance Regulatory and Development Authority of India (IRDAI) Corporate Governance Guidelines, 2016. Additionally, the IRDAI has prescribed certain parameters for assessing ‘fit and proper’ criteria, which is confirmed by the Directors, at the time of their appointment to serve as Director and annually thereafter. Further, the IRDAI and SEBI have mandated the Boards to prescribe the areas of expertise/skills the Board members are expected to possess. The areas of expertise/skills possessed by the Board members are required to be disclosed in the annual report of our Company. We are also required to submit to IRDAI a detailed information about the Directors, upon their appointment to the Board.



PROMOTING ACCOUNTABILITY, TRANSPARENCY AND ETHICAL BEHAVIOUR

The Board currently comprises five independent Directors, three non-executive Directors, two of whom are nominated by ICICI Bank Limited and one by Prudential Corporation Holdings Limited and the Managing Director & CEO. Except the Managing Director & CEO, all other Directors including the Chairman of the Board are non-executive Directors. The Board comprises a majority of Independent Directors and the Chairman of the Board is an Independent Director.

We recognise that a diverse Board with different thoughts, perspectives, knowledge, skill, industry experience, age and gender will ensure that our Company retains its competitive advantage. The Board Nomination & Remuneration Committee recommends the appointment of Director(s) to the Board of our Company based on the Board approved policy on diversity of board of directors and criteria for appointment of Directors. There is an appropriate mix of executive, non-executive and independent Directors. None of the Directors are related to any other Director or employee of our Company. The Board functions as a full Board and through various Committees constituted to oversee specific areas of business operations.

Independent Directors are those Directors who have confirmed that they have no material relationship with our Company. All Directors disclose to our Company and confirm annually about the entities where they are directors/partners or interested along with the list of all the entities/firms where the Directors or his/her relatives are directors/partners or are interested. Each Director is required to notify the Board of any change in circumstances or transactions which may potentially cause/perceived to cause a conflict of interest or



that may question his or her independence. An independent auditor certifies annually about the independence of the Independent Directors based on a separate analysis conducted by such auditors.

A.2 Board independence

The Board is responsible for corporate strategy and other responsibilities as laid down under the Companies Act, 2013, SEBI Regulations and by the IRDAI under the Corporate Governance guidelines. The Managing Director & CEO oversees implementation of the strategy, achievement of the business plan and day-to-day operations. Each person serving as a Director must devote the time and attention necessary to fulfil the obligations of a Director. Key obligations include regular attendance at the meetings, effective participation and necessary guidance on various agenda items. Directors are also expected to attend the annual general meeting of our Company.

In carrying out their duties, the Board has delegated some of its responsibilities to various Committees for effective oversight on the operations. The Board Committees, generally comprise a majority of independent/non-executive Directors and are chaired by independent Directors. There is a detailed and transparent information flow from the senior management to the Board and Board Committees, through well documented agenda notes, to effectively monitor the operations of our Company. We have various Board committees for smooth functioning of our Company which are Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Investment Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Customer Service and Policyholders' Protection Committee, Strategy Committee and With Profits Committee.

A.3 Board evaluation

With the approval of Board Nomination & Remuneration Committee, we have put in place a framework for evaluation of the Directors, Chairman, the Board and its Committees. The performance of the Board is assessed on select parameters relating to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The evaluation criteria for the Directors are based on their participation, contribution and offering guidance to the Management in their capacity as members of the Board/ respective Committees, especially in the areas of their expertise. The evaluation criteria for the Chairperson of the Board, besides the general criteria adopted for assessment of all Directors, focusses incrementally on leadership abilities, effective management of meetings and safeguarding the interest of stakeholders. The evaluation criteria for the Committees

is based on effective discharge of its terms of reference and its contribution to the overall functioning of the Board. The Chairman of the Board Nomination & Remuneration Committee anchors/initiates the performance assessment/discussion around the outcome of the evaluation of the individual directors, Board Chairman, Board Committees and the Board as a whole. On the other hand, the Board Chairman anchors/initiates the same for the Chairman of the Board Nomination & Remuneration Committee.

B. COMPENSATION POLICY AND PRACTICES

We follow prudent compensation practices under the guidance of the Board and the Board Nomination & Remuneration Committee (BNRC). Our approach to compensation is based on the ethos of meritocracy and fairness within the framework of prudent risk management. While we aim to ensure internal and external equity consistent with emerging market trends, our business model and affordability based on business performance set the overarching boundary conditions. The

output from the performance management system and talent management system serve as the inputs for administration of the Compensation Policy. Performance objectives are balanced in nature and comprise a holistic mix of financial, customer, people, process, quality, compliance objectives and/or any other parameters as may be deemed fit.

For the Managing Director & CEO and other whole-time Directors, compensation is aligned to both financial and non-financial indicators of performance including controls like risk management, process perspective, customer perspective and others. Ensuring balance in setting performance objectives, capping the payout of performance bonus and following an annual payout cycle ensures that prudent behaviour is suitably encouraged and rewarded. The quantum of performance bonus does not exceed a certain percentage (as stipulated in the Compensation and Benefits policy) of total fixed pay in a year. If the quantum of bonus exceeds a pre-defined percentage of the total fixed pay, a part of the bonus is deferred and paid over a pre-defined period.



PROMOTING ACCOUNTABILITY, TRANSPARENCY AND ETHICAL BEHAVIOUR

For whole-time Directors:

- The deferred part of the variable pay (performance bonus) may be subject to malus, under which, our Company may prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.
- Employees are required to sign clawback agreements for variable pay. In a claw back arrangement, employees agree to return, in case asked for, the previously paid variable pay to our Company in the event of an enquiry determining gross negligence or integrity breach, taking into account relevant regulatory stipulations.
- Acts of gross negligence and integrity breach are covered under the purview of the compensation policy. Errors of judgement are not construed to be breaches.



