Environment Social Governance (ESG) Policy

June 2026

ESG Document No 4 - Change History

Document No.	Nature of Revision	Date Approved
4.0	Approved by the Board.	24-06-2026

1. Policy Statement

The Life Insurance Corporation of India (LIC), as India's largest life insurer and a public sector institution of national importance, is committed to conducting its business in a responsible, ethical, and sustainable manner. LIC recognises that Environmental, Social, and Governance (ESG) considerations are integral to long-term value creation, financial resilience, risk management, and stakeholder trust.

This ESG Policy articulates LIC's overarching commitments and guiding principles for embedding ESG considerations across its operations, investments, underwriting, governance, and stakeholder engagement.

2. ESG Vision

To be a trusted, sustainable, and socially responsible life insurance provider promoting financial security and contributing to the nation's inclusive and resilient growth — guided by the principles of environmental stewardship, social equity, and ethical governance.

3. Purpose and Objectives

This ESG Policy provides a strategic framework to guide LIC in:

- Integrating ESG principles into LIC's strategy, decision-making, and business conduct.
- Strengthening resilience to environmental, social, governance, and climate-related risks.
- Promote responsible insurance and investment, and inclusive growth.
- Enabling structured ESG integration through policies, systems, governance mechanisms, and continuous improvement.
- Ensuring alignment with regulatory requirements, national priorities, and evolving global sustainability standards.

4. Scope and Applicability

This Policy applies to all LIC operations and functions within India, including underwriting, investments, risk management, claims, human resources, procurement, digital operations, and customer engagement. It is applicable to employees, agents, and relevant stakeholders engaged in LIC's business activities.

5. Regulatory Alignment

This Policy is aligned with:

- IRDAI (Corporate Governance for Insurers) Regulations, 2024
- Applicable Indian laws and regulations
- Global sustainability principles and reporting frameworks such as GRI, UN Principles for Sustainable Insurance (UN PSI), and other globally accepted ESG standards, as relevant.

6. ESG Governance

LIC will adopt a robust governance structure to ensure effective oversight and implementation of ESG initiatives:

- **Board Oversight:** The Board of Directors provides strategic oversight of ESG and approves the ESG Policy.
- **ESG Committee:** A Board-level committee oversees ESG strategy, performance, regulatory compliance, and disclosures.
- **Management Implementation:** A cross-functional Internal ESG Team coordinates implementation, monitors progress against KPIs and supports ESG reporting.

7. ESG Pillars and Strategic Commitments

7.1 Environmental Responsibility

LIC is committed to minimizing its environmental footprint and enhancing climate resilience by:

- Improving energy efficiency, increasing renewable energy adoption, and promoting resource-efficient infrastructure.
- Progressively work towards long-term environmental goals such as net zero emissions, water stewardship, and responsible waste management, through structured roadmaps and pilot initiatives.
- Identify, assess, and integrate climate-related risks and opportunities into enterprise risk management, underwriting, and investment decision-making.
- Support pilot projects and initiatives that strengthen environmental performance and operational resilience

7.2 Social Responsibility

LIC places people at the centre of its ESG approach and is committed to:

- Delivering transparent, accessible, and customer-centric insurance solutions and effective grievance redressal mechanisms
- Promoting financial inclusion, insurance awareness, and social protection.
- Upholding safe and healthy working conditions, human rights, fair labour practices, diversity, equity, and inclusion across its workforce and value chain.
- Strengthening employee and agent capabilities through continuous learning, including training on social issues and ESG awareness.
- Engaging responsibly with suppliers and vendors by encouraging sustainable and ethical business practices.

- Creating positive social impact through structured community development initiatives.

7.3 Governance and Ethical Conduct

LIC upholds the highest standards of corporate governance and is committed to:

- Conduct business in accordance with applicable laws, regulations, and ethical standards.
- Maintain robust enterprise risk management, internal controls, business continuity mechanisms and audit mechanisms.
- Promote transparency, accountability, and ethical conduct through well-defined governance policies like Directors Code of Conduct, Anti-Corruption Policy etc.
- Safeguard customer and stakeholder data through strong data protection, data privacy, confidentiality and cybersecurity practices.
- Timely and accurate disclosures by publication of ESG Report and BRSR Report (as part of Annual Report).

