LIC
भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

SUSTAINABILITY Report

Environment | Social | Governance



FY 2025-26

भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

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CEO and Managing Director's Message

Dear Stakeholders,



At the Life Insurance Corporation of India (LIC), trust has always been the foundation of our relationship with policyholders and stakeholders. Since our establishment in 1956, LIC has been a cornerstone of the Indian insurance landscape, playing a pivotal role in the country's growth journey. As one of the largest financial institutions in the country, we have channelled savings from millions of policyholders into critical sectors. Our investments have not only provided financial security and inclusion to individuals and families but have also fuelled the growth of industries and created nationwide employment opportunities. Our efforts have culminated in us becoming the world's 3rd strongest insurance brand.

We recognize that our responsibilities extend beyond financial performance. As a leading insurance provider, we have a crucial role to play in addressing the pressing challenges of climate change, digital transformation and heightened stakeholder expectations. Sustainability has emerged as a critical lens through which long-term value creation is assessed. At LIC, we aim to embed ESG considerations into our decision-making and culture, aligning our operations with the United Nations Sustainable Development Goals (SDGs) and India's target of net zero by 2070.

A structured and phased ESG approach will help LIC integrate sustainability into its core insurance, investment and risk management functions, while progressing towards its goal of net zero emissions by 2050. Clearly defined roadmaps, processes and procedures across operations, supported by robust tracking mechanisms will enable consistent and measurable progress. Strong governance, underpinned by clear SOPs, internal audit and risk management frameworks, will further strengthen accountability, monitoring and regulatory reporting. Alignment with national priorities and global standards will enhance LIC's credibility with regulators, rating agencies and policyholders.

By embedding ESG considerations into our investment and underwriting decisions, supported by targeted stakeholder engagement, LIC will effectively manage long-term risks and opportunities. Regular impact assessments, ongoing refinement of strategies and transparent disclosures, aligned with LIC's public mandate, will drive sustainable value creation, financial resilience and long-term stakeholder confidence. We are now poised to take significant strides in our sustainability journey. As we present our inaugural Environmental, Social, and Governance (ESG) Report, I am filled with pride and optimism for the journey that lies ahead for LIC.

Our Responsibility Towards the Environment

This inaugural Sustainability Report marks an important milestone in LIC's journey to formally embed sustainability into its governance structures, policies and operational practices. During FY 2024–25, LIC undertook focused efforts to establish ESG oversight mechanisms, conduct its materiality assessment and align its disclosures with recognised frameworks such as BRSR, and GRI, ensuring transparency to stakeholders.

In our efforts to address climate change, we are undertaking various measures for the recycling of e-waste, reduction of paper and reduction of single-use plastic usage. In this regard, we have completed 23 lakh+ paperless digital policies through the Ananda platform, registering a growth of more than 50% over the previous year, initiated by 2,94,000+ agents.

On the energy efficiency front, green building certifications were obtained for 26 existing buildings, and we plan to get the same for 32 buildings in FY 2025-26. Roof top solar capacity installed reached 10,499 KW at the end of FY26. From 2014 till March 2026, LIC has generated a total of 44.55 million (kWh) of energy from solar PV, resulting in a reduction of 40,097 tons of carbon emissions (CO2e). More than 11 lakh saplings were planted across the country in FY 2025-26, while EV purchase and power saving solutions for desktops have been implemented. Each year, we aim to move further towards achieving our broader sustainability goal of net-zero operations by target year 2050 for Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (value chain emissions).

Social Impact: Enhancing the Lives of Our Employees and Communities

Social responsibility is another cornerstone of our sustainability strategy. We continue to invest in creating a safe, healthy, inclusive and uplifting workplace that encourages equal opportunities for all.

Further, 100% of permanent employees are covered by health and accident insurance as well as parental and retirement benefits. One among many initiatives is "LIC Gyanpeeth", a Learning Management System with the aim to facilitate self-learning and self-skilling among our employees. Introduced in 2020, 89.69% employees have obtained certificates through the program.

Through the LIC Golden Jubilee Foundation, we continue community development activities across the country, particularly for the disadvantaged, marginalized and underprivileged sections of the society. The focus areas include scholarships, health initiatives, rural education programmes and providing infrastructural support in the fields of education and health. With respect to the aspirational districts identified by the Government of India, the foundation has covered 31 districts with 54 projects.

LIC's Bima Sakhi Yojana, launched by the Hon'ble Prime Minister on 9 December 2024, is a Mahila Career Agent (MCA) initiative aimed at empowering women by creating sustainable employment opportunities. The scheme offers a stipendiary engagement for three years, linked to the achievement of specified performance norms, thereby encouraging productivity and professional growth among participants. Since its inception, the programme has demonstrated strong momentum, with 2.83 lakh Bima Sakhis appointed as of 31 March 2026. These Bima Sakhis have collectively sold 21.94 lakh policies and generated First Year premium income of ₹3,768.83 crore, reflecting their significant contribution to LIC's growth. Notably, the initiative has also strengthened insurance penetration in rural India, with 61.16% of policies and 57.72% of premium sourced from rural areas, underscoring its role in advancing inclusive development alongside women's empowerment.

Strengthening Our Governance Mechanisms

The Board, with overall responsibility of governance and sustainability practices, has constituted an ESG Committee and has involved external

experts as well to establish a robust and cohesive mechanism. Complementing these efforts, members of the leadership team continue to participate in the Directors' Certification in ESG Leadership Program, further enhancing the Corporation's ability to integrate sustainability considerations into its governance and strategic priorities.

The Board has also constituted an internal ESG Committee which approves and ratifies ESG goals, targets, strategy, and also monitors and reviews the performance of LIC's ESG initiatives. Further, LIC is ISO 30001 certified for ERM and ISO 22301 certified for BCP.

The Way Ahead

To achieve our sustainability goals, we recognize the importance of collaboration. We are committed to engaging with our stakeholders to ensure that our sustainability efforts are aligned with their expectations and needs.

While this report reflects our initial consolidated disclosures on sustainability, it also underscores our commitment to transparency, continuous improvement and alignment with national development priorities. LIC remains steadfast in its responsibility to support inclusive growth, protect the interests of policyholders and contribute meaningfully to India's transition towards a resilient and sustainable future.

Thank you for your unwavering support and for being a part of this important journey.

R Doraiswamy
CEO and Managing Director

01 | INTRODUCTION

1. INTRODUCTION

1.1 Executive Summary

This Sustainability Report provides a holistic overview of Life Insurance Corporation of India ("LIC of India', "LIC" or "the Corporation) ESG governance framework, strategic priorities, management approach and performance during FY 2025–26. As India's largest life insurer and a public sector enterprise of national importance, LIC's sustainability approach is closely aligned with its public mandate, long-term investment horizon and responsibility towards policyholders, shareholders, employees and society at large.

FY 2024–25 marked a foundational year for LIC's structured ESG journey. Key focus areas included the establishment of governance mechanisms, identification of material ESG topics, strengthening of internal processes and initiation of baseline data collection. The report has been prepared in alignment with SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework, the Global Reporting Initiative (GRI) Standards and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

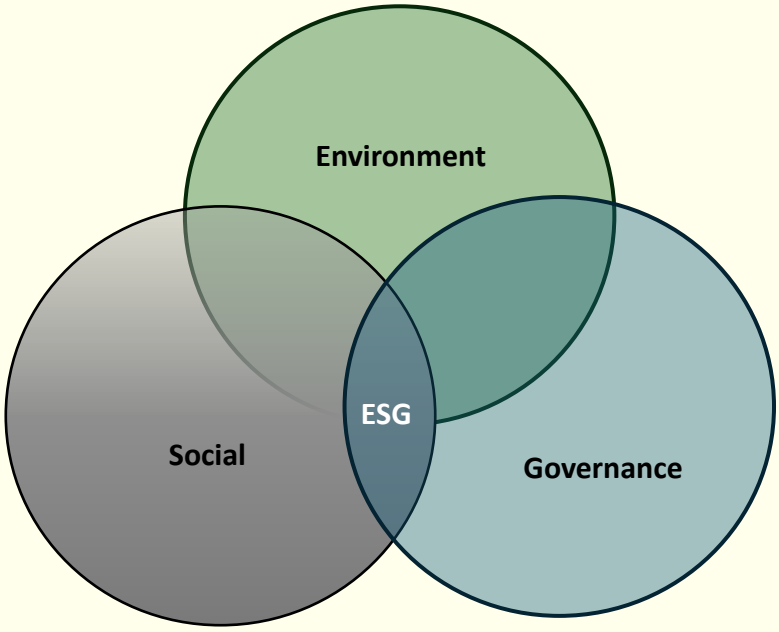


Fig 1: ESG Intersections

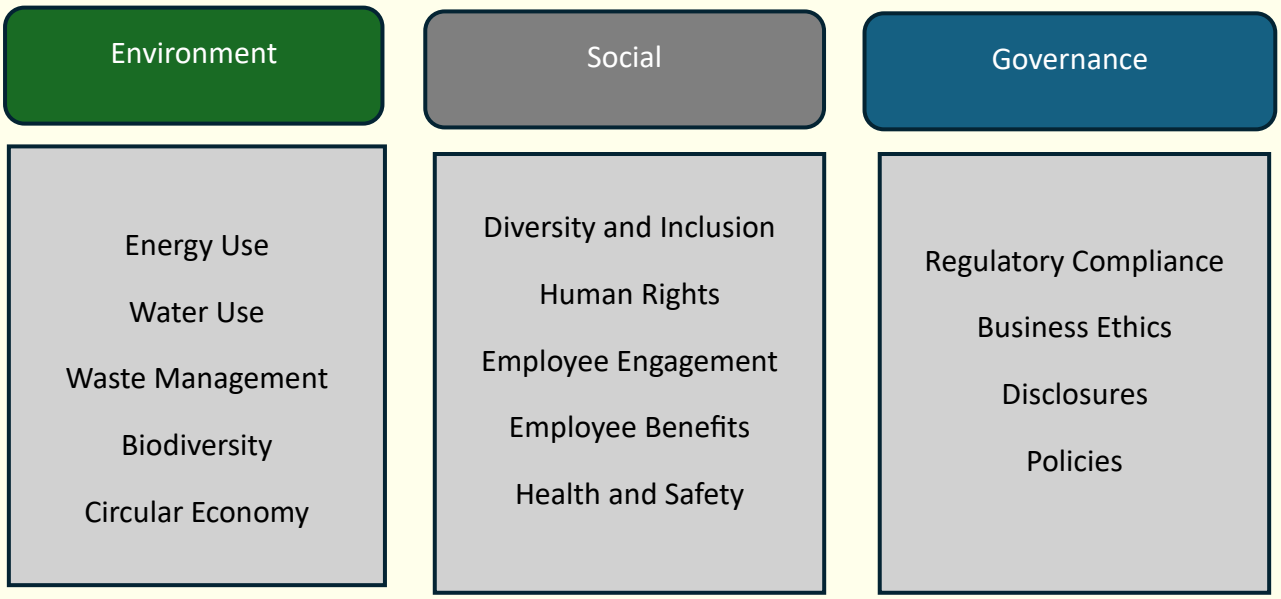


Fig 2: Typical ESG Issues

1.2 About the Report

The objective of this report is to provide transparent information to LIC's stakeholders regarding its sustainability priorities and performance. The report serves as a baseline document and will be used to progressively enhance data quality, depth of disclosures and alignment with evolving regulatory and stakeholder expectations in future reporting cycles.

02 | ABOUT LIFE INSURANCE CORPORATION OF INDIA

2. ABOUT LIFE INSURANCE CORPORATION OF INDIA

2.1 Who We Are

The Life Insurance Corporation of India (“LIC of India”, "LIC" or "the Corporation") is India’s largest life insurance provider and one of the most trusted public sector institutions in the country. Established with the objective of spreading life insurance widely and mobilising long-term savings, LIC has played a pivotal role in promoting financial inclusion, economic security and social welfare.

LIC’s operations are guided by a strong sense of public purpose, combining commercial prudence with social responsibility. Its long-term orientation enables it to support national priorities through sustained investments and inclusive insurance solutions.

Vision

To transform ourselves into a transnationally competitive financial conglomerate of significance to societies and the Pride of India.

Mission

To ensure and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns and by rendering resources for economic development.

Core Values

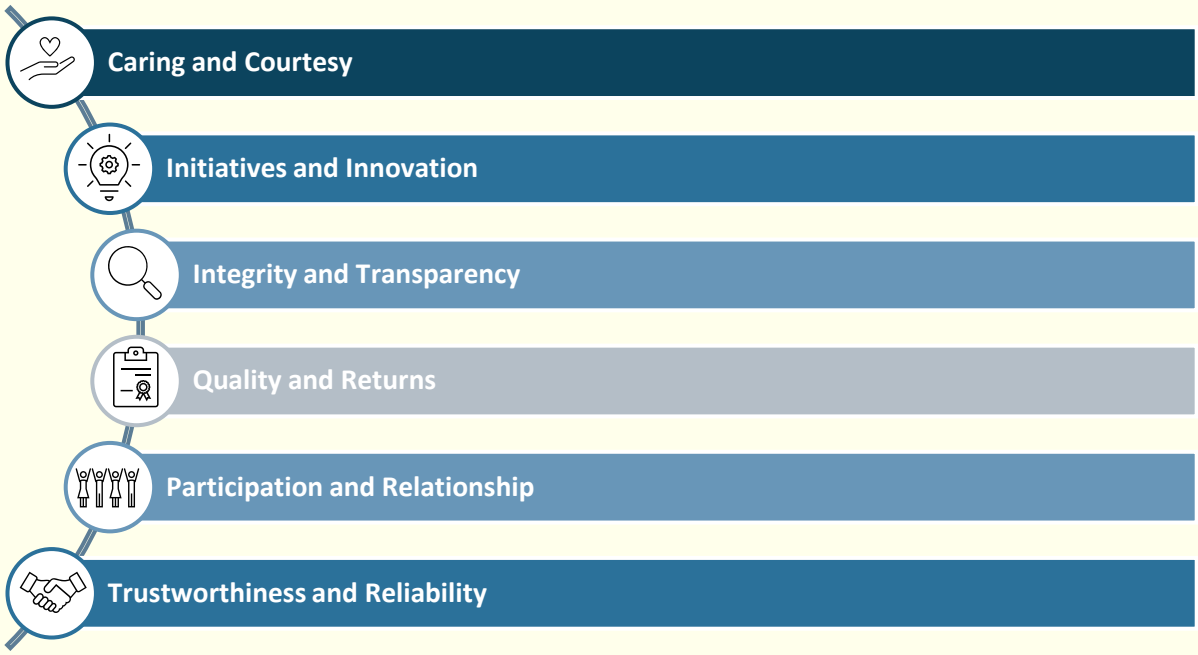


Fig 3: LIC’s Core Values

2.2 What We Do

LIC offers a comprehensive range of life insurance products and services catering to diverse customer segments. Customers can find a solution for their insurance needs from the product basket like whole life, endowment, money-back, term insurance, annuity, unit-linked insurance etc. Through these offerings, LIC supports long-term financial planning, retirement security and risk protection for individuals and institutions across India.