In addition, compensation for whole-time Directors is aligned to their pre-defined Key Performance Indicators as approved by the Board and BNRC, and to prudent risk parameters which include the following:



C. COMPLIANCE FRAMEWORK

Our Company is a registered life insurance company and regulated by the Insurance Regulatory and Development Authority of India (IRDAI or Authority). The Authority has been a pivotal and guiding force behind the resilient and well developed insurance sector.

Further, we have formulated various internal policies/procedures and an employee Code of Conduct, which govern the day-to-day activities to ensure compliance. The compliance function disseminates the information regarding relevant laws, regulations and circulars related to insurance and anti-money laundering to various functions. It also serves as a reference point for seeking clarifications on applicable insurance laws, regulations and circulars issued by the Regulator. The Compliance Policy serves as the guiding force in building the compliance culture within the organisation.

Anti-Money Laundering: We take the fight against money laundering and terrorist financing very seriously and are

committed to implement and maintain industry-leading policies and standards. We strive to ensure that our Company's products and services are not used as a vehicle for laundering unlawfully derived money or to finance terrorist acts. We have in place an annually reviewed Board approved policy on anti-money laundering and countering financing of terrorism (AML), through which it has put in place procedures to combat money laundering and terrorist financing. With the aim of mitigating risk, this policy focusses on customer identification (including enhanced due diligence in high risk cases) and verification, regular on-going monitoring of customer transactions and makes necessary reporting to the Financial Intelligence Unit - India. We have processes in place to implement a robust risk-based approach in conducting customer due diligence, including enhanced due diligence wherever required. We have also deployed an automated sanctions screening tool to ensure that our Company does not transact or enter into a relationship with entities sanctioned by various domestic and international organisations, involved in money laundering or terrorist

financing. Further, we provide AML training to our employees and agents, both at the onboarding stage as well as at regular intervals. These trainings focus on employees’ role in managing risk, types of risks they may encounter, and processes used to manage those risks. Further, we have established mechanism for employees and agents to report suspicious behaviour to the Money Laundering Principal Officer. Lastly, the AML Policy and Procedures are reviewed by the Internal Audit function at a fixed periodicity, and improvements to the same are suggested.

Monitoring and Compliance Audit:

The Compliance, Risk, and Internal Audit teams undertake a range of monitoring activities during the year to provide assurance that business units are complying with applicable laws, regulations, and company policies. The compliance team also monitors the adequacy of the compliance framework across our Company in conjunction with the Internal Audit function through an integrated risk-based audit plan. Key issues observed as part of this monitoring are reported to the Board Audit Committee, and implementation of recommendations is actively monitored. Additionally, **a quarterly compliance certificate** signed by the Managing Director & CEO, based on confirmations from the respective functional heads, is placed before the Board Audit Committee and the Board of Directors. Issues/deviations, if any, are reported to the Board Audit Committee. Further, the internal audit team reviews the same annually. The heads of control functions like the Compliance and Internal Audit, report to the Board Audit Committee. Also, the Internal Audit function conducts compliance monitoring and audit of the compliance function.

D. RISK MANAGEMENT

We recognise that risk is an integral element of our business and managed acceptance of risk is essential for the generation of shareholder value. We have a risk governance structure which consists of the Board, the Board Risk Management Committee (BRMC) and the Executive Risk Committee (ERC) which is supported by appropriate sub-committees. Our risk philosophy is outlined in the Board approved risk policy which is reviewed by the Board at least annually. The Board and the Committees play a key role in the identification, measurement, monitoring and control of the different risks faced by us. The BRMC continually reviews the asset liability management (ALM), to monitor all risks across our various lines of business and establish appropriate systems to mitigate such risks. The BRMC reviews our risk appetite and risk profile in detail in addition to overseeing the

effective operation of the risk management system and advises the Board on key risk issues in a timely manner. This includes monitoring and reviewing the aggregated view of our risk profile in addition to the individual risk profiles, reporting to the Board details of the risk exposures and the actions taken to manage the exposures. Besides, it also includes setting the risk tolerance limits and assessing the cost and benefits associated with a risk exposure and reviewing compliance with relevant regulatory guidelines.

Our approach to management of emerging risks is summarised in the section of “Meeting challenges from emerging risks”. Further details of how we manage risks have been set out in the sections on ‘Enterprise Risk Management’ and ‘Risks and Opportunities’ of the Annual Report.’



PROMOTING ACCOUNTABILITY, TRANSPARENCY AND ETHICAL BEHAVIOUR

Audit process: The Internal audit department (IAD) of our Company acts as an independent entity and reports to the Audit Committee of the Board. The IAD has an unrestricted access to the Audit Committee Chairperson and the Managing Director and Chief Executive Officer (MD & CEO). The Head-Internal Audit reports directly to the Audit Committee of the Board and administratively reports to the Chief Risk & Compliance Officer. The IAD has developed a Risk Based Audit Plan (RBAP) and the same has been approved by the Audit Committee of the Board. The basic philosophy of The RBAP is to provide a reasonable assurance to the Audit Committee of the Board and management about the adequacy and effectiveness of the risk management and control framework in our Company. The scope of internal audit work includes the review of risk management procedures, internal control systems, information systems, vulnerability assessments and governance

processes. Key audit observations and recommendations are reported to and discussed at the Audit Committee of the Board. Implementation of the recommendations is actively monitored.

