

Environmental, Social and Governance (ESG) Policy

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Prepared By	Head-ESG	Reviewed By	ESG Steering Committee
Approved By	Board of Directors		

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1. Background

Considering that India is one of the most vulnerable countries to climate change, there is an urgent need to address this global issue. Climate change magnifies socio-economic development and compounds the negative impact of unsustainable practices. The risks posed by climate change are increasing its intensity each year and to counter this pace, it is the responsibility of each country to take active steps to reverse the impact of climate change.

India submitted its Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change in 2015 and the revised NDCs in 2022. Besides this, India has launched a mass movement for Lifestyle for Environment as a key to combating climate change. At Max Life Insurance (Max Life), we believe that we have an obligation to our stakeholders, including employees, policyholders, communities, investors, customers, partners, and our environment to operate our business sustainably.

Max Life aims to incorporate and integrate ESG considerations into its operations and corporate culture. This strategic integration is intended for risk mitigation and its commitment to building long-term value for all stakeholders involved.

2. Applicability

The Policy is an expression of Max Life's commitment to embed sustainability across its operations. It applies to all the employees, vendors, and partners of Max Life. It is complemented by all other existing policies, codes, and commitments of Max Life.

3. Objective

This Policy lays out Max Life's deep commitment to embedding ESG in its operations and culture. It outlines principles for strategic decision-making and operational practices.

As per the IRDAI guidelines¹, insurers are mandated to implement a Board approved ESG framework. This Policy aims to provide such a framework, overseen by the Board, to ensure the integration of ESG considerations into insurers' operational strategies. Additionally, the guidelines require an annual review of the ESG framework to maintain its relevance and alignment with evolving standards.

4. Materiality Assessment

Max Life recognizes the importance of materiality assessment for identifying ESG focus areas which also serves as a blueprint for its ESG framework. The Company aims to periodically carry out materiality assessments for its business operations in order to gauge required shifts in the material areas for its business and relevant stakeholders.

5. Guiding Principles: the four pillars of sustainability framework

At Max Life, there is a sincere acknowledgment of the developments taking place in the area of sustainability and efforts made by India to adapt and mitigate the impact of climate change. Max Life therefore takes a holistic approach towards the overarching mechanism to drive ESG related changes and influence its ecosystem across four critical pillars as set out below.

¹ IRDAI (Corporate Governance for Insurers), Regulations, 2024

5.1 Work ethically and sustainably

The stakeholders are focusing on governance as a benchmark that the commitments made by the Company shall be maintained and delivered over the long term, thus, imbuing robust governance practices become a critical element of ESG. For ensuring this, the Company endeavours to maintain healthy relations with the regulatory bodies and adopt a focused approach to work ethically and sustainably at all levels. The Company strives at all times to comply with the applicable rules and regulations or any other directives issued from time to time.

The Board at Max Life strives to make deliberate efforts to sensitise themselves about sustainability and to incorporate the ESG guiding principles throughout all the operations of the Company. On a quarterly basis, the Board shall deliberate on aspects related to ESG and reviews the progress made and way forward for the Company.

Under the governance aspect, data privacy and protection are other important aspects for customers, policyholders, employees, suppliers and partners. Max Life adheres to the applicable rules and regulations for data protection and privacy. Furthermore, the Company strives to make constant efforts to strengthen the compliance of data privacy and protection. The Company has a dedicated Data Protection Officer to oversee the implementation of effective practices to ensure data privacy and protection.

Max Life also maintains a focused approach towards ensuring culture of compliance. This is ensured by regularly assessing and enhancing the compliance mechanism to meet the ever-evolving regulatory requirements. The Company functions fully in alignment with the mission of being an honest life insurance company which is committed to doing what is right. The Company has robust compliance function headed by a Chief Compliance Officer who gives regular update to the Board/ Board-constituted Committees on adherence to compliance in the Company.

5.2 Care for people

Max Life strives to develop a diverse and inclusive workplace and engage in employee development, training, health, and awareness programmes.