LIC's product portfolio and distribution model are designed to ensure wide accessibility, affordability and long-term value for policyholders.

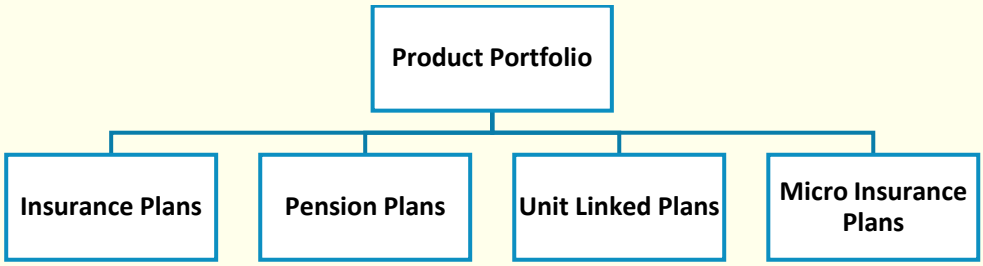


Fig 4: LIC's Product Portfolio

2.3 Our Presence

LIC has an extensive pan-India presence supported by a wide network of branch offices, divisional offices, zonal offices, agents and digital platforms. With a presence in 36 states and UTs, our offices cover 92% of districts in India, as compared to 82% for the combined private sector. This widespread footprint enables LIC to reach customers across urban, semi-urban and rural regions, reinforcing its role in financial inclusion. LIC also has a presence in select international markets through subsidiaries and joint ventures.

As of 31st March 2026, LIC has a total of 84,578 employees with 75.87% male and 24.13% female employees.

Operational Footprint Snapshot			
36	**92%**	**84,578**	**24.13%**
States and UTs covered	District coverage in India	Employees as of 31 March 2026	Women employees

2.4 Reporting Boundary and Frameworks

This report covers LIC's operations in India for FY 2025–26. The reporting boundary includes corporate offices and operational locations under LIC's operational control.

The report has been prepared with reference to the following frameworks:

- SEBI BRSR Core and other disclosures as per the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015
- GRI Standards

Reporting Boundary	*Inclusions*	*Exclusions*
LIC's operations in India	Central Office, Zonal Offices, Divisional Offices, Branch Offices and Satellite Offices	Operations outside India

Table 1: Reporting Boundary

2.5 Value Creation through ESG initiatives

LIC's ESG initiatives are designed to create long-term value for policyholders, employees, communities, and the broader economy by integrating sustainability considerations into its core business, governance, and operational decision-making. Through strengthened governance structures, enhanced risk management practices, and increasing integration of environmental and social considerations, LIC seeks to improve organisational resilience, protect stakeholder interests, and support sustainable financial outcomes. ESG initiatives contribute to value creation by reinforcing customer trust, strengthening regulatory compliance, improving operational efficiency, and enhancing the long-term stability of LIC's investment and underwriting portfolios. Environmental initiatives support prudent resource utilisation and climate risk preparedness; social initiatives advance employee capability, customer protection, and community well-being; and governance initiatives promote transparency, ethical conduct, and accountability. Collectively, these efforts enable LIC to fulfil its public sector mandate while building sustainable, long-term value aligned with national development priorities and stakeholder expectations.

2.6 Awards, Certifications and Ratings







LIC has been certified with ISO Standards – 30001 for Enterprise Risk Management (ERM), ISO 22301 certified for Business Continuity Plan (BCP) and ISO 9001:2015 Quality Management System.

Further, LIC has achieved a “CareEdge-ESG 1” rating with an ESG score of 74.0, reflecting leadership in governance, transparency and sustainable business practices.

03 | ESG GOVERNANCE

3. ESG GOVERNANCE

LIC has adopted a two-tier governance structure for oversight and implementation of ESG activities.

Board Oversight on ESG:

The ESG Framework, Climate Risk Management Framework and ESG Policy have been approved by the Board of Directors and will be periodically reviewed to maintain relevance and effectiveness. The ESG Committee holds the primary oversight for ESG responsibilities and will present an annual summary report to the Board and has the following duties.

1. Approve and ratify the ESG Goals, targets and strategy and monitor performance thereof including the ESG initiatives to ensure long-term value creation for the stakeholders.
2. Advise the Corporation and exercise oversight on ESG related policies, strategies and activities of the Corporation in a manner that integrates environmental, social and ethical principles with the conduct of business.
3. Periodically review the ESG activities of the Corporation.
4. Reviewing and noting of the Business Responsibility and Sustainability Report (BRSR) or any ESG Related reports mandated by regulatory authorities.
5. To exercise oversight on the activities of LIC Golden Jubilee Foundation Trust.
6. Any other ESG related activities as stipulated by regulatory Authorities, from time to time.

Cross-Functional Working Group:

An ESG Internal Team is established, comprising representatives from core departments. The team is a cross-functional ESG working group and meets Quarterly. Its responsibilities include coordinating ESG activities, identifying ESG risks and opportunities, ensuring regulatory alignment, monitoring progress against ESG KPIs, and supporting internal and external ESG reporting. The ESG Internal Team provides a semi-annual update to the ESG Committee and ensure that the ESG strategy remains aligned with business priorities and evolving ESG trends.

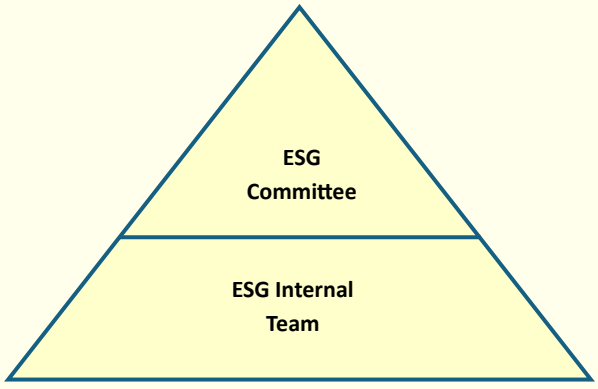


Fig 5: ESG Governance Structure

04 | STAKEHOLDER ENGAGEMENT

4. STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a critical component of LIC's sustainability approach. LIC engages with a diverse range of stakeholders, including policyholders, employees, agents, regulators, investors, government bodies and communities. Engagement mechanisms include customer feedback systems, grievance redressal processes, employee surveys, training programs, regulatory consultations and community outreach initiatives. Insights from stakeholder engagement inform LIC's strategic priorities, materiality assessment and continuous improvement efforts.

Stakeholder Category	*Stakeholder Groups*	*Engagement Mechanisms*	*Key ESG Concerns/ Expectations*
Internal	**Employees** Permanent and contractual employees across offices and branches	Internal communication channels, trainings, town halls, meetings, performance reviews, employee surveys	Employee well-being, career development, training, diversity & inclusion, workplace safety
	Agents & Intermediaries LIC agents, corporate agents and distribution partners	Training programmes, workshops, policy updates, incentive schemes	Fair remuneration, training and capacity building, ethical sales practices, digital enablement
External	**Policyholders / Customers** Individual and group life insurance customers across India	Customer service centres, digital platforms, call centres, grievance redressal mechanisms, surveys	Product transparency, claim settlement efficiency, data privacy, service quality, trust and reliability
	Regulators & Government Authorities Insurance Regulatory and Development Authority of India (IRDAI), Ministry of Finance, other statutory bodies	Regulatory filings, compliance reporting, consultations, inspections	Regulatory compliance, governance standards, financial stability, policyholder protection
	Investors & Financial Stakeholders	Financial disclosures, annual reports, investor communications	Financial performance, risk management,

	Government of India, institutional stakeholders, debt holders		transparency, ESG integration
	Suppliers & Service Providers Vendors providing IT, facilities, logistics and other services, ESG Rating Agencies	Vendor onboarding processes, contracts, audits, performance reviews, ESG Ratings	Fair procurement practices, compliance, ethical conduct, environmental and social responsibility
	Communities & Society Local communities where LIC operates, beneficiaries of social initiatives	CSR programmes, outreach initiatives, partnerships with NGOs	Financial inclusion, social security, community development, education and health
	Industry Bodies & Associations Insurance and financial sector associations	Industry forums, working groups, policy dialogues	Sectoral development, responsible business practices, regulatory alignment
	Media & General Public Media, civil society and public	Public disclosures, press releases, website updates	Transparency, public accountability, social impact, reputation management

Table 2: Stakeholder Mapping

Stakeholder Influence	***Stakeholder Groups***
High Power High Intent	Regulatory and Government Authorities; Board of Directors; Senior Management; Policyholders/ Customers; ESG Rating Agencies and Auditors
High Power Low Intent	Investors/Shareholders
Low Power High Intent	Employees; Agents and Intermediaries; Industry Bodies and Associations; Vendors and Service Providers
Low Power Low Intent	Communities & Society

Table 3: Stakeholder Influence

05 | MATERIALITY ASSESSMENT

5. MATERIALITY ASSESSMENT

Introduction

As India's largest life insurer and a significant institutional investor, Life Insurance Corporation of India ("LIC") has a broad stakeholder footprint spanning policyholders, employees, agents, regulators, investee companies, business partners and the wider economy. Given the scale and systemic relevance of LIC's operations, sustainability-related topics are relevant not only in terms of LIC's impact on society and the environment, but also in terms of how such topics may influence LIC's long-term financial performance, reputation, resilience and enterprise value.

For LIC, the assessment supports a more structured understanding of reputational, regulatory, operational, social, environmental and investment-related risks. It also enables LIC to capture stakeholder priorities, identify areas for strengthening ESG governance and management practices, and integrate material sustainability topics into business planning and decision-making. In addition, the assessment supports readiness for evolving sustainability disclosure expectations in India, including SEBI's Business Responsibility and Sustainability Reporting and BRSR Core requirements.

By adopting a double materiality lens, LIC is better positioned to prioritise topics that are both significant to stakeholders and relevant to long-term business resilience. The process also supports LIC in identifying opportunities to improve operational efficiency, strengthen customer and policyholder trust, enhance employee and agent engagement, support responsible investment practices, and reinforce its social licence to operate.

5.1 Materiality Assessment Process

During FY 2025–26, LIC conducted its first formal materiality assessment to identify ESG issues that are most significant to stakeholders and most impactful on LIC's long-term value creation.

The Double Materiality Assessment was conducted through a structured process designed to identify, assess, prioritise sustainability topics and identify the risks and opportunities relevant to LIC. The process considered both the inside-out perspective, which evaluates LIC's actual or potential impacts on people, the environment and the economy, and the outside-in perspective, which evaluates sustainability-related risks and opportunities that may influence LIC's business and financial performance. This approach is aligned with the evolving global direction of sustainability reporting, along with the GRI Standards which focus on organisational impacts on the economy, environment and people.



Fig 6: Materiality Assessment Process

5.2 Material Issues Identified

The assessment identified key material topics including climate change and energy efficiency, customer trust and data privacy, employee development and inclusion, responsible investment practices, ethical conduct and strong governance.

Environment	Social	Governance
Energy Efficiency and Emissions Management	Customer Trust and Satisfaction	Financial Ethics and Compliance
Water Management	Employee Engagement and Training	Economic Performance
Waste Management	Diversity and Inclusivity	Responsible Investment
Environmental Resource Management	Grievance Redressal	Data Protection and Data Privacy
Climate Risk	Community Engagement	Digitization in Operations
	Vendor ESG Management	Risk Management

Table 4: Material Topics

5.3 Double Materiality Matrix



Sustainability Topic	Code
Energy Efficiency & Emissions Management	1
Water Management	2
Waste Management	3
Environmental Resource Management	4
Climate Risk	5
Customer Trust & Satisfaction	6
Employee Engagement & Training	7
Diversity & Inclusivity	8
Grievance Redressal	9
Community Engagement	10
Vendor ESG Management	11
Financial Ethics & Compliance	12
Economic Performance	13
Responsible Investment	14
Data Protection & Data Privacy	15
Digitization in Operations	16
Risk Management	17

Fig 7: Double Materiality Matrix

The double materiality assessment derived from the employee survey provides valuable insight into how key sustainability topics are prioritized within LIC from both an impact materiality perspective (impact on society, the environment, and stakeholders) and a financial

materiality perspective (impact on business performance, resilience, and value creation). As an important internal stakeholder input to LIC's broader materiality assessment process, the matrix highlights the sustainability issues that employees perceive as most significant to the organization. A notable feature of the results is the strong alignment between impact and financial materiality, indicating that employees increasingly recognize sustainability-related challenges and opportunities as closely linked to LIC's long-term business success.

1. Overview of Materiality Distribution

The analysis shows a clear concentration of topics in the upper-right section of the matrix, demonstrating that several sustainability issues are viewed as both highly impactful and financially significant. This distribution reflects growing awareness among employees that ESG risks and opportunities have direct implications for business continuity, regulatory compliance, stakeholder confidence, and long-term value creation.