Investment Framework: We recognise our responsibility, as insurance companies to protect the interests of the policyholders, which demands that we have in place good governance practices for sound long-term investment in addition to the robust risk management framework. Through the Board-approved Investment Policy we have laid out an operational framework for our investments. This policy, inter alia, encompasses aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management or mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds. The Board through Board Investment

Committee reviews compliance to the Investment Policy.

Further, to the above as an investor in various securities and an entity whose securities are listed, we also have a Code of Conduct to regulate, monitor and report trades in Securities by Designated Employees (Insider Trading Code). This Code prescribes norms and restrictions in undertaking personal investment by select employees, given our Company invests its policyholders' funds.



E. ETHICS AND POLICIES

We are committed to adopting the highest business, governance, ethical and legal standards in the conduct of our operations. We promote responsible behaviour amongst employees through various measures and initiatives. We have a **Code of Conduct (“Code”)** which defines the professional and ethical standards that employees and Directors need to adhere to, in compliance with all applicable laws, regulations and internal policies. All employees confirm that they have read and understood the Code of Conduct annually which includes aspects related to information and cyber security, Whistle Blower policy and anti-bribery/corruption. All new employees are also required to confirm that they have read and understood the Code after joining. We regularly conduct awareness campaigns to familiarise employees with the various policies to ensure adherence to the highest standards of ethical behaviour.

Apart from the Code of Conduct, we have established policies for employees including the Policy against Sexual Harassment at Workplace, Anti-Bribery & Anti-Corruption Policy, Anti-Money Laundering Policy, Compliance Policy, Framework for Managing Conflict of Interest, Insider Trading Code, Whistle Blower Policy (WB Policy), Information and Cyber Security Policy and Fraud Risk Management Policy.

To administer and ensure compliance to the Code and applicable laws and regulations, we have defined **Employee Service Rules (ESR)** that apply to all employees of our Company or of any other subsidiary of our Company and/or employees who are on fixed term contract or any other form of employment contract. The objective of the ESR is to define the terms and conditions

of appointment and service, the rules of conduct that employees need to adhere to at the workplace and to lay down the procedure of grievance redressal and disciplinary action in the event of a breach of the Code or any of our Company’s policies, statutory laws or regulations as maybe applicable. The ESR and the WB Policy together constitute the framework for classification, enquiry, redressal and reporting of all employee grievances pertaining to any breach of the Code or Company policy or applicable statutory laws and regulations.

We have a **Framework for managing Conflict of Interest** that clarifies the principles and the measures to manage potential conflicts of interest at the individual and the organisation level, in order to conduct its activities in an ethical and transparent manner. We have a **Policy against Sexual Harassment at Workplace** and awareness of the policy is created amongst all employees periodically. We believe in providing a safe working environment at the workplace.

We are also compliant with the provisions mentioned in The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 including the constitution of an Internal Complaints Committee. The number of cases reported from January 2020 to December 2020 stand at 7, with all cases duly investigated and acted upon.

We have in place a policy on **Anti-Bribery & Anti-Corruption (ABC)** and Operational Guidelines for Acceptance of Gifts, Entertainment and Sponsored Travel. As per our ABC Policy, employees and other persons representing our Company are prohibited from offering, accepting, paying or authorising any bribes or any form of corruption in any business interaction that involves our Company and government officials, our customers, vendors, or employees.

Our Code of Conduct restricts any employee from making any payment to or for anyone for the purpose of obtaining or retaining business or for obtaining





PROMOTING ACCOUNTABILITY, TRANSPARENCY AND ETHICAL BEHAVIOUR

any favourable action, including to any Government agency or its representatives. While the ABC policy aspects are covered in employee induction, refresher classroom training is conducted for all sensitive departments. Further, we contractually bind our intermediaries and other entities we enter into agreements with. Our standard contracts contain an ABC clause.

Our ABC Policy provides guidance to our business teams on how to deal with public servants, and other potential stakeholders. The ABC Policy is a part of our governance framework. During FY2020-21, our Company further developed its training modules and delivered classroom trainings on ABC across functions of our Company. Training sessions on ABC were conducted for 5,479 new employees in the FY2021. Additionally, risk-based training of appropriate employees was conducted through classroom/online mode for 1,933 employees in FY2020-21. Further, all employees were required to go through a refresher document on ABC and renew their commitment to the same. It focussed on model conduct and the implementation of our Company's ABC and Gift policy and procedures. Our Company ABC policy is also available on the intranet sites for all employees and agents to access. An ABC audit is carried bi-annually by the internal audit function of our Company while the ABC Policy is reviewed annually.

Our **Whistle Blower policy** covers all employees, including Directors of our Company. The policy encourages any employee or Director to report any breach of any law, statute or regulation, issues related to accounting policies and procedures, acts resulting in financial loss or loss of reputation, misuse of office, suspected/actual fraud and criminal offences, non-compliance to anti-bribery and anti-corruption policy. Besides, it also

includes leak of any unpublished price sensitive information (UPSI) pursuant to SEBI Regulations or any such information prescribed pursuant to any regulations/laws, as amended from time to time. The Policy provides a secure mechanism to raise concerns (with an option to remain anonymous), which are appropriately and independently investigated, addressed and reported to the Audit Committee of the Board. The policy also ensures appropriate protection to the individuals raising the concerns. There were no reported cases during FY2021 relating to breach of accounting policies and procedures.

The policy has been periodically communicated to the employees and an extract of the same has also been hosted on our Company's intranet and details pertaining to establishment of a vigil mechanism are hosted on the website at <https://www.iciciprulife.com/about-us/corporate-policies.html>.

