



CANARA HSBC LIFE INSURANCE COMPANY LIMITED
CIN : L66010DL2007PLC248825

ESG Policy

Owned by: Corporate Governance

Version no. 1.1

Release Date: 26th March 2025

Version History

Release Date	Version	Revision Description	Approved By
27/05/2024	1.0	Initial version	Board
26/03/2025	1.1	No change	Board

Canara HSBC Life Insurance ESG Policy

Introduction

Canara HSBC Life Insurance Company Limited (Company) recognizes the growing importance of Environmental, Social, and Governance (ESG) factors in the financial services industry. The ESG criteria helps assess how a company performs as a responsible corporate citizen, towards the environment it operates in, how it endeavors to give back to the society, how it manages its relationships with stakeholders and how transparent it is with regard to its disclosures and management practices, thereby demonstrating ethical leadership.

The Company is committed to integrating ESG considerations into its business strategy and operations to create long-term value for all stakeholders, including policyholders, employees, investors, communities, as well as the environment.

With the strong parentage of the Company and the guidance that comes with it, good governance is intrinsic in all its policies and procedures, and its everyday activities.

The Company is in the business of life insurance, which is an essential instrument in the context of the financial inclusion agenda of the country and also as a social security measure for the country's citizens.

The Company is also committed to protect the environment through use of sustainable means of doing business and being environmentally sensitive. The Company has been giving back to the communities it operates in, since inception, with the objective to empower and uplift more and more citizens from the marginalized sections of the society.

Guiding Principles

The Company's ESG philosophy is guided by the following:

- Environmental:

The Company is committed to minimizing its environmental footprint and promoting a sustainable future by environmental conservation and reduction of carbon footprint. This includes:

- **Climate Change:** Monitor total energy consumption, setting targets for emission reduction, incorporating energy efficient methods and exploring renewable energy sources to power operations.
- **Environmentally Conscious Processes:** Adopting the go-green mantra in the Company's efforts to build a sustainable future.
- **Sustainable Investments:** Integrating environmental considerations into investment decisions, considering factors like climate change, resource depletion, and pollution.
- **Waste Management and disposal:** Minimize the waste footprint of own operations, by recycling and reusing materials where practicable and disposing responsibly.

- Social:

The Company believes in building a strong and diverse workforce and is also committed to giving back to the society it operates in. Social commitments of the Company focus on:

- **Diversity and Inclusion (D&I):** Fostering a diverse and inclusive workplace, through initiatives that promote equal opportunities, address unconscious bias, and create a culture of belonging for all employees.
 - **Employee Wellbeing:** Providing a safe and supportive work environment, investing in employee training and development, and offering benefits to ensure health and well-being.
 - **Customer Focus:** Delivering superior customer service and ensuring fair treatment of all policyholders. The Company shall always endeavour to develop innovative products and services that cater to the evolving needs of its customers.
 - **Community Engagement:** Giving back to the communities through social responsibility initiatives. The Company's focus areas in its CSR framework are aligned with the ESG priorities of education, healthcare, and environmental sustainability and identifies projects aligned with the UN Sustainable Development Goals.
- Governance:

The Company upholds the highest ethical standards and maintains a robust corporate governance structure. This includes:

- **Ethical Conduct:** Institutionalising a zero-tolerance policy for corruption and bribery, through clear ethical guidelines for all employees.
- **Value behaviours:** Imbibing the Company's value behaviours – agility, customer centricity, accountability, collaboration, empowerment and respect – to guide in all acts and thoughts.
- **Risk Management:** Integrating ESG considerations into risk management framework to identify, assess, and mitigate potential risks associated with environmental and social factors.
- **Corporate Governance:** Maintaining a robust corporate governance structure with clear lines of accountability, based on nurturing trust as an intrinsic part of corporate culture.

The Company will strive to align its ESG initiatives with the Sustainable Development Goals (SDG) of the United Nations.

Details on the key focus areas for the ESG framework of the Company are included in Annexure A.

Implementation and Monitoring

- ESG Steering Group:

The Company shall have in place an ESG Steering Group with the primary objective to lay down the ESG framework to support the Company's ongoing commitment to environmental stewardship, social responsibility, employee wellbeing, corporate governance and sustainability, as relevant to the Company.

The ESG Steering Group shall comprise of the following members :

- Company Secretary
- Chief People Officer
- Chief Financial Officer
- Chief Risk Officer
- Chief Customer Retention & Data Officer

- Chief Investment Officer
- Chief Operating Officer
- Chief Compliance Officer

The members of the Group shall keep themselves updated with appropriate knowledge, skills and expertise on ESG management and strategy, including through relevant certifications thereon.

Key responsibilities of the ESG Steering Group shall include :

- defining ESG priorities, objectives and strategy with the goal of further integrating sustainability into the Company's processes and goals
- overseeing and coordinating implementation of the Company's ESG initiatives
- setting the tone and reinforcing the culture within the Company regarding sustainability
- recommending policies, practices and disclosures that conform with the ESG strategy
- working towards measuring and understanding the impact of operations on the environment and reducing environment impacting emissions over time
- overseeing internal and external communications regarding the Company's approach to ESG considerations
- maintaining metrics and key performance indicators, as deemed appropriate, to monitor and track ESG matters
- reviewing Company's ESG/ Sustainability Report as may be required to be published from time to time.

- ESG Sensitization:

The Company shall ensure that regular ESG sensitization sessions are conducted for all functions to raise awareness and understanding. Regular communication for employee, vendor engagement on ESG will also be rolled out periodically.

- Board level review:

Regular updates will be provided on ESG strategy and initiatives to the Risk Management Committee/ Corporate Social Responsibility Committee and the Board.