The highest materiality cluster is dominated by governance and business resilience topics. Economic Performance (13) and Risk Management (17) emerges as the most material issue, reflecting its critical role in safeguarding organizational stability and managing both financial and non-financial risks. Other highly material topics include Financial Ethics & Compliance (12), Data Protection & Privacy (15), and Digitalization in Operations (16), all of which occupy the very high materiality zone. Responsible Investment (14) is positioned at the boundary between the high and very high-priority categories, reinforcing the growing importance of integrating sustainability considerations into investment decision-making.

Within the high materiality category, Customer Trust & Satisfaction (6), Climate Risk (5), Employee Engagement & Training (7), and Grievance Redressal (9) stand out as significant priorities. Their positioning highlights the importance of maintaining strong stakeholder relationships, developing workforce capabilities, and proactively responding to emerging risks, particularly those associated with climate change.

Topics such as Energy Efficiency & Emissions Management (1) and Environmental Resource Management (4) fall within the medium-to-high materiality range, indicating that operational environmental management is recognized as important, although not yet viewed as strategically critical to the same extent as governance-related issues.

At the lower end of the matrix, Water Management (2), Waste Management (3), Diversity & Inclusivity (8), Community Engagement (10), and Health & Safety (11) receive comparatively lower materiality scores. While these areas remain relevant from a compliance, social responsibility, and stakeholder expectations standpoint, employees currently perceive them as having a relatively lower direct impact on LIC's business performance and sustainability strategy.

2. Key Insights by ESG Dimension

a) Governance – The Primary Materiality Driver

Governance-related topics dominate the matrix, highlighting their importance across both impact and financial dimensions. Economic Performance (13) and Risk Management (17) is the most material issue, underscoring the importance of effectively identifying, assessing, and mitigating risks within a highly regulated and risk-sensitive industry. Similarly, Financial Ethics & Compliance (12) and Data Protection & Privacy (15) reflect growing awareness of regulatory obligations, fiduciary responsibilities, and increasing cybersecurity concerns.

Digitalization in Operations (16) are also ranked among the highest priorities, indicating that employees view financial strength, operational efficiency, and technological advancement as key contributors to long-term sustainability. The strong concentration of governance topics in the upper-right quadrant suggests that sustainability within LIC is closely associated with institutional credibility, regulatory adherence, risk resilience, and sustainable financial performance.

b) Social – Strong Focus on Customers and Employees

Social topics are generally positioned within the high materiality range, reflecting LIC's strong stakeholder-centric approach. Customer Trust & Satisfaction (6) is among the most significant social issues, highlighting the importance of maintaining policyholder confidence, service quality, and customer loyalty. Employee Engagement & Training (7) is also highly ranked, emphasizing the role of workforce development, capability building, and employee well-being in supporting organizational performance and innovation.

Grievance Redressal (9) further highlights the importance of transparent and effective mechanisms for addressing stakeholder concerns and maintaining accountability. In contrast, Diversity & Inclusivity (8) and Community Engagement (10) are positioned lower on the matrix. While these issues remain important components of a comprehensive sustainability strategy, their relatively lower ranking suggests opportunities for deeper integration and greater awareness within the organizational ESG agenda.

Overall, the findings demonstrate that employees place substantial importance on topics that directly influence customer relationships, employee development, and stakeholder trust.

c) Environmental – Increasing Relevance Through Climate Risk

Environmental topics are more dispersed across the matrix and generally exhibit lower financial materiality compared to governance and social issues. However, Climate Risk (5) stands out as the most material environmental topic, reflecting increasing recognition of climate-related risks and opportunities that may affect LIC's investments, operations, and long-term business resilience.

Operational environmental topics such as Energy Efficiency & Emissions Management (1) and Environmental Resource Management (4) show moderate levels of materiality, indicating that employees recognize their importance while viewing their direct business impact as comparatively lower than governance-focused priorities. Water Management (2) and Waste Management (3) receive the lowest materiality ratings, likely reflecting their relatively indirect connection to LIC's core insurance and financial services activities.

3. Strategic Implications

The assessment highlights several priority areas that can support LIC's sustainability strategy and long-term value creation.

Immediate Priorities

- Strengthen corporation-wide risk management and governance frameworks.
- Enhance data protection, cybersecurity, and digital transformation initiatives.
- Maintain robust financial ethics, transparency, and regulatory compliance.
- Further integrate responsible investment principles into investment decisions.

These areas represent the most material issues identified by employees and are critical for sustaining market leadership, strengthening resilience, and meeting stakeholder expectations.

Growth and Integration Areas

- Enhance customer experience and policyholder trust.
- Build employee capabilities through engagement, training, and development programs.
- Integrate climate risk considerations into business planning, investment management, and risk frameworks.

These topics provide opportunities to strengthen competitive advantage while supporting long-term sustainability objectives.

The outcomes of the double materiality assessment directly inform the Corporation’s ESG strategy, ensuring that goals and targets are aligned with the most critical risks and opportunities.

06 | ESG STRATEGY: GOALS AND TARGETS

6. ESG STRATEGY: GOALS AND TARGETS

LIC has developed a phased ESG roadmap to guide its sustainability journey.

Short-Term	Governance (formating policies and procedures), baseline measurement and awareness building
Medium-Term	Target setting, enhanced performance tracking and integration of ESG considerations into core processes
Long-Term	Align operations and investment portfolio with national climate and sustainability objectives

Table 5: ESG Roadmap

In its aim to move towards net zero operations, Corporation has outlined Short Term (0-2 years), Medium Term (3-5 Years) and Long Term (6-10 Years) goals to embed ESG into its operations under each pillar.

(i) ESG Strategy Goals - Environment:

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
Emissions			
Scope 1 – 27014 tCO2e Scope 2 – 84102 tCO2e	Establish Scope 1 & 2 emissions baseline across offices on actual emission and develop net zero road map.	Achieve measurable reduction in Scope 1 & 2 emissions by implementing recommendations made in Energy Audit, interventions of net zero road map and continuing usage of energy saving methods, increase renewable energy generation through roof top solar and procurement of green power wherever available. Achieve 40% of reduction from baseline emissions by 2030 (year 5).	Achieve 70% of reduction from baseline emissions by 2036 (year 10). Move towards achieving net-zero operations by 2050.
Establish processes to calculate Scope 3 and disclose Scope 3 data in BRSR.	Disclose Scope 3 Category 6 – Business Travel and Scope 3 Category 7 – Employee Commute in BRSR for FY 26-27	Incorporate the following categories of Scope 3 and introduce process for calculation and disclosure in BRSR with timelines. Category 1 – Procurement of Goods and Services, Category 2 – Capital Goods and Category 15 – Financed Emissions (Investment) in addition to Scope 3 Category 6 - Business Travel and Scope 3 Category 7 – Employee Commute. Introduce business travel undertaken by agents under Scope 3 Category 6.	Tracking and monitoring of Scope 3 emissions across Category 1, 2, 6, 7 and 15.

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
Emissions			
Findings from the energy audit to be presented in a report for improvements. Findings to be taken up as targets for reduction.	Energy audit for all buildings (owned and leased) will be completed by December 2026. Implement energy audits schedule for major Zonal/ Divisional Offices and conduct third party energy audit by certified BEE Agency.	Tracking and monitoring of energy audit findings and ensure closure of audit observations.	Continue tracking and monitoring of energy audit findings and ensure closure of audit observations.
✓ Use of LED lighting. ✓ Use of Motion Sensors ✓ Energy inefficient appliances like ACs, light bulbs, lifts, etc ✓ Power saving solution for desktops. ✓ Energy efficient Electrical fixture. ✓ Environment friendly refrigerant in AC units.	To improve Energy efficiency: increase use of LED lighting, motion sensors and energy efficient equipment. Motion sensors for lighting to be ensured for 100% of the offices.	Tracking and monitoring of energy reduction initiatives. Motion sensors for lighting to be ensured for 100% of the offices.	Continue tracking and monitoring of energy reduction initiatives. Motion sensors for lighting to be ensured for 100% of the offices.
In addition, purchase of EVs is being encouraged amongst marketing and administrative staff.	Preferably hire Electric Vehicles for official purpose to increase use of Electric Vehicles Minimum 20% of all hired vehicles to be EV. Balance maximising on hiring of CNG/LNG and procurement of CNG/LNG staff cars as an interim measure to cater to rural India. 20% of existing staff cars to be replaced with Electric vehicles or new technologies for green transport.	Minimum 40% of all hired vehicles to be EV. Balance maximising on hiring of CNG/LNG and procurement of CNG/LNG staff cars as an interim measure to cater to rural India. 50% of existing staff cars to be replaced with Electric vehicles or new technologies for green transport.	Minimum 60% of all hired vehicles to be EV. Balance maximising on hiring of CNG/LNG and procurement of CNG/LNG staff cars as an interim measure to cater to rural India. 80% of existing staff cars to be replaced with Electric vehicles or new technologies for green transport.
18307 GJ Solar Energy	Increase capacity of Renewable Energy usage by installing solar panels in all owned commercial office buildings 2000 kWp every year till full saturation.	Ensure 50% of all energy needs are fulfilled through renewable energy (roof top solar, net metering and renewable PPA - Power Purchase Agreements as feasible).	Ensure 80% of all energy needs are fulfilled through renewable energy (roof top solar, net metering and renewable PPA- Power Purchase Agreements as feasible).
Green building certification obtained for 22 buildings in the FY 2024-25 and in process for 19 buildings.	Continue obtaining Green Building Certification for at least 3-star rating for existing commercial office buildings at maximum locations and all newly constructed commercial office buildings.	Acquiring Green Building Certification for all feasible buildings.	Acquiring Green Building Certification for all feasible buildings

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
Emissions			
1.21 metric tons/employee	Emission intensity (Scope 1 + Scope 2) to be captured.	10% reduction in emission intensity in comparison to the baseline. **Target** – 1.089 metric tons/employee	50% reduction in emission intensity in comparison to the baseline. **Target –** 0.605 metric tons/employee
Resource efficiency			
	Reduce paper usage through increased e- insurance policies by opening of Electronic Insurance Account which is consent based.	Achieve majority digital policy issuance.	Achieve 90% paperless operations.
We have completed 14,74,000 plus policies through Ananda platform, initiated by 2,94,000 plus agents. Improve on Digital Sales by using Ananda App.	Reduce paper usage through digital sales.	1. Identify and create 10 model offices for paperless operations. 2. For remaining offices: a) LIC offices in Tier I and Tier II cities to achieve 50% paperless operations. b) LIC offices in Tier III, IV, and rural offices to achieve 30% paperless operations. 50% paperless onboarding process to be achieved.	Achieve 90% paperless operations.
New Business: Particulars / Business / First Premium Income (Rs in Cr) Online Business / 5,004 / 60.98 Number of Policies National Pension System (NPS) Fund Business / 3,744 / 271.33 At present the channel offers 18 products for online purchase. Out of 18 products 4 are for Protection, 4 for Annuity, 4 for ULIP and 6 for savings.	Reduce paper usage through digital sales 100% sales through digital marketing.	Maintain 100% sales through digital marketing.	Achieve 90% paperless operations.

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
Resource efficiency			
Implementation of DIVE and HRMS Projects.	Reduce paper usage through digital service.	Ensure 100% of HRMS related work is carried out in online mode and is completely paperless.	Achieve 90% paperless operations completely paperless.
	IT procurement and program for mandatory double side printing.	Achieve Hardware transition of 50%. Achieve program transition of 10%	Achieve 90% paperless operations.
Water			
Rainwater harvesting to boost water conservation. Its impact is felt in increased conservation of water. Installed in 668 locations. Water consumed – 1267441 Kilo Litres	Install rainwater harvesting system to reduce depletion of water table, at maximum locations for water stewardship.	Install water meters at maximum locations for water stewardship and support water efficiency projects voluntarily through GJF.	Achieving reduction of water consumption by 30% in comparison with the baseline.
Water Conservation	Identify and create 10 model offices for reducing water consumption.	Introduce the conservation process in LIC offices in Tier I and Tier II cities to achieve 20% reduction of water consumption.	Introduce the conservation process for LIC offices in Tier III, IV, and rural offices and continue conservation process for LIC offices in Tier I, Tier II cities to achieve 30% of water consumption.
Water Conservation	Continue to Install as a continuous process sensor for water tanks and water efficient fixtures at maximum locations for water conservation as a measure towards increased water conservation.		Achieving reduction of water consumption by 30% in comparison with the baseline.
Water Conservation	Installation of water meters across offices in accordance with the directives of the local authorities.		
Water Conservation	Installation of Sewage Treatment Plants (STPs) in all newly constructed commercial buildings to be used for gardening purposes or redirected to Municipal Authorities thereby recycling wastewater.	Continue with installation of STPs as per statutory requirements in commercial buildings.	Achieving reduction of water consumption by 30% in comparison with the baseline.