We also have a **Grievance redressal policy for customers** that includes a redressal framework for ensuring prompt and effective resolution of grievances. Our service recovery team, which is an independent central grievance redressal team, is responsible for investigating,

evaluating and deciding on the resolutions of complaints, in a fair and impartial manner. We offer multiple channels to report grievances such as branch, e-mail/letter, website/mobile app, contact centre, sourcing intermediary and social media. Our process to manage a customer's complaint includes a thorough review of the customer's concern and investigation through fact-finding and evidence. We offer the best possible solution after a review of the customer's profile and product offered after taking feedback from the sourcing intermediary (as applicable). If a customer is not satisfied with the resolution, he or she can escalate it to our Company touchpoint (level 01), Grievances Redressal Officer (level 02) and Grievances Redressal Committee (level 03).

External avenues such as the Ombudsman office and the IRDAI are available to the policyholder and the details of the same are made available on our Company website and in the policy document.



COMMITMENT TO THE ENVIRONMENT

As a financial services Company, our initiatives are based on the core ethos of responsible consumption and recycling wherever possible. We operate through 517 offices including one Head office and two back offices. We try to minimise the environmental impact through a three-pronged approach to environmental initiatives.



1. Responsible consumption of energy



2. Water conservation



3. Reduction of waste and recycle and reuse wherever possible

A. RESPONSIBLE CONSUMPTION OF ENERGY

a) **Deployment of Inverter AC and VRF AC in place of conventional ACs:**

We are installing Inverter and Variable Refrigerant Flow (VRF) AC systems progressively, as and when the need for replacement or a new system arises. As of now, we have installed inverter AC & VRF AC systems to meet 27% of our requirement. We have also installed energy-efficient ACs (3/5 star rated) across other offices. We have identified locations where conventional ACs are still deployed, made a phase-wise plan for replacement of conventional ACs to Inverter AC based on tonnage, vintage and repair cost incurred. In FY2021, we had identified 47 locations and deployed inverter ACs contributing to a saving of an incremental 661 tonnes of carbon footprint in FY2021. Overall, the carbon footprint saved is 2,312 tonnes.

Further, the AC temperature across our office premises is maintained at 24 (+/- 1) degree Celsius. Our new air conditioners use environment-friendly refrigerants.



COMMITMENT TO THE ENVIRONMENT

b) Deployment of LED lighting in place of conventional tube-lights:

About 77% of our office space is equipped with LED lighting. We have identified locations with conventional lighting, made a phase-wise plan and deployed LED lighting at 43 locations contributing to a saving of an incremental 155 tonnes of carbon footprint in FY2021. Locations were identified based on the vintage and energy charges. Overall carbon footprint saved is 1,708 tonnes.

c) Deployment of LED signage in place of conventional signage:

Deployment of LED signage contributes to increased lux levels and increased light burning hours. About 76% of our signage has been converted to LED signage. We have identified locations with conventional signage, made a phase-wise plan and in FY2021, 22 locations were deployed with LED signage, contributing to a saving of incremental 67 tonnes of carbon footprint in FY2021. Overall carbon footprint saved is 747 tonnes.

- d) We have improved the air quality in 73 branches which is 42% of our total office area by using live plants within our office premises.
- e) About 15% of overall office space is fitted with sensor-based lighting.
- f) Periodic maintenance is undertaken for major equipments including ACs which contributes to ~80% of the electricity consumption.
- g) An e-mail campaign was launched to create awareness on paper reduction, water consumption and electricity optimisation.

B. WATER CONSERVATION

Being a financial services company, water usage is limited to office use purposes. Yet, we take appropriate precautions to conserve the resource.

- a) We are converting conventional water-based urinals to waterless urinals in phases. About 38% of our urinals have been converted as on date. At March 2021, a total of 224 waterless urinals were deployed across our branches, contributing to a yearly saving of 336 tonnes of water and Carbon footprint saving of 168 tonnes.

- b) About 94% of our taps have been fitted with aerators as on date, contributing to 16.9 tonnes of water saving and 8.5 tonnes of carbon footprint saving in FY2021. Cumulative carbon footprint saved till date by aerator tap installation is 17.1 tonnes.
- c) Our two largest offices are equipped with sensor-based taps.
- d) Our head office has a sewage treatment plant.



C. REDUCE, RECYCLE & REUSE WHEREVER POSSIBLE

Waste reduction and management has been one of the focus areas to improve our operational efficiency as well as minimise the impact on the environment. The waste generated through our operations can be broadly classified as dry waste (primarily paper waste), e-waste and wet waste (primarily from the cafeteria). Since our Company is a financial services entity, there is no hazardous waste being generated. Similarly, our raw material procurement is very limited in scope and it is largely confined to paper and electronic equipments. We believe in reduce, reuse, recycle and manage solid waste efficiently. Reduction of paper consumption has been a key strategic thrust.

Our digitised business processes offer an end-to-end paperless journey and contactless interactions across the policy life cycle. Virtual collaboration solutions are utilised by our sales force to connect with prospects. Our entire customer onboarding journey is completely digital. Around 95% of new business applications are logged digitally. We have further strengthened our digital journey with video verification, WhatsApp-based video verification, instant data extraction from uploaded documents, real-time KYC verification and video and telephonic underwriting along with 24x7 digital assistance to help our salesforce. Our 24x7 Omni-channel solutions help customers to perform transactions anytime and anywhere. We have witnessed more

than 5.4 lakh transactions on chatbot LiGo. The digital solutions not only reduce solid waste through avoidance of documentation process but also reduces carbon emission by avoiding travel requirements both by customers and sales/service personnel and is especially meaningful and relevant in a COVID world.

Other than our core business operations, we are reducing the usage of paper by encouraging our employees to go paperless. We are also encouraging our customers/shareholders to provide email ids for digital communication. Also, given the pandemic, most of our employees were operating from home resulting in further reduction in paper usage and business travel. As we return to normalcy in the coming year, we expect some of this reduction to revert back.