8. ESG Integration and Enablement

To support effective implementation of this Policy, LIC commits to:

- Developing and strengthening ESG integration across investments and underwriting, including guidance, tools, and capacity building for relevant teams.
- Establishing ESG-related policies, guidelines, and governance charters aligned with NGRBC principles and regulatory expectations.
- Implementing internal mechanisms for ESG risk identification, assessment, monitoring, and audit.
- Developing ESG data systems, dashboards, and reporting mechanisms to enable monitoring, disclosure, and engagement with regulators, rating agencies, and other stakeholders.
- Undertaking ESG impact assessments to evaluate outcomes, refine strategies, and improve effectiveness over time.
- Conducting stakeholder mapping and engagement to identify material ESG risks, opportunities, and priorities.
- Formulating short-term and long-term ESG strategies aligned with global standards and national priorities.

9. Performance Monitoring and Disclosure

LIC monitors ESG performance through defined Key Performance Indicators (KPIs) aligned with identified focus areas. ESG performance is periodically reviewed by management and the Board-level ESG Committee. ESG-related disclosures are made in accordance with applicable regulatory requirements, including BRSR and other mandated reports.

10. Capacity Building and Awareness

LIC promotes ESG awareness and capability building across the organisation through training, communication, and integration of ESG principles into functional and leadership development programmes.

11. Review and Amendment

This ESG Policy shall be reviewed every year and updated as required to reflect evolving regulatory requirements, stakeholder expectations, and best practices and shall come into effect from the date of approval by the Board.

12. Department-wise KPIs and Action Plan for achievement of KPIs for 10 years

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 as given below.

Review, tracking and monitoring of these KPIs is being done through the online portal available for data entry. For KPIs which are not tracked on the online portal, excel based templates have been created for effective tracking and timely review.

(i) ESG Strategy Goals- Environment:

RESPONSIBILITY	**KPI**	**THEME**	**ACTION PLAN** (0-2 years)	**ACTION PLAN** (3-5 years)	**ACTION PLAN** (6-10 years)
Engineering	Move towards Net Zero	Emissions	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 panels and procurement of green power wherever available. Achieve 40%	Achieve 70% of reduction from baseline emissions by 2036 (year 10). Move towards achieving net-zero operations by 2050.

RESPONSIBILITY	KPI	THEME	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
				of reduction from baseline emissions by 2030 (year 5).	
Engineering, Office Services and Investment	Move towards Net Zero	Emissions	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.
Engineering	Move towards Net Zero	Emissions	Implement energy audit schedule for major Zonal/ Divisional Offices and conduct third party energy audit by certified BEE Agency. Energy audit for all buildings (owned and leased) will be completed by December 2026. Findings from the energy audit to be presented in a report	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.

RESPONSIBILITY	KPI	THEME	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
			for improvements. Findings to be taken up as targets for reduction.		
Engineering	Move towards Net Zero	Emissions	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 maintained at 100%.	Continue tracking and monitoring of energy reduction initiatives. Motion sensors for lighting to be maintained at 100%.
Office Services	Move towards Net Zero	Emissions	Preferably hire Electric Vehicles for official purpose to decrease emissions In addition, purchase of EVs is being encouraged amongst our marketing and administrative staff. 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.
Engineering	Move towards Net Zero	Emissions	Increase capacity of Renewable Energy usage by installing solar panels in all owned commercial office	Ensure 50% of all energy needs are fulfilled through renewable energy (rooftop solar, net	Ensure 80% of all energy needs are fulfilled through renewable energy (rooftop solar, net metering and renewable