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
Waste	Create and Implement Waste Management SOP as part of regulatory compliance.	Comprehensive Waste Tracking Mechanism, Segregation implementation across all offices with proper Record maintenance including Construction & Demolition waste, food waste and non-hazardous waste as per framed SOP as a continuous process.	Comprehensive Waste Management as a continuous process which includes reduced waste generation at source, record maintenance, safe disposal through authorized vendors for recycling/reuse.
Waste Generated – 2372 metric tons Waste Intensity per employee – 0.03 metric tons/employee	Waste segregation at source for sustainability.	Comprehensive Waste Tracking Mechanism, Segregation implementation across all offices with proper Record maintenance including Construction & Demolition waste, food waste and non hazardous waste as per framed SOP as a continuous process. Data for waste generation and disposal to be tracked through the module.	Comprehensive Waste Management as a continuous process which includes reduced waste generation at source, record maintenance, safe disposal through authorized vendors for recycling/reuse. Data for waste generation and disposal to be tracked through the module.
Environmental Management	Obtain ISO 14001 Certification at Central Office	Maintain existing certification and obtain certification up to Zonal Office Level	Maintain existing certification and obtain certification up to Divisional Level

(ii) ESG Strategy Goals - Social:

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
Customers			
No of complaints filled 74,290 Action and intimation of decision - 14 days	Conducting Survey, analysing customer feedback to arrive at Customer Satisfaction Score (C-SAT) and start disclosing C-SAT Score in BRSR.	Improve grievance redressal turnaround time by reviewing current position setting new timelines and monitoring progress.	Reviewing and Improving on Grievances redressal turnaround time at every stage.
Employees			
	Continue to Conduct regular training on ethics, POSH and workplace conduct to create a positive organization culture.	100% of employees to be trained/enrolled every year on ESG Awareness, Ethics, POSH, workplace conduct etc.	Refresher training of 100% of employees on ESG Awareness, Ethics, POSH, workplace conduct etc.
Number of Complaints filed 369, Complaint resolution time is 90 days.	Initiate E-SAT Score for employee satisfaction as a continuous process.	Improve on E-SAT Score.	Continue to improve on E-SAT Score.
Vendors			
	Develop and initiate Supplier/ Vendor Code of Conduct and ensure compliance by all offices.	Introduce ESG Screening criteria for Vendors for both goods and services across offices.	For vendor evaluation and assessment, Develop an ESG assessment framework.
	Develop and Initiate Supplier/vendor Training Programmes across all offices as a continuous process like Code of Conduct & Ethics, Compliances, Risk Assessment and Mitigation, ESG, Health, Safety and Environment.	Continue with Supplier/Vendor Training Programmes across all offices on topics like Code of Conduct & Ethics, ESG, Health, Safety and Environment etc. Cover 50% of Suppliers/vendors under the training programs.	Continue with Supplier/Vendor Training Programmes across all offices on topics like Code of Conduct & Ethics, ESG, Health, Safety and Environment etc. Cover > 90% of Suppliers/vendors under the training programs.
Community & Social Development			
No. of people benefited from Community development efforts through Golden Jubilee Foundation projects - 27215	Continue community development efforts on health, education and financial literacy voluntarily through Golden Jubilee Foundation.	Report social impact of community development initiatives and publish report.	Continue community development efforts on health, education and financial literacy voluntarily through Golden Jubilee Foundation, Report Social impact and publish report.

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
	Strengthen financial inclusion awareness programs through social media and by holding camps to improve outreach.	Continue to Strengthen financial inclusion awareness programs through social media and by holding camps to improve outreach.	Continue to Strengthen financial inclusion awareness programs through social media and by holding camps to improve outreach.
Health and Safety	Obtain ISO Certification 45001.	Maintain existing certification and obtain certification up to Zonal Office Level.	Maintain existing certification and obtain certification up to Divisional Level.
Diversity and Inclusion			
806 out of total 1065 LIC locations have ramp access for Divyang individuals. 109 out of total 872 LIC locations have provisions of Divyang washrooms.	Diversity, Equity and Inclusion (DEI) Policy to be formulated.	All feasible owned LIC buildings to have ramp/ alternative access arrangements for Divyang individuals.	Tracking and maintaining of ramp/ alternative access arrangements for Divyang individuals..

(iii) ESG Strategy Goals - Governance:

Financial Ethics & Compliance			
	Strengthen internal controls and compliance monitoring through training and internal audits as a continuous process.	In continuation improve to Strengthen internal controls and compliance monitoring through training and internal audits. 95% of offices Very Good and above in internal audit.	In continuation improve to Strengthen internal controls and compliance monitoring through training and internal audits. 98% of offices Very Good and above in internal audit.
Responsible Investment			
	To implement responsible investment principles while investing by integrating ESG factors investment analysis and decision making as per IRDAI provisions issued from time to time.	Review implementation of responsible investment principles by integrating ESG factors into investment analysis and decision making as per IRDAI provisions issued from time to time.	Review implementation of responsible investment principles by integrating ESG factors into investment analysis and decision making as per IRDAI provisions issued from time to time.
Current investments are ₹ 2,763.9 crore.	Year-on-year growth in total Green Bond investments. Increase in Green Bond investment by 20% in comparison to the baseline.	Increase in Green Bond investment by 50% in comparison to the baseline.	Increase in Green Bond investment by 80% in comparison to the baseline.

Baseline FY 24-25	Short-Term 0-2 years	Medium-Term 3-5 years	Long-Term 6-10 years
Responsible Investment	Investment in new green technologies like green hydrogen.	Exploring investment in new green technologies that might come up in future.	Exploring investment in new green technologies that might come up in future.
Data protection & Data privacy systems	Obtain ISO 27001 certification for creating confidence amongst stakeholders.	Maintain existing certification.	Maintain existing certification.
	Implementation and ensuring full compliance with the provisions of the DPDP (Digital Personal Data Protection) Rules, 2025.	Tracking and adherence to compliance requirements with the provisions of DPDP Rules, 2025.	Tracking and adherence to compliance requirements with the provisions of DPDP Rules, 2025.
Frameworks	Formulate Climate Risk Management Framework (CRMF) and review every year.	Conduct Climate Risk Impact Assessment and Review the KPI given CRMF take corrective action wherever required and prepare report.	Integrate climate risk considerations into investment decision-making.
	Formulate Environment Social Governance (ESG) Framework and review every year.	Conduct ESG Impact Assessment and Review the focus areas given in the ESG Framework, take corrective action wherever required and prepare report.	Conduct ESG Impact Assessment and Review the focus areas given in the ESG Framework, take corrective action wherever required and prepare report.
	Formulate Approach Paper on ESG, ESG Policy, Diversity, Equity and Inclusion (DEI) Policy and Sustainability Report and review every year.	Conduct impact assessment and review KPIs and focus areas and take corrective action wherever required.	Conduct impact assessment and review KPIs and focus areas and take corrective action wherever required.

Table 6: ESG Strategy Roadmap and Targets

6.1 SDG Alignment

LIC has integrated the Sustainable Development Goals (SDGs) with key areas of its business operations. The initiatives have ensured a positive contribution to at least 14 of the 17 SDGs.



Sustainability Development Goal	***LIC's Activities***
SDG 1: No Poverty	• LIC continues to support financial inclusion and social protection, with 52.85% of its agents based in rural India. • Through the "Bima Gram" initiative, LIC promotes insurance awareness across rural communities. • The LIC Golden Jubilee Foundation (LIC GJF) supports projects for economically weaker sections, aligned with its objectives of poverty relief, education, medical relief, and advancement of public utility. • Till date, LIC GJF has sanctioned 1,045 projects across India in line with the Foundation's social development objectives.
SDG 2: Zero Hunger	• LIC GJF has extended support to Akshaya Patra Foundation for funding food distribution vehicles to provide meals to children. • The Foundation has funded kitchen equipment such as dough-making machines and roti makers to support free food distribution to underprivileged communities. • These initiatives also help provide free meals to economically disadvantaged students in schools.
SDG 3: Good Health and Well-Being	• LIC organized 3,567 medical camps and 6,066 cleaning activities in FY26 under the "Swastha Bharat" initiative. • LIC conducts the annual "Insurance Week" initiative to enhance insurance awareness. • LIC's impact investing strategy supports improved access to healthcare and financing of healthcare infrastructure. • LIC GJF has funded medical equipment, ambulances, medical vans, hospitals, palliative care centres, patient wards, operation theatres for cancer treatment, bone marrow transplant support, heart surgeries, and cochlear implant surgeries.

SDG 4: Quality Education	• LIC GJF has provided scholarships to 41,776 deserving students from economically weaker sections, amounting to ₹105.26 crore, to support higher education. • Through the "Bima School" initiative, LIC promotes insurance awareness among school children. • LIC extends support to educational and research institutions. • LIC GJF contributes to education infrastructure, including hostels, school buildings, computer labs, libraries, school buses, vocational training centres, occupational therapy tools, and audio-visual equipment for children with special needs. • LIC GJF has also contributed to literacy initiatives, including support for 100% literacy efforts in Govindpur village and training for handloom weavers.
SDG 5: Gender Equality	• LIC's workforce and stakeholder base reflects women's participation, with 24.13% women in the workforce, 39.91% female agents and 38.57% female policyholders. • LIC has committees in place at Central, Zonal and Divisional levels for prevention of sexual harassment. • LIC supports women welfare projects, including women empowerment initiatives, scholarships for girl children, classroom construction, hostels, vocational training centres, libraries, infertility clinic set-up, female patient wards, mother and child centres, solar power plants in schools and residential schools for underprivileged girls.
SDG 6: Clean Water and Sanitation	• LIC GJF supports various sanitation-related projects. • LIC GJF has contributed to renovation of water bodies at Hari Thirtham, Kanyakumari, and has supported access to fresh water for communities. • The Foundation has provided water vending machines for clean drinking water at religious locations such as Badrinath, Kedarnath, Rishikesh and Haridwar • LIC GJF has supported construction of toilets under the "One Home One Toilet Scheme" in slums of Kolhapur, funding 169 toilets across 113 schools and toilet blocks in schools. • LIC GJF contributed to construction of community toilets in LIC's adopted village of Govindpur in Sonbhadra district, Uttar Pradesh, to support open-defecation-free communities. • LIC has supported E-toilets at Badrinath Dham and contributed to the Clean Ganga project to rejuvenate the river and its ecosystem.
SDG 7: Affordable and Clean Energy	• LIC has made substantial investments in renewable energy.

	• LIC GJF has funded solar power plants in hostel buildings, orphanages, and other institutions, helping reduce electricity costs. • LIC has also supported installation of solar plants at animal rescue and rehabilitation centres.
SDG 8: Decent Work and Economic Growth	• LIC continues to invest in skill development for employees and agents. • LIC maintains comprehensive in-house infrastructure to support its operational and workforce development needs. • LIC GJF has funded skill development and livelihood training for underprivileged youth and persons with disabilities. • The Foundation has supported technical training, art preservation initiatives, traditional art development, jewellery-making training, and computer training to promote livelihood generation, especially among women and disadvantaged communities.
SDG 9: Industry, Innovation and Infrastructure	• LIC has made significant investments in India's social infrastructure, including power generation, development of roads, bridges, railways, and other infrastructure-linked sectors.
SDG 10: Reduced Inequalities	• LIC has an equal opportunities policy in place. • LIC supports inclusion through reservations and opportunities for persons with disabilities, EWS and underprivileged sections of society. • LIC GJF contributes to medical and educational facilities for tribal communities. • LIC GJF has supported 54 projects across 31 aspirational districts identified by NITI Aayog, including communities affected by natural calamities. • LIC GJF also contributes to the Armed Forces Flag Day Fund for welfare of veterans, widows, and rehabilitation of ex-servicemen.
SDG 11: Sustainable Cities and Communities	• LIC has made substantial investments in renewable energy and housing in India. • LIC supports multi-faceted initiatives aimed at upliftment of underprivileged communities. • LIC GJF has funded E-toilets at Badrinath Dham to improve sanitation facilities for pilgrim.
SDG 12: Responsible Consumption and Production	• LIC has supported installation of solar plants at animal rescue and rehabilitation facilities.

	• LIC GJF has funded solar power plants at hostels, orphanages and similar institutions, reducing electricity costs and supporting responsible energy use.
SDG 13: Climate Action	• LIC has installed 10,499 kW of roof top solar capacity, resulting in a reduction of approximately 40,097 tonnes of carbon emissions since inception in 2014. • LIC has constructed three Green-rated buildings. • LIC GJF has contributed to solar power plants at school hostels, Vridhashrams, electric crematoriums, eco-vehicles, and eco-ambulances.
SDG 14: Life Below Water	• LIC GJF has funded the Clean Ganga project to support rejuvenation of the river Ganga and its ecosystem. • LIC GJF has also funded renovation of water bodies at Hara Theertham, Kanyakumari, and supported water access for communities.
SDG 15: Life on Land	• LIC proactively identifies relevant environmental and ecosystem-related issues. • LIC supports tree plantation drives and adoption of public gardens for maintenance and upkeep. • LIC GJF has contributed towards ambulances for transportation and rescue of wild animals at Kanpur Zoo. • LIC GJF has supported installation of solar power plants for the Elephant Conservation and Care Centre at Mathura, Uttar Pradesh, and at Lifetime Animal Sanctuary in Gopal Khera, Gurgaon, which provides shelter for animal rescue and rehabilitation.

Table 7: SDG Alignment

07 | ENVIRONMENT

7. ENVIRONMENT

7.1 ESG Strategy

LIC's climate and ESG strategy is guided by its long-term investment horizon, public sector mandate and responsibility towards policyholders. ESG-related considerations are relevant both from an operational perspective and through LIC's role as a large institutional investor. Key strategic focus areas include enhancing operational efficiency, improving data availability, and progressively integrating climate and ESG considerations into investment analysis and stewardship activities.

LIC is in the process of assessing the potential impacts of climate-related risks and opportunities on its business, including physical risks such as extreme weather events and transition risks arising from policy, regulatory and market changes. Scenario analysis capabilities will be strengthened over time to support informed decision-making. LIC intends to incorporate climate considerations systematically across critical business functions. The Corporation seeks to ensure that climate risks are continually identified, analysed, managed, and monitored across its operations and value chain, including underwriting and investments.

Types of Climate Risks

LIC categorises climate-related risks into two overarching groups—**Physical Risks** and **Transition Risks**—consistent with globally recognised frameworks. Each type of risk can potentially impact underwriting, investment performance, operational continuity, and long-term strategic planning.