The core of the Company's progress lies in the overall growth of its own employees, thus caring towards them forms an integral way of our functioning. That is why it is a constant endeavour to make Max Life a place where all employees can flourish. Investing in continuous learning and development of employees and shaping their future is important. Max Life has several programmes customized for different functions to hone the skills of its employees. Max Life also strives to provide a work environment free of any discrimination and harassment. To achieve this, Max Life has several policies in place and spreads awareness around these policies from time to time. The Company has a dedicated Human Resource and Development function to oversee the aforesaid policies and initiatives.

Diversity, Equity and Inclusivity (DEI) is another important aspect for Max Life and there is a dedicated leader who oversees the initiatives under DEI. There is a separate DEI Policy which specifically deals with the subject and clearly states that all employees are to be fairly treated and are not treated less favorably on the grounds of age, race, religion, creed, color, national origin or ancestry, physical or mental disability, marital status, sexual orientation and gender.

The Company believes in the value of '*Seva Bhav*' and has a robust Corporate Social Responsibility (CSR) policy and volunteering programme by the name of '*Pehal*' to create a positive impact in the communities around us. The CSR activities are monitored and guided by the CSR Committee of the Company.

5.3 Responsible Investment

Stakeholders are increasingly becoming aware of their investment choices and hold companies accountable of the investment made by them. Responsible Investment (RI) is an integration of environmental, social and governance considerations into investment processes. The Company remains committed to RI as a matter of business strategy to create short and long-term value. Embedding sustainability considerations into insurance business enable the Company to manage risk and support sustainable development.

5.4 Green operations

Besides keeping a focus on the economic growth, the Company is committed to demonstrate sustainability in all areas of its operations. By embracing sustainability, we not only contribute to planet earth but also create long-term benefits for the Company. Max Life strives to create effective waste and water management, energy efficiency, and emissions control. Targets for reducing carbon emissions and effectively managing the resources have been set by the Company. These targets are continuously monitored by the ESG Steering Committee.

The Company shall issue guidelines from time to time to Procurement and Marketing function to procure sustainable merchandise and organise sustainable events.

The Company strives to maintain special focus on digitization. It shall endeavour to not only provide digital access of its services to the customers but also to reduce paper footprint within the Company.

6. Governance Structure

Max Life shall have a ESG Steering Committee, comprising of senior business leaders like the CEO, CFO, CIO, COO, CHRO and General Counsel to drive the seamless integration of ESG in Max Life's operations and business conduct. The Committee shall be a self-governed Committee which shall appoint a Chairperson amongst its members, formulate its charter, decide on the frequency of its meeting etc.

The ESG Steering Committee shall be empowered to take all decisions in relation to ESG in Max Life. It shall lay down the roadmap of ESG for the Company, approve ESG budget, monitor the progress on various ESG parameters, delegate its powers as required, engage external vendors to assist with its objectives and shall seek guidance from the Board from time to time.

The ESG Steering Committee shall be briefed every quarter on the progress of ESG. In addition, the Board shall be briefed on such progress quarterly.

7. Compliance

Max Life shall comply with all the applicable statutory reporting, including SEBI's Business Responsibility and Sustainability Reporting (BRSR) and regulations passed by IRDAI from time to time.

8. Communication and Disclosure

Max Life shall strive to maintain transparency and enhance public disclosure concerning relevant ESG parameters. Communication of ESG initiatives shall be made through the Sustainability Report, the company's website, and investors call to internal and external stakeholders.

Max Life recognizes the power of clear, comprehensive disclosure through BRSR or any other format as may be prescribed by the regulatory body. Max Life leverages BRSR to engage its relevant stakeholders via materiality assessments and multi-channel communications.

Max Life also aims to demonstrate impact via the disclosure of quantitative and qualitative metrics as guided by the relevant reporting requirements. The Company shall endeavour to make transparent and timely ESG disclosures on its website.

9. ESG Sensitisation

The Company shall conduct regular ESG sensitisation sessions for all the its functions to ensure that each employee understands the relevance of ESG. The Company shall also engage with external vendors and internal stakeholders in an endeavour to spread awareness, conduct workshops on various subjects from time to time

10. Performance Management

Max Life aims to set clear targets on different ESG parameters and monitor progress periodically.

11. Review

The Policy shall be reviewed annually or as required. Any exceptions and future modifications to this policy would be subject to approval by the ESG Steering Committee.