- a) Paper consumption at offices reduced by 57% compared to FY2020 because of various awareness campaigns and access controlled printing in our major offices. Carbon footprint reduction in FY2021 is 252 tonnes.
- b) Paper consumption for customer communication reduced by 56% compared to FY2020 due to initiatives such as increased usage of electronic media for all customer interaction, policy communication and policy confirmation. The Carbon footprint reduction in FY2021 is 293 tonnes.

- c) Paper consumption for sales stationery printing reduced by 91% compared to FY2021 as we shifted all our sales stationery to electronic media and paper communication has been optimised. The Carbon footprint reduction in FY2021 is 171 tonnes.
- d) Encouraging our Shareholders to provide email ids: As on March 31, 2021, 86% have registered their email id for digital communication pertaining to annual report and others.
- e) Paper cup consumption has been optimised by 62% due to various initiatives like "Bring your own mug", employee awareness on paper etc. The Carbon footprint reduction in FY2021 is 24 tonnes.
- f) Other initiatives: Given the pandemic, collaboration platforms are offered to all employees to enable virtual meetings and collaboration among employees. We have also installed video conferencing facilities in 94 locations reducing the need for travel, leading to reduction in carbon emission. We have also stopped single use plastic water bottles across our offices and replaced them with reusable water jar and glasses. Besides, we have replaced plastic garbage bags with bio-degradable bags and plastic dustbins with steel dustbins. At our cafeterias, which are available at our largest offices in Mumbai, we use reusable plates.



COMMITMENT TO THE ENVIRONMENT

Wet waste reduction:

We are focussed on reducing wet waste by creating awareness amongst employees on food wastage. At our head office and back office cafeterias, we display the daily quantum of food being wasted and the number of people who could have been fed with the food that was wasted. At our head office, we also have a system to convert wet waste into manure.



E-waste disposal:

Being a financial services entity, there is limited scope for using recycled material as processed inputs. Nonetheless, our company is constantly seeking opportunities to recycle waste. Computers, printers, switches and scanners have been the main contributors of e-waste generated. In FY2021, 439 IT assets have been disposed through Government-approved vendors. Total IT assets disposed in last three years are 6,175 and disposal certificates have been obtained for the same.



Business travel: Business travel has been abnormally low this year due to the COVID-19 pandemic.

1. Air travel has reduced by 95% resulting in carbon footprint reduction of 913 tonnes in FY2021.
2. Car travel has reduced by 92% resulting in carbon footprint reduction of 44 tonnes in FY2021.

CONTRIBUTING TOWARDS SOCIETY

PROMOTING INCLUSIVE GROWTH

Our vision is to build an enduring institution that serves the protection and long-term saving needs of customers with sensitivity. In line with our vision, we endeavour to proactively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India’s economic progress.

Corporate Social Responsibility (CSR) policy is our commitment to provide resources and support activities focussed on enhancing economic and social development. This is done by supporting programmes around the focus areas of education, skill development and sustainable livelihood, health care for the under-privileged, encouraging employee volunteering and extending support for disaster relief and rehabilitation.

Our Company’s CSR budget for FY2021 was ₹ 108.4 million. Our Company has spent ₹ 109.8 million for support against the COVID-19 pandemic and CSR initiatives.

Our Company contributes 70% of its CSR budget to the ICICI Foundation for Inclusive Growth (ICICI Foundation) which undertakes CSR initiatives for the ICICI group and the balance 30% of the CSR funds is deployed to directly undertake various initiatives for the underserved.

ICICI Foundation focusses on the areas of sustainable livelihood through skill development and identified social and environmental projects. Our Company supports the ICICI Foundation on the skill development programme via the ICICI Academy for Skills. Launched in 2013, the ICICI Academy for Skills aims to provide a new horizon to the country’s lesser privileged youth. The Academy offers industry-relevant and job-oriented vocational training in 13 technical and office skills across 28 operational centres across

the country. Apart from the technical and non-technical courses, the “Home Health Aide” has been introduced to train the youth as caregivers for providing home health care services. During the pandemic, the programmes have been conducted digitally and accreditation of the same had been received from The National Skill Development Corporation (NSDC). Practical training was taken up in smaller batches while adhering to social distancing norms.

Through its pro bono skill-development training programmes, the Academy’s objective is to make youth employable, enabling them to earn a sustainable livelihood. The idea is not only to significantly impact their lives, but also helps them become productive members of society.



CONTRIBUTING TOWARDS SOCIETY



13

Diverse Courses



28

Academy Centres



20

States / Union Territories



42%

Female trainees
trained till date



14,000

youth trained in FY2021



159,000

beneficiaries trained
till date



84%

Placement ratio



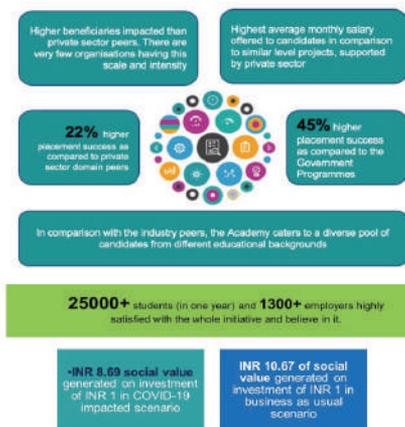
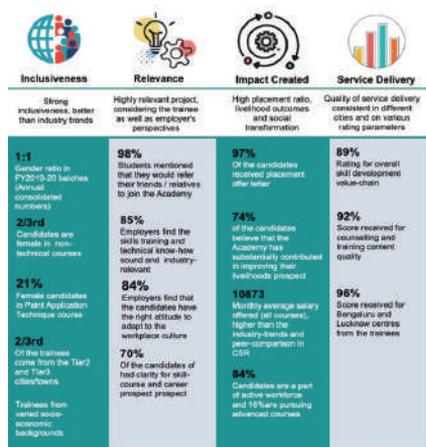
Home Health Aide - Intubation training