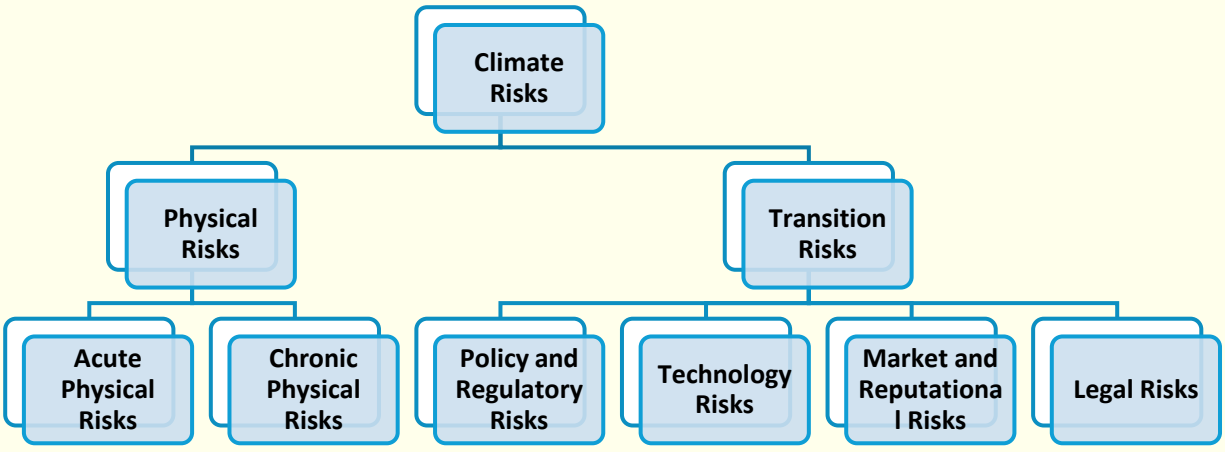


Fig 8: Types of Climate Risks

A. Physical Risks

Physical risks arise from the direct effects of climate and weather-related events. These risks may be **acute** (event-driven and sudden) or **chronic** (slow-onset, long-term).

1. Acute Physical Risks

Sudden, extreme climate-related events that can disrupt operations and drive claim severity. Examples include:

- Floods and flash floods
- Cyclones, storms, and extreme winds
- Heatwaves and heat stress conditions
- Cloudbursts, landslides, and extreme rainfall
- Wildfires and smoke-related health events

Potential impacts on Insurance Sector:

- Increased mortality and morbidity claim due to heatwaves, flooding, or catastrophic events
- Business interruptions at branches located in high-risk regions
- Reduced asset values for investments in disaster-affected areas
- Strain on disaster recovery and claims servicing systems during catastrophic events

2. Chronic Physical Risks

Long-term changes in climate patterns that gradually affect business, economic activity, and customer well-being.
Examples include:

- Rising average temperatures
- Sea-level rise affecting coastal infrastructure
- Long-term droughts, water scarcity, and agricultural distress
- Shifts in monsoon patterns, seasonal unpredictability
- Changing disease vectors (e.g., heat-related illnesses, vector-borne diseases)

Potential impacts on Insurance Sector:

- Long-term changes in underwriting assumptions for life and health products
- Erosion in value of real estate or infrastructure investments located in vulnerable geographies

- Reduced financial resilience in agriculture-dependent or climate-stressed communities
- Potential need for revised pricing, product features, or risk selection mechanisms

B. Transition Risks

Transition risks arise from the economic, regulatory, legal, technological, and societal changes occurring as India and the global economy move toward a low-carbon and climate-resilient future.

Transition risks include four key components: policy & regulatory risks, technology risks, market & reputational risks, and liability risks.

1. Policy and Regulatory Risks

Changes in climate-related rules, reporting requirements, or emission standards that affect LIC directly or its investee companies.
Examples include:

- New climate-related disclosure requirements (e.g., BRSR Core, TCFD/IFRS S2-aligned reporting)
- Sector-specific emission reduction mandates affecting energy, transport, and manufacturing
- Carbon pricing, green tax frameworks, or environmental compliance norms

Potential impacts on Insurance Sector:

- Increased compliance expectations in risk disclosures, governance, and portfolio assessments
- Changes in creditworthiness of firms impacted by climate policy
- Adjustments to risk appetite and strategic investment decisions

2. Technology Risks

Disruption caused by emerging low-carbon and climate-resilient technologies that displace older or carbon-intensive models.
Examples include:

- Rapid adoption of renewable energy over fossil fuels
- Electrification of transportation
- Digital and automated insurance processes impacting traditional distribution

Potential impacts on Insurance Sector:

- Reduced investment performance in industries unable to adapt

- Need for upgraded digital infrastructure to support climate-related data and modelling

3. Market and Reputational Risks

Shifting customer expectations, investor preferences, and stakeholder scrutiny related to sustainability performance.
Examples include:

- Customers preferring insurance products with sustainability features
- Investors shifting capital toward green or ESG-compliant portfolios
- Negative perceptions regarding exposure to high-emission industries

Potential impacts on Insurance Sector:

- Changes in premium inflows from climate-sensitive sectors
- Potential loss of market share if products do not reflect climate-conscious expectations
- Reputational exposure if LIC is perceived as misaligned with national climate goals

4. Legal Risks

Legal risks arise from evolving compliance and fiduciary expectations tied to climate change. As climate norms sharpen, insurers face increasing scrutiny around disclosure, risk management, and environmental responsibility.

Examples include:

- Legal action against corporates for environmental harm or inadequate climate disclosures, leading to claims under liability insurance products
- Litigation alleging misleading statements or omissions in insurance product documentation relating to climate risks
- Claims arising from environmental damage or public health impacts linked to climate change
- Regulatory fines or penalties for non-compliance with climate-related governance or disclosure requirements

Potential impacts on Insurance Sector:

- Increased claims from insured entities exposed to environmental litigation
- Heightened expectations on LIC for accurate climate disclosures and governance compliance
- Reputational consequences or legal scrutiny for insufficient integration of climate risks in underwriting and investments

- Need to continuously update policy terms, product disclosures, and risk selection guidelines

7.2 ESG Risk Management

Climate-related risks are being progressively integrated into LIC's enterprise risk management framework. Existing processes for identifying, assessing and managing financial and non-financial risks provide the foundation for incorporating climate risks. These include underwriting risks, investment risks, operational risks and reputational risks.

LIC continues to enhance internal awareness and coordination to ensure climate-related risks are identified early and managed in a structured manner, consistent with its overall risk appetite and governance framework.

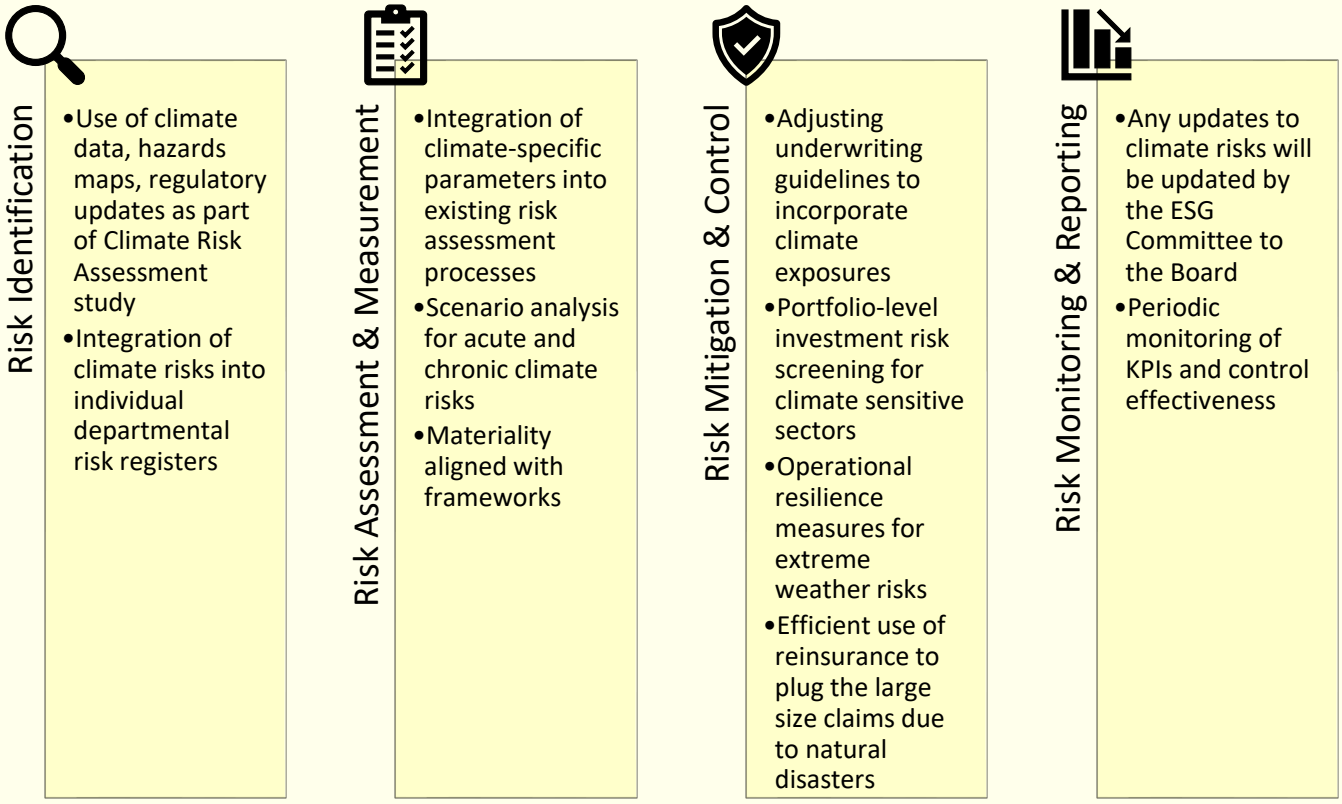


Fig 9: Integrating Climate Risks into ERM

7.3 Climate Metrics and Targets

LIC in its first Sustainability Report focused on establishing baseline processes for tracking energy consumption and resource use across its offices. Over time, LIC intends to enhance the availability and quality of climate-related metrics, including emissions data, to support target setting and performance monitoring.

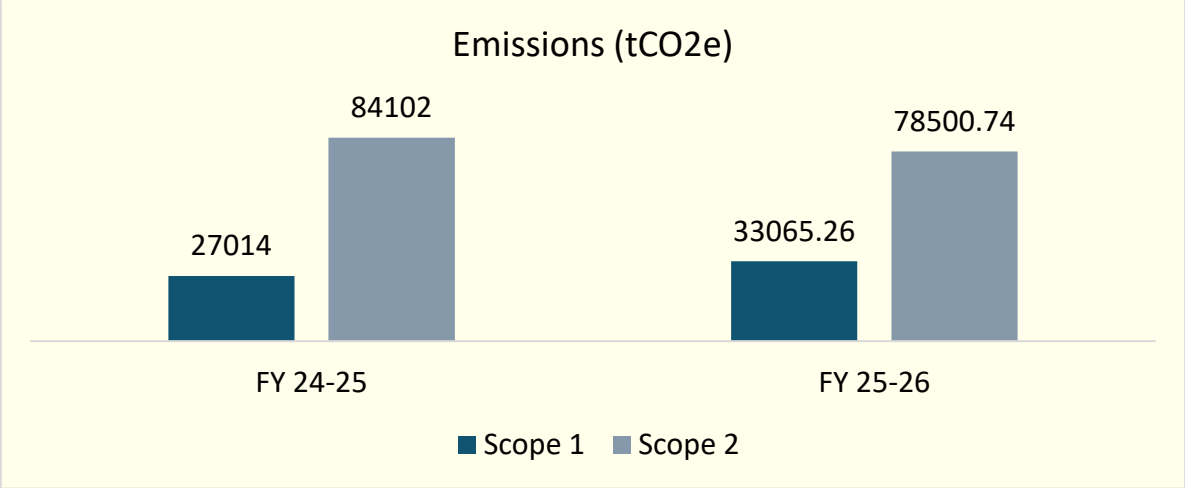


Fig 10: Emissions Performance

7.4 Energy Efficiency

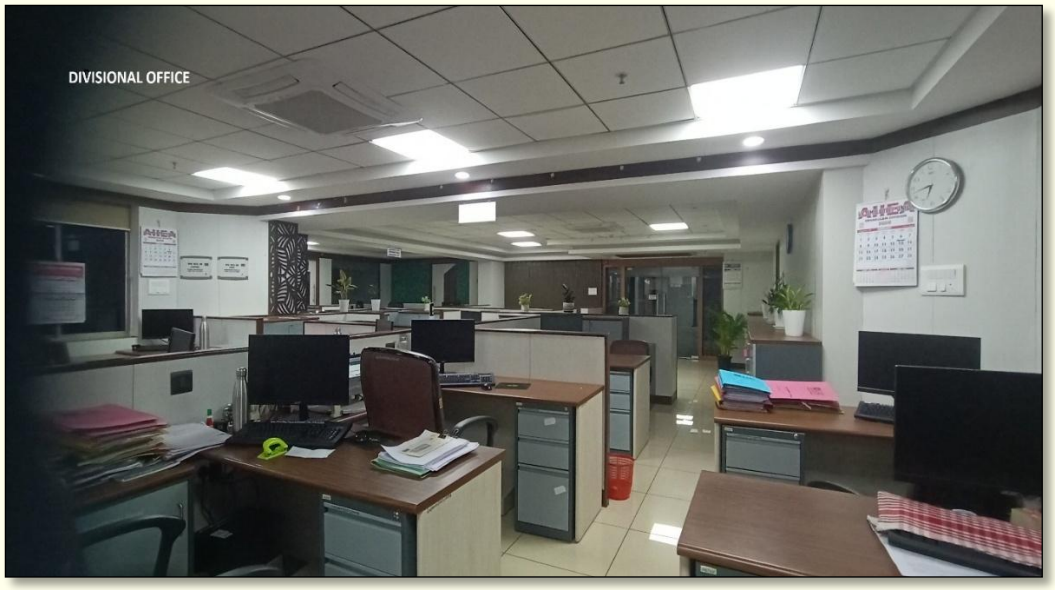
LIC undertakes energy efficiency initiatives across its operational footprint, including adoption of energy-efficient lighting and equipment, improved monitoring of electricity consumption and increased digitalisation of processes. These measures contribute to reduced energy intensity and improved operational efficiency.