RESPONSIBILITY	KPI	THEME	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
			buildings 2000 KWp every year till full saturation.	metering and renewable PPA – Power Purchase Agreement as feasible).	PPA – Power Purchase Agreements as feasible).
Engineering	Move towards Net Zero	Emissions	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
Engineering and Office Services	Move towards Net Zero	Emissions	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
New Business & Reinsurance	Paperless Operations	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.
New Business and Reinsurance	Paperless Operations	Resource Efficiency	Reduce paper usage through digital sales. • Improve on Digital Sales by using Ananda App.	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	

RESPONSIBILITY	KPI	THEME	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
				30% paperless operations. 50% paperless onboarding process to be achieved.	
Digital Marketing	Paperless Operations	Resource Efficiency	Reduce paper usage through digital sales 100% sales through digital marketing.	Maintain 100% sales through digital marketing.	
Personnel/ Office Services/ IT/DT	Paperless Operations	Resource Efficiency	Reduce paper usage through digital service • Implementation of DIVE and HRMS Projects.	Ensure 100% of HRMS related work is carried out in online mode and is completely paperless.	
IT/ DT	Reduction in Paper usage.	Resource Efficiency	IT procurement and program for mandatory double side printing.	Achieve Hardware transition of 50%. Achieve program transition of 10%.	
Engineering	Move towards Water Neutrality	Water	Install rainwater harvesting system to reduce depletion of water table, at maximum locations for water stewardship • Rainwater harvesting to boost water conservation. Its impact is felt in increased conservation of water.	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.
Office Services and Engineering	Move towards Water Neutrality	Water	Water Conservation Identify and create 10 model offices for	Introduce the conservation process in LIC offices in Tier I and Tier II cities to	Introduce the conservation process for LIC offices in Tier III, IV, and rural offices and continue conservation

RESPONSIBILITY	**KPI**	**THEME**	**ACTION PLAN** (0-2 years)	**ACTION PLAN** (3-5 years)	**ACTION PLAN** (6-10 years)
			reducing water consumption.	achieve 20% reduction of water consumption.	process for LIC offices in Tier I, Tier II cities to achieve 30% of water consumption.
Office Services and Engineering	Move towards Water Neutrality	Water	Continue to Install as a continuous process sensor for water tanks and water efficient fixtures at maximum locations as a measure towards increased water conservation.		Achieving reduction of water consumption by 30% in comparison with the baseline.
Office Services	Move towards Water Neutrality	Water	Installation of water meters across offices in accordance with the directives of the local authorities.		
Engineering	Move towards Water Neutrality	Water	Installation of Sewage Treatment Plants (STPs) in all newly constructed commercial buildings. Treated water to be used for gardening purposes or redirected to Municipal Authorities thereby recycling wastewater wherever applicable.	Continue with installation of STPs as per statutory requirements in commercial buildings.	
Office Services	Effective Waste Management	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. Data for waste generation and disposal
All Employees	Effective Waste Management	Waste	Waste segregation at source for sustainability. Waste intensity per employee to be captured		

RESPONSIBILITY	KPI	THEME	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
				Data for waste generation and disposal to be tracked through the module.	to be tracked through the module.
Office Services	Management Systems	Environment 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:

RESPONSIBILITY	KPI	Theme	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
Customer Relationship Management	Effective Grievance redressal	Customers	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.
HRD	Effective Training	Employees	Conduct regular trainings on ESG Awareness, Ethics, POSH, workplace conduct etc. to create a positive organization culture. Participation certificate to be issued online to all participants.	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.
Personnel	Employee Satisfaction	Employees	Initiate E-SAT Score for employee satisfaction as a continuous process.	Improve on E-SAT Score.	Continue to improve on E-SAT Score.
Office Services	Vendor Management	Vendors and Suppliers	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.
Office Services	Vendor Management	Vendors and Suppliers	Develop and Initiate Supplier/vendor Training Programmes across all offices as a continuous process like	Continue with Supplier/Vendor Training Programmes across all offices on	Continue with Supplier/Vendor Training Programmes