- Ownership and Review:

This policy shall be owned by the Corporate Governance function and will be approved by the Board. The Policy shall be reviewed on an annual basis or earlier as may be required.

Any applicable regulatory changes will be considered as part of the Policy. Necessary changes to the Policy will be incorporated and presented in the next meeting of the Committee/ Board.

Annexure A

Key Focus Areas

Commitment to Ethical and Compliance Conduct

The Company is committed to the highest ethical standards in all aspects of its business operations. This commitment is founded on the following core principles:

- Integrity: The Board of Directors, Senior Management, and all employees are expected to conduct themselves with professionalism, honesty, and integrity, through a laid down Standards of Business Conduct.
- Transparency: The Company is committed to fostering open communication with all stakeholders, including fair and transparent customer communication. Additionally, comprehensive and accurate disclosures are made in all business documents, statutory forms, and advertisements.
- Ethical Decision-Making: The Company adheres to high ethical standards in all business practices and ensures that decisions are not only financially sound but also consider the potential impact on all stakeholders.
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- Anti-Bribery and Corruption: The Gift, Entertainment & Anti-bribery Policy extends to all employees, and lays down principles with respect to exchange of gifts and entertainment, with defined parameters, so as to ensure independent and fair business decisions.

Commitment to Employee Well-being

The Company recognizes its employees as its most valuable asset and is committed to fostering a positive and supportive work environment that promotes well-being and professional development. Here is how this is achieved:

- Open Communication: The Company believes in a culture of open communication and transparency and strives to ensure a smooth flow of information among all employees.
- Diversity and Inclusion: The Company is an equal opportunity employer, fostering a workplace free from discrimination based on caste, creed, gender, race, religion or disability.
- Safe and Respectful Environment: The Company is dedicated to providing a safe and secure work environment for all employees. There is a robust anti-sexual harassment mechanism in place, ensuring prompt, sensitive, and confidential handling of any reported incident.
- Employee Development: The Company is dedicated to attracting, retaining, and developing a talented workforce, for which a comprehensive range of programs is offered, including employee engagement initiatives, mentorship opportunities, training and development programs, and career advancement opportunities.

Commitment to Environmental Stewardship

The Company is committed to environmental responsibility and takes a proactive approach to minimizing its environmental footprint. This commitment is outlined in the following key areas:

- Climate Action and Risk Management: The Company shall actively assess and mitigate climate-related risks associated with operations, to ensure long-term business resilience and a sustainable future for all.

- Green Initiatives: The Company actively implements energy-saving mechanisms throughout its operations and also raises awareness among employees on environmental initiatives to further reduce overall impact.
- Waste Management and disposal: The Company takes steps to reduce waste footprint by minimising paper printouts, adopting digitisation, recycling and reusing materials, where practicable. The Company makes efforts to dispose waste, including e-waste in the most responsible manner.

Commitment to Community Engagement

The Company is committed to fostering a sustainable and inclusive future for the communities it operates in and strives to achieve this through the following :

- Strategic CSR Initiatives: The Company's Corporate Social Responsibility (CSR) programs are designed to address critical needs within the society, particularly in rural communities.
- Empowering Communities: Community upliftment goes beyond the objective of CSR projects and includes making villages and communities of beneficiaries more self-reliant, through training programmes, creation of job opportunities, business opportunities etc.
- Volunteering: Employees are committed to give back to the society and spend time on volunteering activities amongst the marginalized and vulnerable groups, further promoting social inclusion.
- Stewardship responsibility: As a life insurer, the Company invests policyholder monies in instruments of investee companies and regularly monitors and engages with these companies on strategy, business performance, risk management, corporate governance etc, in order to protect the interest of policyholders and the Company.

Commitment to Delivering Exceptional Customer Value

The Company is firmly committed to providing exceptional customer value and fostering long-term relationships built on trust and transparency, through a comprehensive customer-centric approach focused on clear communication, responsive service, and responsible product offerings :

- Prioritizing Customer Needs: Company's core philosophy places the customer at the forefront of everything it does and is guided by the principle of 'Treating Customers Fairly'.
- Robust Data Security and Privacy: The Company prioritizes protection of customer data and upholds the highest standards for data privacy and security, implementing robust safeguards to protect all customer information entrusted with us.
- Empowering Through Awareness: The Company believes in empowering its customers to make informed decisions. We actively share awareness and educational messages, spreading the word on importance of life insurance as a solution to secure futures.
- Protection of Policyholders' Interest Policy: The Policy guides policyholder servicing activities in a manner that aims to create customer delight through simple & easy processes by keeping customer's convenience as the focal point.

Commitment to Upholding High Standards of Corporate Governance

The Company believes that corporate governance is about upholding the highest standards of integrity and transparency, which in turn leads to enhancement of stakeholders' interests, including those of the policyholders, shareholders, distributors and the society at large. To that end, the Company strives to :

- Enhancing shareholder value: The Company focuses on sustainable ways of doing business, through integrity and transparency, with an objective to enhancing shareholder value, which is key to long-term growth.
- Sound governance structure: The Company has a well-defined robust corporate governance structure at three interlinked levels, namely – shareholders, Board of Directors and Board Level Committees and Executive Groups and management, that although linked, are independent of each other and have their well-defined roles and responsibilities.
- Clear Lines of Delegation: The structure ensures that various critical activities and processes are discussed, authorised and reviewed by the Board and the members of the Executive Committee in a transparent manner.
- Effective Compliance Framework: The Company has in place a strong compliance monitoring procedure in place, which is overseen by the Compliance function, as part of second line. All business and operations functions, as first line of defence are responsible for ensuring compliances with various laws, regulations and guidelines.
- Strong Policy Framework: The Company also has put in place various Board approved policies, which are reviewed on an annual basis by the Board/ Committees.