Electrical and Home appliance repair training at ICICI Academy for Skills

ASSESSMENT FOR ICICI FOUNDATION LIVELIHOOD INITIATIVE – ICICI ACADEMY FOR SKILLS –

The project performance and impact of the initiatives of ICICI Foundation have been analysed and captured in the following key areas as below:



The report in detail can be viewed on below link on Company website <https://www.iciciprulife.com/about-us/company-overview/corporate-social-responsibility.html?ID=about-csr>

Support during COVID-19

To support relief and rehabilitation of people impacted by the COVID-19 pandemic, our Company has contributed the allocation for ICICI Foundation to the PM CARES Fund for COVID-related support measures. In FY2021, our Company contributed ₹ 100 million to PM CARES Fund. With the FY2020 CSR outlay, our Company had extended support of 24 ventilators to Government hospitals in Maharashtra, Delhi and Haryana.

ICICI Foundation, on behalf of the ICICI Group, undertook extensive support and relief activities through the COVID-19 pandemic in FY2021. Through this effort, the ICICI Foundation has reached out to over 551 districts across all 36 states and UTs in the country. Apart from groceries, over 50 items or services such as PPE kits, hospital beds, ventilators, mobile van services, etc. were provided as part of this initiative. ICICI Foundation also conducted COVID-19 related awareness to over 675,000 trainees and their acquaintances. The beneficiaries of the COVID-19 relief measures were COVID warriors like medical staff, police forces, Central Industrial Security Force (CISF), sanitation workers, etc.

van services, etc. were provided as part of this initiative. ICICI Foundation also conducted COVID-19 related awareness to over 675,000 trainees and their acquaintances. The beneficiaries of the COVID-19 relief measures were COVID warriors like medical staff, police forces, Central Industrial Security Force (CISF), sanitation workers, etc.

₹ 100 million

support to PM CARES Fund

24

ventilators support provided to Government hospitals in three states

COVID-19 relief


Mobile Van


Ambu Bags


Hospital Beds


Incubation boxes

551 districts across all 36 states and UTs


Ventilators


PPE Kits


Thermal Imaging Terminals


Battery operated sprayer Machines

ICICI Foundation COVID-19 relief measures on behalf of the Group Companies

CONTRIBUTING TOWARDS SOCIETY

CSR INITIATIVES

A. Education and Skilling and sustainable livelihood:

- **Skilling and securing sustainable livelihoods of local communities in Himalayan rangelands**

We have partnered with the World Wide Fund for Nature (WWF)-India to support skilling and sustainable livelihood of local communities living in the Himalayan regions as well as manage the ecological balance of the region. With WWF India, in Tsokar Leh in Ladakh, communities have been trained on setting up homestays to host tourists. In FY2021, 20 households for homestays have been trained and set up for another 20 homestays is in progress.

Further, a production facility is being set up in Tsokar to produce pashmina shawls to train the women on its production. Of the total 500 women to be trained for handicraft production, 90 were trained on traditional handicrafts in FY2020 and over 50 have been trained in FY2021. The programme aims to empower an additional 360 women with training in the coming year.



Handicrafts training for Women in Pir Panjal vide World Wide Fund for Nature India



Local women being trained at handicrafts and carpet designing



Handicraft training at Tsokar vide World Wide Fund for Nature India

- **Holistic development of underprivileged children**

We support underprivileged/orphan/abandoned children living in child care homes on interventions of education, skilling, vocational training, food & nutrition, and health & hygiene, to provide a nurturing environment for their overall development. We have partnered with Catalysts for Social Action (CSA) to provide support on the holistic development of 129 children living in 3 child care homes of Madhya Pradesh. One of the key components of the programme with CSA is to provide support for the 'Aftercare' initiative for children aged 18 and above, which aims to help them get integrated into the society through support on higher education, skilling and life skills. Career plans post counselling are prepared for all children. Eight children are currently pursuing higher studies / vocational training and 5 youngsters have been placed at jobs as per their career plan.

Financial literacy sessions have been conducted as part of the programme to build financial resilience skills amongst the children. Multiple sessions on basics of financial management, importance of saving for a secure future and operational knowledge on banking were imparted.

Cumulatively, to date, over **1,200 children** have been supported through the programme "Asha".



Children attending online classes



Menstrual Hygiene Kits distributed vide programme Asha

CONTRIBUTING TOWARDS SOCIETY

SUCCESS STORY



Aarti was brought to CSA at the age of 13 as her father had health issues and her mother was a daily wage labourer with four more kids younger than Aarti to look after. A sincere and hardworking child, she has performed exceedingly well and scored a robust 72% in Physics, Chemistry and Biology group (PCB) in her class XII examinations without any coaching or private tuitions. The CSA, in discussion with Aarti, has formulated a career plan wherein she is currently pursuing a BSC Nursing course and is keen to enrol for higher studies, i.e., MSc in Nursing.

Aarti believes that due to this course she has got a new direction in her life and is confident of helping her family financially. She is assured of getting a job of her choice through which she dreams of supporting her younger sister's education.



AARTI MANDLOI

- **Supporting education through scholarship**

We provide educational scholarships to three underprivileged students to support them in their education. These students are pursuing school education at Plenum School, Himachal Pradesh.