RESPONSIBILITY	KPI	Theme	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
			Code of Conduct & Ethics, Compliances, Risk Assessment and Mitigation, ESG, Health, Safety and Environment.	topics like Code of Conduct & Ethics, ESG, Health, Safety and Environment etc. Cover 50% of Suppliers/vendors under the training programs.	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.
Golden Jubilee Foundation/ Marketing	Community & Social Development	Community & Social Development	Continue Community Development Efforts (CDE) 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.
Corporate communication/ Marketing and P&GS	Improve Financial Inclusion	Community & Social Development	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.
Office Services	ISO Certification	Health and Safety	Obtain ISO Certification 45001.	Maintain existing certification and	Maintain existing

RESPONSIBILITY	KPI	Theme	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
				obtain certification up to Zonal Office Level.	certification and obtain certification up to Divisional Level.
Personnel and Engineering	Diversity, Equity and Inclusion (DEI)	Human Resource/ Personnel	Diversity, Equity and Inclusion (DEI) Policy to be formulated. Number of buildings out of the total LIC buildings with ramp access for Divyang individuals.	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:

RESPONSIBILITY	KPI	Theme	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
All Departments	Improve Ethical operations	Financial Ethics & Compliance	Strengthen internal controls and compliance monitoring through training and internal audits as a continuous process. 90% of offices to be rated Very Good and above in internal audit.	In continuation improve to Strengthen internal controls and compliance monitoring through training and internal audits. 95% of the offices to be rated Very Good and above in internal audit.	In continuation improve to Strengthen internal controls and compliance monitoring through training and internal audits. 98% of the offices to be rated Very Good and above in internal audit.
Investment	Ensure responsible investment	Responsible Investment	To implement responsible investment principles while investing by integrating ESG factors in investment analysis and decision making as per IRDAI provisions issued from time to time.	Review implementation of responsible investment principles while investing by integrating ESG factors in investment analysis and decision making as per IRDAI provisions	Review implementation of responsible investment principles while investing by integrating ESG factors in investment analysis and

RESPONSIBILITY	KPI	Theme	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
				issued from time to time.	decision making as per IRDAI provisions issued from time to time.
Investment	Ensure responsible investment	Responsible Investment	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.
Investment	Ensure responsible investment	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.
ERM/CSD	Improve data protection systems	Data protection systems	Obtain ISO 27001 certification for creating confidence amongst stakeholders.	Maintain existing certification.	Maintain existing certification.
ERM/CSD	Ensure data privacy	Data privacy	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.
Office Services	Improve Framework Alignment	Frameworks	Formulate Climate Risk Management Framework (CRMF) and review every year.	Conduct Climate Risk Impact Assessment and Review the KPI progress, take corrective action wherever required and prepare report.	Integrate climate risk considerations into investment decision-making.
Office Services	Improve Framework Alignment	Frameworks	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

RESPONSIBILITY	KPI	Theme	ACTION PLAN (0-2 years)	ACTION PLAN (3-5 years)	ACTION PLAN (6-10 years)
					required and prepare report.
Office Services	Improve Framework Alignment	Frameworks	Formulate Approach Paper on ESG, ESG 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.

13. Conclusion

In adopting this ESG Policy, LIC reaffirms its commitment to responsible, ethical, and future-ready business practices that contribute to India's overall sustainability goals. Guided by clearly defined environmental, social, and governance pillars, the Corporation seeks to embed ESG considerations across all operations, investments, and stakeholder interactions. The policy outlines structured short-term, medium-term, and long-term goals, supported by measurable KPIs, robust governance mechanisms, regulatory alignment, and ongoing capacity building. Through sustained efforts ranging from climate action and resource efficiency to financial inclusion, ethical conduct, and strong risk management, LIC aims to strengthen resilience, enhance stakeholder trust, and advance its vision of becoming a trusted, sustainable, and socially responsible life insurer. This Policy serves as a dynamic framework that will evolve with emerging regulatory requirements, global standards, and stakeholder expectations, ensuring continuous improvement in LIC's ESG performance and long-term value creation.