	FY 2024-25	***FY 2025-26***
Total Energy Consumption	831448 GJ	938158 GJ
Renewable Energy	18307 GJ	38884 GJ
% of Renewable	2.2%	4%
Non-Renewable Energy	813141 GJ	899274 GJ
Fuel	390283 GJ	501242 GJ
Electricity	422858 GJ	398032 GJ
Energy Intensity per employee	9.07 GJ/Employee	11.09 GJ/Employee
Energy Intensity per rupee of turnover	1.70 GJ/₹ crores	1.75 GJ/₹ crores

Table 8: Energy Performance

Initiatives for reducing emissions:

1. Installation of LED lights:
   We have implemented energy-efficient LED lighting in both the workspace and the lobby to significantly reduce electricity consumption. LED lights use less power and have a longer lifespan compared to traditional lighting, helping lower operational costs while promoting sustainability. This initiative reflects LIC's commitment to creating an eco-friendly and energy-conscious workplace.



Pic 1: LED Lights installed in workspace



Pic 2: LED Lights installed in Lobby

2. Roof top solar installation:
   Roof top solar capacity installed reached 10,499 kW at the end of FY26. From 2014 till March 2026, LIC has generated a total of 445.52 lakh (kWh) of energy from solar PV, resulting in a reduction of 40,097.21 tons of carbon emissions (CO2e).



Pic 3: Drone view of roof top solar plant at LIC DO Building at Coimbatore under South Zone



Pic 4: Roof top Solar Panels Installed in Branch Office



Pic 5: Roof top Solar Panels Installed in Branch Office

7.5 Water Management

Water stewardship efforts focus on responsible use of water resources across office locations. Initiatives include monitoring consumption, promoting conservation practices and implementing efficiency measures where feasible. LIC continues to assess opportunities to enhance water management practices in line with sustainability objectives.

	FY 2024-25	***FY 2025-26***
Total Water Consumption	1267441	1132547.4
Water Intensity per Employee	13.83 kL/Employee	13.39 kL/Employee
Installation of Rainwater harvesting systems	Installed at 668 locations	

Table 9: Water Management

Initiatives for Reducing Water Consumption:

Some of the initiatives taken for water conservation include installation of water efficiency fixtures in taps, installation of rainwater harvesting systems at feasible offices and supporting water efficiency projects voluntarily through LIC's Golden Jubilee Foundation (GJF).



Pic 6: Rainwater Harvesting System

7.6 Waste Management

LIC's waste management approach emphasises waste reduction, segregation and responsible disposal. A strong focus is placed on reducing paper consumption through digitalisation of customer interactions and internal processes. These initiatives support both environmental objectives and operational efficiency.

We have formalized and implemented a Standard Operating Procedure (SOP) for waste management across operations. Offices are encouraged to recycle e-waste with disposal only through authorised vendors who provide recycling certificates. The end-of-life hardware items are handed over to the hardware supply vendor under buyback, who, in turn, appoints an e-waste disposal vendor registered with the Central Pollution Control Board or any State Pollution Control Board. A certificate is taken by the e-waste disposal vendor in the prescribed form. In total, 89.08% of waste has been disposed through Metal Scrap Trade Corporation Limited (MSTC).

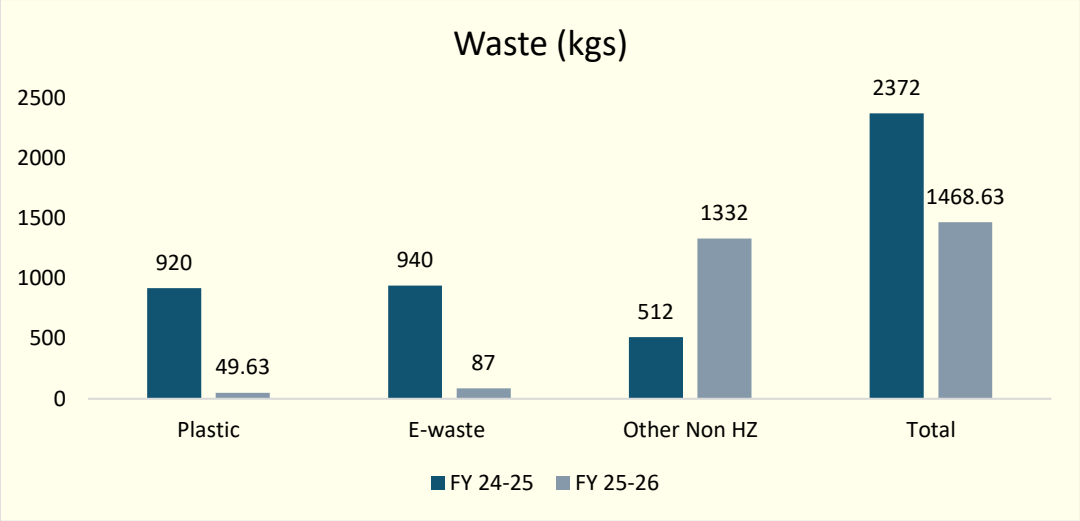


Fig 11: Waste Performance

Vermicomposting at Management Development Centre (MDC):

At the Management Development Centre (MDC), vermicomposting has been implemented as a sustainable waste management practice to treat organic waste generated on-site. Biodegradable waste is processed into nutrient-rich compost, which is utilised for on-campus landscaping and horticulture. This initiative contributes to waste diversion from landfills while supporting circular resource use.





Pic 7 & 8: Vermicomposting System

7.7 Digitization of Operations

To enhance resource efficiency and promote paperless operations, the Corporation has undertaken several digital transformation initiatives across its insurance sales and service processes. These include encouraging customers to open consent-based Electronic Insurance Accounts (e-IA) and increasing the issuance of e-insurance policies to reduce reliance on physical documentation. The Corporation has also strengthened digital sales channels using the ANANDA App and a focused approach towards achieving 100% digital sales. In addition, digital service initiatives, including the implementation of DIVE and HRMS projects, have streamlined internal processes and minimized paper consumption. Further supporting these efforts, the Corporation promotes responsible printing practices through IT procurement policies and the mandatory adoption of double-sided printing. Collectively, these initiatives contribute to improved operational efficiency, reduced paper usage, and a lower environmental footprint.



Pic 9: CEO & MD Mr Doraiswamy launching the HRMS project

08 | SOCIAL

8. SOCIAL

8.1 Human Resource Development

LIC's people are central to its long-term success. The organisation places strong emphasis on employee engagement, skill development and capacity building. Structured training programs are designed to enhance technical competencies, leadership capabilities and functional expertise. During FY 2025–26, LIC also initiated awareness-building programs related to sustainability and ESG topics to strengthen internal understanding. During the reporting period, LIC developed its ESG training module and initiated roll-out to its agent network, through the marketing department. The focus of this module is on the basics of ESG and sustainability reporting in India, its relevance for the insurance sector and the agents' role in advancing ESG, both personally and professionally.

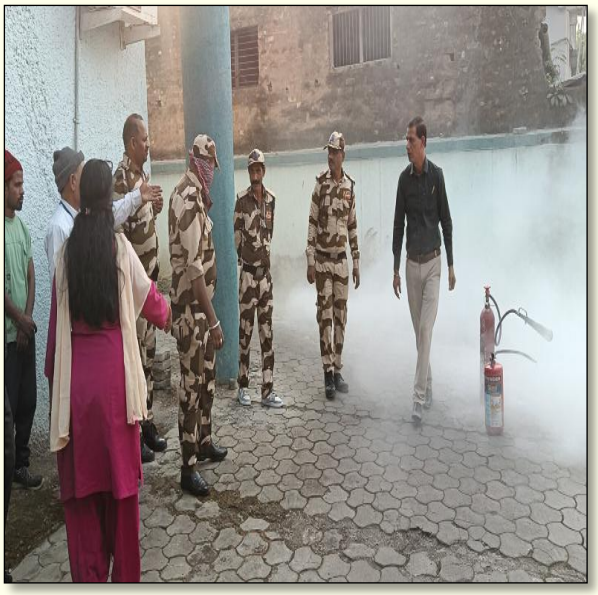
Number of Training sessions	***Topics***	***%age of persons in respective category covered by the awareness programme***
3971 Sessions	Product Training Comparison of Product Skill Development Study of Financial Markets	*20.72%*
30 Sessions	Yoga Cleanliness Save Green Swacchata Related Topics Vigilance Awareness New Plans Fire Drills Use of Hindi in Office Work	*48.64%*

Table 10: Training Sessions (For Value Chain Partners)

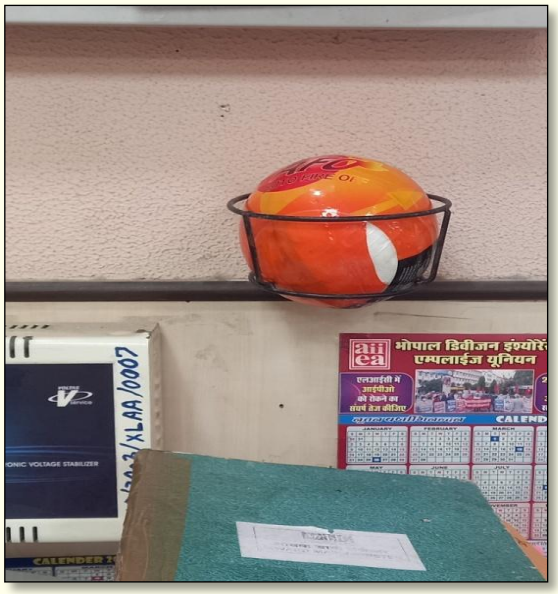




Pic 10 & 11: Swacchata Campaign Celebrated across LIC Locations



Pic 12: Fire Drill in Progress



Pic 13: Fire Ball as a Fire Safety Measure

8.2 Talent Management – LIC Gyanpeeth

To foster a culture of continuous learning and professional development, LIC has established LIC Gyanpeeth, a digital self-learning and self-skilling platform launched in 2020. Designed to deliver standardized training content without dependence on physical infrastructure or instructor-led sessions, the platform provides employees with uninterrupted access to learning resources anytime and anywhere through intranet and internet-enabled browsers.

The platform supports capability building across diverse functional domains and is continuously enhanced to improve learner experience and training effectiveness. As of 31 March 2026, LIC Gyanpeeth comprised 19 main modules, 166 sub-modules and 8,180 multiple-choice questions (MCQs), offering employees a comprehensive and structured learning ecosystem.

The initiative has witnessed strong employee participation, with approximately 75,057 employees, representing 89.69% of the workforce, successfully earning a cumulative 24,29,843 LIC Gyanpeeth certificates. Of these, 2,91,712 certificates were awarded for completion of main modules, and 21,38,131 certificates were issued for successful completion of sub-modules. This high level of engagement demonstrates LIC's commitment to strengthening employee competencies, promoting self-directed learning, and supporting workforce readiness in an evolving business environment.

8.3 Employee Benefits

LIC maintains a comprehensive employee benefits framework designed to promote financial security, health, and long-term well-being. Competitive emoluments, including pay scales, dearness allowance, performance-linked incentives, and productivity-linked incentives, support equitable compensation and reward performance. Employees are provided with

robust social security measures such as provident fund, gratuity, pension, and group insurance coverage, reinforcing long-term financial resilience. The corporation prioritises employee health through group medical insurance, reimbursement mechanisms for high-cost treatments, and dedicated relief funds. Additionally, targeted support for employees with disabilities and access to advances for education, medical needs, and natural calamities underscore the corporation's commitment to inclusivity, employee welfare, and social responsibility. Some of the other employee benefits are as follows: Health check-up, medical reimbursement, availability of doctor on premises in Central Office and Zonal office, and telly consultation through Medibuddy for all employees.

From the employees who opted for parental leave, the return-to-work rate stood at 100%. Further, 100% of employees were also provided with performance and career development reviews, reinforcing an environment that supports long-term growth.

8.4 Human Rights, Diversity and Inclusion

LIC is committed to upholding human rights and fostering an inclusive workplace that values diversity and equal opportunity. Policies and practices promote non-discrimination, fairness and respect across all levels of the organisation. LIC continues to strengthen mechanisms to ensure a safe, respectful and equitable work environment. LIC is in process of introducing a DEI (Diversity Equality and Inclusion) Policy which, in addition to the Equal Opportunities Policy, will provide strategic guidance to the matters relating to Diversity and Inclusion.

LIC ensures that through its elaborate framework of procedures and policies, no discrimination is done against anyone during recruitment, promotion, pay, training or termination based on gender, religion, caste, race, age, community, physical ability or sexual orientation. LIC promotes gender pay parity by maintaining a compensation framework that is based on role requirements, skills, experience, and performance, ensuring that remuneration decisions are free from gender-based discrimination. The Corporation remains committed to providing equitable opportunities and fostering an inclusive workplace culture where all employees can thrive and contribute effectively.

Out of the total 10.75 lakh women agents, the share of LIC is 46.14%. On the products side, 38.57% of policies were sold to women during FY26. In 15 States/UTs, the share in number of policies bought by women to the total policies sold was higher than the all-India average of 34.2%.

24.13 % of women in workforce

888 Nos of differently abled employees

As part of its ESG commitments, the organisation has prioritised infrastructure accessibility to support inclusion of Divyang (persons with disabilities). A structured programme is underway

to provide ramp access across offices, with significant progress already achieved—ramp facilities have been completed in a substantial majority of locations and Divyang-friendly washrooms have been implemented in many offices. Following recommendations of the Board-level ESG Committee, ramp or alternative access has been formally adopted as an ESG Strategy Goal, with a clear roadmap to achieve universal coverage within the defined timeline. This initiative reflects the organisation's focus on inclusive workplaces, equitable access to services, and alignment with social sustainability principles. Further, those buildings without lift access are being taken up for installation of the same.

806 Nos of offices have ramp access.

117 washrooms have been constructed for PWDs till date.