- **Personal Safety Programme for children**

We support Arpan on its 'Personal safety programme' to reduce the instances of child abuse and ensure child safety. The programme empowers and educates school children on the relevant knowledge, skills and attitude to prevent abuse as well as seek adequate support proactively. Over 280 children have been trained in FY2021 on the personal safety programme. Cumulatively over 565 children have been benefitted through the programme.

Over 280 children have been trained in FY2021 on the personal safety programme. Cumulatively over 565 children have been benefitted through the programme.



Personal Safety being imparted to children by Arpan

B. Healthcare:

• Cancer Care Support

As part of the Cancer care programme, we have partnered with Tata Memorial Hospital (TMH), Mumbai to support medical treatment of underprivileged children diagnosed with the ailment. Cumulatively, over 200 patients have been supported through the programme.

• Medical treatment of underprivileged infants and children

With **Shrimad Rajchandra Sarvamangal Trust** and **Ekam Foundation (Mumbai)**, we provide support on medical surgery, treatment for critically ill infants and children. With Ekam, the programme has been enhanced to support vocational equipment for the differently abled youth. Cumulatively, over 79 infants/children have been supported through the programme.



We express our gratitude for being of great support to us and our patients during the past five years, especially during the pandemic. Amidst the other challenges, one of the most critical challenges faced by patients is the financial burden of disease (patient care and treatment). This challenge was accentuated during the pandemic for known reasons. In these testing times, the CSR Fund helped TMH provide seamless treatment to patients. Assistance was provided to over 200 adolescent cancer patients (male and female), aged 0 to 21 years. We again thank the CSR team who stood by us relentlessly for the past 5 years.

Dr. Vinit Samant

Tata Memorial Hospital



C. Environmental sustainability and ecological balance

We have partnered with WWF-India to prevent retaliatory killing of predators by supporting the villagers financially for their loss of cattle. The financial support extended aims to soften the blow of losing a critical livelihood option. The programme is implemented across WWF-India's priority tiger landscapes in

India, namely, Brahmaputra landscape (Assam), Western Ghats Nilgiris landscape (Tamil Nadu, Kerala, and Karnataka) and the Terai Arc landscape (Uttarakhand, Uttar Pradesh and Bihar).

The programme has extended support to over 2,100 villagers till date.

200+

Patients treated through the Cancer Care

2,100

Villagers till date were extended support under the programme

79

Infants/children supported till date

CONTRIBUTING TOWARDS SOCIETY

D. Employee volunteering initiatives

We encourage the spirit of giving amongst our employees by providing various volunteering platforms. Over 4,300 employees donated over ₹ 28.3 million by participating through multiple programmes listed below:

4,300
Employees participated in various volunteering initiatives

₹ 28.3 million
Donation volunteered by employees through multiple programmes



iCare.iShare Payroll Giving programme

An online donation platform in partnership with GiveIndia, offers employees the freedom to contribute monthly to any cause of their choice from their payroll. We make a matching contribution to the donation made by the employee for the Payroll Giving programme.

DaanUtsav programme

We celebrate the festival of giving 'DaanUtsav' in October every year by fulfilling small joys of children living in child care homes of Madhya Pradesh. During this pandemic, the employees spread smiles with an effort to protect and safeguard the vulnerable children by donating essentials such as hand sanitisers, masks, hygiene kits and more!

Contribution to disaster relief and rehabilitation programmes

Employees volunteered to donate ₹ 26.5 million to the PM CARES Fund through their payroll for supporting relief measures against the COVID-19 pandemic. Each member of the Management Committee of our Company contributed one month of their salary to the PM CARES Fund.



₹ 26.5 million
Donation volunteered by employees to the PM CARES Fund

ANNEXURES TO THE ESG REPORT FY2021

ANNEXURE I: LEARNING PROGRAMMES

Our Company has an established capability building architecture that caters to all levels and roles. Some of the flagship programmes are given below:

The frontline sales employees are provided with domain-specific inputs mapped to the business strategy on elements of product and process knowledge, enhancing service, enabling digital, skill building, market knowhow and enhancing productivity through the “Saksham” learning framework. Catering to the new norms of work and helping employees adapt to the digital way of working and selling, a special series - “Work Rewired” was launched post COVID. All employees have attended these programmes.

The managerial effectiveness programmes for junior and middle management - Managerial Effectiveness Programme (MEP) and Advanced Managerial Effectiveness Programme (AMEP) respectively, aim at enabling employees to excel in their roles as first time managers and as manager of managers. We believe in creating leaders for tomorrow through structured programmes like Leadership Mentoring Programmes which are conducted to build perspective on various leadership themes using experiential learning techniques. About 83% of eligible employees have gone through such programmes.

In addition to these learning interventions, as per regulatory guidelines, all employees are trained on compliance modules such as Anti-Money Laundering and Know Your Customer, Anti-Bribery and Corruption, Information and Cyber Security and Prevention of Sexual Harassment. These are included as part of induction training for new employees and as e-learning modules for existing employees.



As part of our development initiatives, all employees in the managerial cadre have participated in Development Centres. The tools in these Development Centres were designed to simulate workplace challenges. Based on their demonstrated behaviour in the Development Centres, employees were given a feedback report outlining their proficiency on our Company’s Leadership Anchors. Employees were encouraged to use these feedback reports and craft their development journeys in consultation with their managers keeping in mind the behaviours that are most relevant to their current and future roles and document their “Individual Development Plan” on our employee portal.