Pic 14: Ramp Access Provided for Divyang

Workplace Accessibility:

As part of its efforts to foster an inclusive and accessible workplace, LIC has taken measures to support visually impaired employees through assistive technology. Screen-reading software, ORCA, is available on Linux desktops provided across LIC offices, enabling visually impaired employees to access and navigate digital systems more effectively. To facilitate the effective use of the screen-reading software, provision of suitable headphones or audio devices to visually impaired employees has been done. These measures are aimed at improving accessibility to workplace technology and enabling employees with visual impairments to perform their responsibilities with appropriate technological support.

Bima Sakhi Yojana – Women Empowerment:

LIC's Bima Sakhi Yojana, launched by our Hon'ble Prime Minister on 9th December 2024, is a Mahila Career Agent (MCA) Scheme with the following features:

- Aims to provide employment opportunities to women
- Stipendiary scheme for three years
- Stipendiary scheme based on achievement of specified norms



Performance highlights of Bima Sakhi:

Key Statistics	***Up to 31.03.2026***
Total Number of Bima Sakhis in-force (in lakh) [since 09.12.2024]	2.83
Total Number of Policies Sold (in lakh)	21.94
Total NBP Procured (₹ in crore)	3,768.83
61.16% of policies and 57.72% of premium procured by Bima Sakhis from Rural areas	

Table 11: Bima Sakhi Performance Highlights

8.5 Customer Centricity

Customer trust is fundamental to LIC's operations. LIC focuses on transparent communication, efficient grievance redressal and continuous improvement in service delivery. Digital platforms and customer engagement initiatives are leveraged to enhance accessibility, responsiveness and satisfaction.

Type	***Complaints received***	***Pending resolution***
Data Privacy	1	0
Advertising	0	0
Cyber-security	0	0
Delivery of Essential Services	49011	0
Restrictive Trade Practices	0	0
Unfair Trade Practices	0	0
Other	17412	0

Table 12: Number of Customer Complaints

Initiatives for Customer Service:

LIC has undertaken the following technological innovations for customer support and experience improvement:

MY LIC (formerly known as LIC DIVE)

- One stop shop for all insurance and policy servicing needs. Designed to accelerate digital engagement and self-service adoption, enhancing customer convenience while improving operational efficiency and service accessibility

Super Sales Saathi

- Designed to streamline agency operations and enhance customer service delivery

Ananda App

- Designed for ease of on-boarding of customers by the agency force; integrated with WhatsApp

LIC has launched MY LIC APP for various services such as KYC verification, online policy loan, policy renewals, updating contact details, updating email id, updating address, updating NEFT details, premium payment, updating bank details, online revival with DGH. Loan repayment, ULIP fund switch.

LIC operates 74 Customer Zones across India from 8:00 a.m. to 8:00 p.m., functioning as one stop service centres focused on addressing all customer servicing requirements with an emphasis on delivering a quality experience. In addition, LIC provides a 24×7 Centralized Call Centre accessible at 02268276827, featuring a comprehensive IVRS and the option to speak directly with a customer service executive for queries, information, or lodging complaints through Call Centre Services (CCS) tickets. These services are available in Hindi, English, and eight regional languages.

The Corporation also offers an SMS-based initiative, LICHELP, through which policyholders can send an SMS in the format LICHELP to 9222492224. Upon receipt, an official from the relevant

Customer Zone contacts the policyholder to resolve the complaint or request. Customers are kept informed at each stage of the policy process through SMS or email alerts-based initiative.

LIC have WhatsApp services on 8976862090 for the policy holders whose mobile number is registered to get requisite information about policies.

Initiatives for Customer Grievance Redressal:

The Corporation has embedded a strong culture of customer care and relationship management within its grievance redressal framework by positioning customer centric personnel across all service touchpoints. An IT enabled support system has been implemented to minimize manual intervention and reduce customer grievances. LIC of India offers a user-friendly online platform through its website, www.licindia.in, where registered policyholders can lodge complaints and track their status via LIC's eServices. Complaints registered through IRDAI's Grievance Management System, Bima Bharosa, are seamlessly integrated with LIC's internal complaint management system. An IT-enabled support system has been implemented to minimize manual intervention and reduce customer grievances.

To address policyholder concerns effectively, Grievance Redressal Officers (GROs) are appointed at the Branch, Divisional, Zonal, and Central Office levels, with their details available on LIC's website. GROs is available for personal interaction with customers every Monday between 2:30 p.m. and 4:30 p.m., and meetings on other days can be scheduled by prior appointment. Customers may also submit their grievances through post, email, or directly to their respective servicing offices or GROs.

To address grievances relating to repudiated death claims, LIC has established Claims Review Committees at the Zonal and Central Office levels. These committees comprise two or more senior LIC officers along with an Honourable Retired District Court or High Court Judge.

Additionally, LIC has role-based access to the Government of India's grievance platforms—CPGRAMS (Centralized Public Grievance Redress and Monitoring System) and NCH (National consumer Helpline) - INGRAM (Integrated Grievance Redressal Mechanism) available to policyholders to lodge their grievances which are responded to directly.

Enhancing Accessibility and Inclusivity of Customer Services:

LIC remains committed to delivering accessible, inclusive, and customer-centric services across its diverse policyholder base. Recognizing the needs of elderly citizens, differently abled individuals, and customers requiring additional assistance, LIC agents and staff provide doorstep services such as premium collection, claims assistance, and collection of life certificates under annuity policies.

To enhance digital inclusion, customers are guided in the use of the LIC Customer Portal and My LIC App, enabling them to conveniently access a wide range of policy servicing functions online. Annuitants and pensioners can also submit their Life Certificates digitally through the Jeevan Sakshya platform, eliminating the need to visit branch offices. Further strengthening

customer convenience, LIC has simplified several service processes, including claim settlement and online NEFT registration, reducing documentation requirements and minimizing the need for physical branch visits.

In the event of natural disasters and large-scale incidents such as floods, earthquakes, and train accidents, the Corporation has established simplified death claim settlement procedures and ensures continuity of claims processing through remote access mechanisms.

LIC also leverages technology to improve customer outreach through AI-enabled voice bots that communicate in 13 languages, assisting customers and agents in updating bank account, NEFT, and contact details to facilitate timely claim payments. In line with the Department of Financial Services' "Your Money, Your Right" initiative, LIC conducts special campaigns to help policyholders identify and claim amounts lying in unclaimed accounts through its website. Additionally, LIC's extensive marketing force, including Agents and Development Officers, actively works to reconnect with policyholders whose contact information may not be up to date, ensuring that customers continue to receive timely communication and uninterrupted access to benefits and services.

8.6 Community Engagement

Through its insurance products, government-backed schemes and community initiatives, LIC contributes to social protection and inclusive growth. These efforts support financial resilience, particularly among vulnerable and underserved sections of society. During the year, 119 projects were completed under community development activities with 59, 383 beneficiaries, 100% of them being from vulnerable and marginalised groups. Further, scholarships were disbursed to 10,660 scholars belonging to the economically weaker sections.

Plant-a-Life Initiative:

Under the “Plant-a-Life” initiative, saplings were planted across all offices of the Corporation. LIC officials actively participated in the plantation drives and ensured proper care.

11,47,574

Saplings Planted via ‘Plant-a-life’ initiative.





Pic 15 & 16: 'Plant a life' initiative at various LIC offices

Case Study 1 Plant-a-Life activities at various LIC Offices:

Plantation activities were organized in the villages nearby to the LIC offices, in collaboration with the Forest Department. The plantation drives were conducted in the presence of Guest Officers from LIC, making the initiative more memorable while also reinforcing environmental consciousness and inspiring employees to embrace sustainable practices.

Case Study 2: Ek Pahel BR Memorial Welfare Society, Alkakunj





Pic 17 & 18: Installation of Roof top Solar Power Plant at Ek Pahel Memorial Welfare Society

1530

Underprivileged Children Impacted

The LIC Golden Jubilee Foundation has supported the installation of a roof top solar power plant at Ek Pahel Memorial Welfare Society with the objective of promoting environmental sustainability and reducing operational expenses, particularly electricity costs. The project is aimed at transforming the lives of underprivileged children, youth, and women through access to quality education and skill-based livelihood programmes. By meeting a part of the organization's energy requirements through solar power, the initiative will help reduce recurring expenses and enable the Society to channel more resources towards welfare, education, and developmental activities for disadvantaged children and youth.

Case Study 3: Purvottar Janajati Shiksha Samiti, Tripura



Pic 19: LIC's Contribution towards the Construction of Classrooms at a School in Tripura

Purvottar Janajati Shiksha Samiti has been working in the tribal regions of Northeast India to provide quality education to students from rural communities. In support of this mission, the LIC Golden Jubilee Foundation has contributed ₹30 lakh towards the construction of classrooms on the first floor of a residential school in Tripura. This support will help strengthen educational infrastructure and further the organisation's efforts to expand learning opportunities for tribal children.

110

Beneficiaries Reached

In addition to the Foundation's efforts, LIC adheres to government guidelines regarding preferential procurement from MSMEs and local suppliers, thereby supporting local economies and businesses. During FY 2025-26, 52.66% of procurement was from MSME vendors with 2.73% being from SC/ST vendors under MSME.

8.7 Financial Inclusion

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) has emerged as a significant contributor to financial inclusion in India by providing affordable life insurance coverage to economically vulnerable populations. Designed to offer a life cover of ₹2 lakh at a nominal annual premium, the scheme minimizes barriers to participation through simplified enrolment, automatic premium deductions, and minimal documentation requirements. By making insurance accessible to low-income and rural households, PMJJBY strengthens social security and enhances the financial resilience of families facing unforeseen hardships.

The scheme has delivered meaningful social outcomes by providing timely financial support to beneficiary families during periods of crisis. As of March 2026, LIC had enrolled 3.70 crore subscribers through a network of 1,035 banking partners and facilitated the settlement of 2.96 lakh claims. The direct transfer of insurance benefits has helped families manage immediate financial obligations, sustain access to education, and avoid dependence on informal high-interest borrowing.

3.70 Crore

Subscribers

LIC offers a diverse portfolio of insurance solutions designed to cater to the evolving needs of citizens across age groups, income categories and life stages. The Corporation has developed specialized products for different customer segments, including products accessible through digital channels to meet the preferences and expectations of younger generations, thereby supporting wider insurance penetration and financial inclusion.

09 | GOVERNANCE

9. GOVERNANCE

9.1 Business Ethics and Compliance

LIC operates in accordance with high standards of ethical conduct, integrity and regulatory compliance. Directors Code of conduct, Staff Rules Manual, vigilance mechanisms, whistle blower mechanism and internal controls guide employee behaviour and decision-making. Regular audits and compliance reviews help ensure adherence to applicable laws, regulations, internal policies and some policies which are publicly available.

To further strengthen responsible business practices across its value chain, LIC has initiated comprehensive vendor ESG screening as part of its supplier engagement and evaluation process. A structured questionnaire has been developed covering general ESG criteria which is exhaustive. This enables LIC to assess supplier practices systematically and promote greater alignment with its sustainability and compliance expectations.

9.2 Policies, Codes and Frameworks

LIC has established a robust policy framework to guide its operations and stakeholder interactions. These policies are periodically reviewed and updated to ensure relevance and alignment with evolving regulatory and ESG expectations, with ongoing efforts to strengthen and expand the policy landscape.

ESG Framework	LIC's ESG Framework sets out its approach to embedding environmental, social and governance considerations into operations, investments, governance and stakeholder engagement, with a focus on sustainable growth, social responsibility and ethical governance. lic_esg-framework-1-0-05-02-2026-formatted-final
Climate Risk Management Framework	This Framework outlines how the Corporation identifies, assesses, mitigates and reports climate-related risks, including integration into enterprise risk management, business continuity planning and business processes. lic_climate-risk-management-framework-2-0-05-02-26-formatted-final
Code of Conduct for Directors and Senior Management	The Code provides ethical and governance expectations for LIC's Board and senior management, reinforcing responsible conduct, policyholder interests and alignment with LIC's mission and objectives.
Whistle Blower Policy	LIC's Whistle Blower Policy provides a mechanism to report concerns such as irregularities, governance weaknesses and financial reporting issues, supporting transparency and accountability.

Directors' Policy	This policy governs Board qualification, nomination, appointment, remuneration, evaluation and diversity, supporting structured Board composition and governance oversight.
Anti-Bribery and Anti-Corruption Policy	LIC's Anti-Bribery and Anti-Corruption Policy applies to employees, directors and associated third parties, and sets a zero-tolerance approach to bribery and corruption.
Anti-Fraud Policy	LIC's Anti-Fraud Policy sets out controls for fraud prevention, detection, investigation, monitoring and reporting across internal, intermediary, policyholder and claims-related fraud risks.
Equal Opportunity Policy	LIC's Equal Opportunity Policy promotes an inclusive workplace for persons with disabilities, covering non-discrimination, accessibility, promotion safeguards and grievance redressal.
Policy for Protection of Interests of Policyholders	This policy consolidates LIC's approach to insurance awareness, grievance redressal, service standards, prevention of mis-selling and fair treatment of policyholders.
Stewardship Code	LIC's Stewardship Policy outlines its role as an institutional investor, including monitoring, engaging and voting on investee company matters to promote governance, ESG considerations and long-term value creation.
ESG Policy	LIC's ESG Policy guides the integration of environmental, social and governance considerations across its operations, investments, underwriting and decision-making, supported by defined governance mechanisms, performance monitoring and a ten-year action plan. lic_esg-policy-5-0-24-06-26-1

Table 13: List of LIC's Policies

9.3 Economic Performance and Financial Resilience

LIC's long-term financial resilience is supported by prudent risk management, a diversified investment portfolio and strong capital adequacy. These factors enable LIC to honour its commitments to policyholders while supporting sustainable growth.

56.66 % Market Share in Premium

65.16 % Market Share in Policies

57,29,396 crores ₹

Assets Under Management

1,75,356 crores ₹

Net Worth

2.35

Solvency Ratio

9.4 Responsible Investment and Sustainable Business Practices

As a large institutional investor, LIC recognises its responsibility to consider long-term ESG risks and opportunities in investment decision-making. LIC is progressively strengthening its approach to responsible investment and aims to integrate ESG considerations in investment decisions and engagement with investee companies.