ANNEXURES TO THE ESG REPORT FY2021

ANNEXURE II: CERTIFICATION ARCHITECTURE AND EDUCATION ASSISTANCE POLICY

Certification Architecture

Employees in frontline sales roles are certified across four levels as illustrated in image 1. The certification architecture enables them to become job-ready with knowledge on all products and processes and also caters to creating best-in-class financial sales professionals with comprehensive knowledge and skills. The certification architecture is executed through digital testing on the learning management system.



Image 1 - Certification architecture for frontline sales

Education Assistance Policy

The Education Assistance policy encourages employees in specialist and niche roles to take up certified courses offered by various educational institutes as given below:

- Actuarial Courses and Investment Courses
- Other business courses –
 - Insurance courses and certification (Insurance Institute of India, Chartered Insurance Institute, LIMRA, LOMA, LUCTF)
 - Chartered Accountancy (Institute of Chartered Accountants of India)
 - Company Secretary (Institute of Companies Secretaries of India)
 - Certified Financial Planner (Financial Planning Standards Board of India)
 - Part time MBA programme (Distance education such as NMIMS, Symbiosis, ICFAI, IGNOU etc.)
 - Certified Internal Auditor (Institute of Internal Auditors)
 - Certified Information Systems Auditor (Information System Audit and Control Association)
 - Other courses based on role requirements



ANNEXURE III: CROSS-FUNCTIONAL COUNCILS

Various cross-functional committees led by senior leaders have been constituted to ensure clarity, alignment and cascading of goals and organisational priorities. Some of these are:

- **Service Council:** It reviews the quality of services delivered to customers across the policy lifecycle, and ensures adherence on service measurements mandated by regulatory norms around policyholder protection. It also prioritises focus areas that need attention to ensure suitable initiatives are taken for improvement and infuses external learning and best practices to further enhance the quality of existing services to customers.
- **Digitisation Council:** It reviews digitalisation strategy, prioritises key digital enablers for distribution and customers and reviews adoption metrics for the digital enablers that are launched.
- **Project Steering Committee:** It provides strategic orientation, oversight, guidance and support to cross-functional projects that are aligned with business and strategic objectives, emanating from regulatory requirements or changes, process gaps (audit / compliance) and feedback of customers / distributors like products or service offerings.
- **Executive Risk Committee (ERC):** It reviews Assets Liability Management (ALM) at regular intervals, maintains a group wide and aggregated view of the profile of our Company in addition to individual risk profiles. It also reviews the Board Risk policy including the risk appetite periodically and recommends any alterations to the Board Risk Management Committee (BRMC), and approves the underwriting and claims assessment limits. The ERC is further supported with the following internal committees:

 - Insurance Risk Committee
 - Operational Risk Committee
 - Outsourcing Committee
 - Information and Cyber Security Committee
 - Reputation Risk Management Committee
- **Executive Investment Committee (EIC):** It reviews investment performance, compliance to the investments policy including regulatory and internal norms, investment decision referred as per investment policy, empanelment of new counterparties and brokers, credit reviews of the portfolio and recommends changes to the investment policy. The EIC is also responsible for implementation of Stewardship policy and defines the operating guidelines for discharge of stewardship responsibilities.





ANNEXURES TO THE ESG REPORT FY2021

ANNEXURE IV: SUPPORTIVE POLICIES FOR A MULTI-GENERATIONAL WORKFORCE AND WOMEN

We offer various polices to enable a multi-generational workforce as illustrated in the image below:

Flexibility	Family Support	Safety, Health & Wellness	Learning
<ul style="list-style-type: none"> • Flexible compensation • Part-time & fixed term employment • Leave: <ul style="list-style-type: none"> • Paternity, Extended maternity, Fertility Adoption • Addtl sick leave, • Sabbatical 	<ul style="list-style-type: none"> • Support for children: <ul style="list-style-type: none"> • education, sports scholarship, special needs • Voluntary Health cover for parents • Additional life cover • Post retirement benefits 	<ul style="list-style-type: none"> • Health, safety & guidelines • POSH • Life, Healthcare & Accident cover • Annual Health checkup – self & spouse • Travel safety 	<ul style="list-style-type: none"> • Education assistance • Internal job posting

While some of them have been covered under sections such as health, safety & well-being and learning & development, additional polices are mentioned below:

Polices enabling health and well-being

- Group term insurance cover and personal accident insurance cover, which was significantly enhanced across levels during FY2021 due to the need to protect families of employees
- Employees have the option of taking an additional life cover for themselves over and above the group term benefit provided and also additional health cover for parents and parents-in-law
- Retirement benefits for employees including group health insurance, domiciliary medical expenses, vesting of outstanding stock options, transportation to home town for employee & family

- Employees & families are covered for hospitalisation through mediclaim cover and annual health check-up is also facilitated for eligible employees and their spouses

Polices for employees' children

- Education scholarship scheme for graduate and post-graduate programmes
- A sports scholarship scheme for coaching and kit expenses of employees' children representing a sport at a district / state / national / international level
- Helping employees who have children with special needs, to help improve their quality of life. This includes aid for specialised education, therapy, equipment and treatment for medical conditions leading to developmental delays, congenital conditions, learning disabilities, psychiatric conditions and mental health issues

Supportive policies for women

- Specific leave for women include Maternity Leave, Adoption Leave of 3 months and medical leave in case of miscarriage or medical termination of pregnancy, any illness arising out of pregnancy and for tubectomy operation
- To ensure safety while on official travel, they are provided additional entitlements for outstation stay and travel



ANNEXURE V: GRIEVANCE REDRESSAL PROCESS

A structured grievance redressal process for employees has been institutionalised to ensure that all grievances are suitably investigated and action is taken as per due process. The below image illustrates the process by which employees can register their grievances, the role of the Employee Governance team, the classification of grievances, the process of enquiry, disciplinary action, appeal mechanism and reporting.





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