LIC has a Board-level Investment Committee which guides the investment strategy anchored in the principles of safety, liquidity, and return, ensuring prudent capital deployment while maintaining compliance with IRDAI regulations. Through its Policy on Stewardship Code, LIC also considers factors such as corporate governance and capital structure, on a best-effort basis to support responsible investment decisions.

Primary Stewardship Responsibilities
Take into consideration, in the investment process, policies and practices of investee companies on environmental and social issues
Consider the corporate governance practices of investee companies, while taking investment decisions
Enhance shareholder/investor value through productive engagement with investee companies
Vote and engage with investee companies in a manner consistent with the best interests of its shareholders/investors
Influence the development of corporate governance standards and corporate social responsibility
Communicate environmental, social and governance principles and policy guidelines to investee companies
Be accountable to shareholders/investors within the parameters of professional confidentiality and regulatory regime
Maintain transparency in reporting its voting decisions and other forms of engagement with investee companies.

Table 14: Primary Stewardship Responsibilities

9.5 Digitalisation, Data Privacy and Cybersecurity

LIC leverages digital technologies to improve operational efficiency, service delivery and customer experience. As one of the largest holders of life insurance policies, the Corporation manages significant volumes of sensitive personal information. With the rapid expansion of digital access and data collection, the risk of information security breaches has increased correspondingly. Cybersecurity is therefore a key enabler of data privacy and sustainable business practices. The Corporation has established a robust data security framework, taking guidance from the Digital Personal Data Protection Rules 2025, and supported by dedicated teams and well-defined processes to prevent, detect, and respond to potential data leaks.

Continuous, real-time monitoring of data security is conducted across websites, devices, and other digital domains.

1 Incident of Data Breach Reported During the Year	0 Policyholders Affected by Data Breaches

9.6 ESG & Climate Risk Integration into ERM

LIC's Enterprise Risk Management (ERM) framework provides a structured approach for identifying, assessing, monitoring and mitigating both financial and non-financial risks that may affect the Corporation's long-term sustainability and value creation. In line with evolving regulatory expectations and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), ESG considerations have been progressively embedded into the risk management process to ensure that environmental, social and governance-related risks are systematically evaluated and addressed across business operations, investment activities and strategic decision-making.

Environmental and Climate-Related Risks

Environmental risks are integrated into LIC's ERM framework through the identification and monitoring of climate-related physical and transition risks that may impact both the Corporation's assets and insurance portfolio. One of the key environmental risks recognized by LIC is the potential erosion in the value of real estate and infrastructure investments located in geographies vulnerable to climate-related hazards such as floods, droughts, cyclones and other extreme weather events. Increasing climate variability may adversely affect asset valuations and investment returns, thereby creating long-term financial implications for the Corporation.

LIC also assesses the potential impacts of climate change on policyholder behaviour and insurance outcomes. The increasing frequency and severity of extreme weather events could lead to displacement of communities, disruption of livelihoods and loss of income, which may contribute to higher policy lapsation rates in the short term. Climate change may also affect human health by increasing the occurrence and severity of illnesses, heat-related stress and other health complications, potentially leading to changes in mortality and morbidity patterns. While the uncertainty associated with long-term climate projections makes precise quantification challenging, these emerging risks are monitored through the ERM framework as part of LIC's broader climate risk assessment process.

To strengthen resilience, environmental risks are tracked through defined indicators such as exposure of assets to climate-vulnerable locations, weather-related disruptions, environmental incidents, emissions intensity and environmental compliance performance. Existing risk register entries relating to natural calamities, environmental compliance, waste

management, sustainable sourcing, fuel management and environmental regulatory adherence are aligned with the ESG risk universe to support proactive risk mitigation and informed decision-making.

Social Risks

LIC's ERM framework incorporates social risks that may affect the Corporation's workforce, customers, suppliers and broader stakeholder ecosystem. Social considerations are embedded across areas such as human capital management, employee well-being, diversity and inclusion, workplace safety, talent management, supply chain oversight, customer outcomes and community impact.

Climate-related social impacts are also recognized within the risk management framework. The potential increase in health-related risks arising from changing climatic conditions may indirectly affect policyholder claims experience, persistency and long-term insurance liabilities. In addition, broader societal disruptions resulting from extreme weather events may influence customer affordability and accessibility to insurance products. These risks are reviewed within the ERM process to ensure that emerging social challenges and stakeholder expectations are appropriately considered.

Governance and Regulatory Risks

Governance risks form a critical component of LIC's ERM framework and encompass regulatory compliance, business ethics, reporting integrity, information security and organizational oversight. The Corporation recognizes that failures in governance processes can result in financial, operational, legal and reputational consequences.

Specific governance-related risks identified within the ERM framework include non-adherence to regulatory reporting requirements, errors or omissions by employees that may lead to compliance breaches, and over-reliance on support functions for critical inputs that could result in inaccurate or incomplete reporting. These risks are subject to regular monitoring and control mechanisms to ensure accuracy, timeliness and compliance with regulatory expectations.

In addition, governance risks include fraud, corruption, unethical conduct, inadequate oversight, cyber security threats, data breaches and information security incidents. The Corporation's risk management approach is supported by established governance mechanisms, including internal controls, whistleblower processes, compliance frameworks and ethical conduct policies. Key risk indicators relating to regulatory compliance, reporting accuracy, cyber incidents, employee conduct and governance effectiveness are monitored to strengthen accountability and transparency across the organization.

ESG Risk Governance and Ongoing Monitoring

ESG risks are integrated into LIC's existing risk registers, assessment processes and monitoring mechanisms, ensuring that material environmental, social and governance issues are

incorporated into enterprise-wide risk evaluations. Through periodic risk assessments, defined risk indicators and established mitigation measures, LIC seeks to identify emerging ESG risks at an early stage and strengthen organizational resilience.

By embedding ESG considerations into its ERM framework, LIC enhances its ability to manage climate-related uncertainties, social impacts and governance obligations, while safeguarding stakeholder trust, maintaining regulatory preparedness and supporting sustainable long-term growth. This integrated approach enables the Corporation to proactively respond to changing environmental and societal conditions while continuing to create long-term value for policyholders and other stakeholders.

9.7 Business Continuity Plan

The Corporation has a Board approved Business Continuity Plan (BCP), developed with inputs from all departments outlining their respective action plans. Comprehensive Risk Registers are maintained and reviewed periodically to support effective and proactive risk management. Defined and well-structured procedures are in place to address both major and minor incidents, enabling timely mitigation or elimination of potential and actual impacts. The robustness of the Business Continuity framework is further underscored by the Corporation's certification under ISO 22301.

LIC has established special claim settlement procedures in the aftermath of natural disasters such as floods, earthquakes and major accidents. Through remote-access-enabled servicing and business continuity arrangements, the Corporation continues claim processing and settlement activities to ensure timely support to affected policyholders and beneficiaries.

10 | BRSR DISCLOSURE ALIGNMENT

10. BRSR DISCLOSURE ALIGNMENT

This Sustainability Report has been prepared in alignment with SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework. Disclosures addressing the nine principles of BRSR have been integrated across the report.

Principle No.	Topic	Context
Principle 1	**Ethics, Transparency and Accountability**	LIC conducts its business with high standards of integrity, transparency and accountability. Codes of conduct, vigilance mechanisms and internal controls guide ethical behaviour and ensure compliance with applicable laws and regulations.
Principle 2	**Sustainable and Safe Goods and Services**	LIC's insurance products are designed to provide long-term financial security and protection, supporting responsible consumption of financial services and long-term savings behaviour.
Principle 3	**Employee Well-being**	LIC places strong emphasis on employee welfare, training, safety and engagement, fostering a respectful and supportive workplace.
Principle 4	**Stakeholder Engagement**	LIC engages proactively with stakeholders to understand expectations and incorporate feedback into decision-making processes.
Principle 5	**Human Rights**	LIC is committed to upholding human rights and ensuring fair, inclusive and non-discriminatory practices across its operations.
Principle 6	**Environment**	LIC recognises its responsibility to minimise environmental impact through efficient resource use, climate risk management and environmental stewardship.
Principle 7	**Policy Advocacy**	LIC engages with regulators and policymakers in a transparent and responsible manner, consistent with its public sector mandate.

Principle 8	**Inclusive Growth**	LIC supports inclusive growth through financial inclusion, social security schemes and community development initiatives.
Principle 9	**Customer Value**	Customer trust and satisfaction are central to LIC's operations, supported by transparent communication, grievance redressal mechanisms and service quality initiatives.

11 | GRI CONTENT INDEX

11. GRI CONTENT INDEX

The GRI Content Index below provides a comprehensive mapping of disclosures included in LIC's Sustainability Report FY 2025–26 against the applicable Global Reporting Initiative (GRI) Standards. The report has been prepared with reference to the GRI Universal Standards (2021) and selected Topic-Specific Standards, considering LIC's role as a life insurance provider and a public sector financial institution. Disclosures are provided to the extent applicable for a first-time sustainability report.

GRI Universal Standards

GRI Standard	Disclosure	Description	Report Section
GRI 2	2-1	Organisational details	About Us – Who We Are
GRI 2	2-2	Entities included in sustainability reporting	Reporting Boundary
GRI 2	2-3	Reporting period, frequency and contact point	About the Report
GRI 2	2-4	Restatements of information	About the Report
GRI 2	2-5	External assurance	About the Report
GRI 2	2-6	Activities, value chain and business relationships	What We Do / Value Creation
GRI 2	2-7	Employees	Social – Human Resource Development
GRI 2	2-8	Workers who are not employees	Social – Human Resource Development
GRI 2	2-9	Governance structure and composition	ESG Governance
GRI 2	2-10	Nomination and selection of the highest governance body	Governance
GRI 2	2-11	Chair of the highest governance body	Governance
GRI 2	2-12	Role of the highest governance body in overseeing impacts	ESG Governance

GRI 2	2-13	Delegation of responsibility for managing impacts	ESG Governance
GRI 2	2-14	Role of the highest governance body in sustainability reporting	ESG Governance
GRI 2	2-15	Conflicts of interest	Governance – Business Ethics
GRI 2	2-16	Communication of critical concerns	Governance – Business Ethics
GRI 2	2-17	Collective knowledge of the highest governance body	Governance
GRI 2	2-18	Evaluation of the performance of the highest governance body	Governance
GRI 2	2-19	Remuneration policies	Governance
GRI 2	2-20	Process to determine remuneration	Governance
GRI 2	2-21	Annual total compensation ratio	Governance
GRI 2	2-22	Statement on sustainable development strategy	CEO Message
GRI 2	2-23	Policy commitments	Governance – Policies
GRI 2	2-24	Embedding policy commitments	Governance – Policies
GRI 2	2-25	Processes to remediate negative impacts	Governance – Grievance Redressal
GRI 2	2-26	Mechanisms for seeking advice and raising concerns	Governance – Vigilance Mechanism
GRI 2	2-27	Compliance with laws and regulations	Governance – Compliance
GRI 2	2-28	Membership associations	About Us
GRI 2	2-29	Approach to stakeholder engagement	Stakeholder Engagement
GRI 2	2-30	Collective bargaining agreements	Social – Human Rights

GRI 3: Material Topics

GRI Standard	Disclosure	Description	Report Section
GRI 3	3-1	Process to determine material topics	Materiality Assessment
GRI 3	3-2	List of material topics	Materiality Assessment Results
GRI 3	3-3	Management of material topics	ESG Roadmap and Performance

Environmental Standards

GRI Standard	Disclosure	Description	Report Section
GRI 302	302-1	Energy consumption within the organisation	Environment – Energy Efficiency
GRI 302	302-4	Reduction of energy consumption	Environment – Energy Efficiency
GRI 303	303-3	Water withdrawal	Environment – Water Management
GRI 303	303-5	Water consumption	Environment – Water Management
GRI 305	305-1	Direct (Scope 1) GHG emissions	Environment – Climate Change
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	Environment – Climate Change
GRI 305	305-3	Other indirect (Scope 3) GHG emissions	Environment – Climate Change
GRI 305	305-5	Reduction of GHG emissions	Environment – Climate Strategy

GRI 306	306-3	Waste generated	Environment – Waste Management
GRI 306	306-4	Waste diverted from disposal	Environment – Waste Management
GRI 306	306-5	Waste directed to disposal	Environment – Waste Management

Social Standards

GRI Standard	Disclosure	Description	Report Section
GRI 401	401-1	New employee hires and turnover	Social – Human Resource Development
GRI 401	401-2	Benefits provided to full-time employees	Social – Human Resource Development
GRI 403	403-1	Occupational health and safety management system	Social – Employee Well-being
GRI 403	403-5	Worker training on health and safety	Social – Training
GRI 404	404-1	Average hours of training per employee	Social – Training and Development
GRI 404	404-2	Programs for upgrading employee skills	Social – Training and ESG Capacity
GRI 405	405-1	Diversity of governance bodies and employees	Social – Diversity and Inclusion
GRI 406	406-1	Incidents of discrimination	Social – Human Rights
GRI 413	413-1	Community engagement and development	Social – Community Engagement
GRI 418	418-1	Substantiated complaints on customer data privacy	Governance – Data Privacy & Cybersecurity

Economic Standards

GRI Standard	Disclosure	Description	Report Section
GRI 201	201-1	Direct economic value generated and distributed	Governance – Economic Performance
GRI 201	201-2	Financial implications of climate change	Governance – Climate Risk (TCFD)
GRI 203	203-1	Infrastructure investments and services supported	Social – Community Development
GRI 205	205-1	Operations assessed for corruption-related risks	Governance – Business Ethics
GRI 205	205-3	Confirmed incidents of corruption	Governance – Compliance
GRI 206	206-1	Legal actions for anti-competitive behaviour	Governance – Compliance