



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Environment, Social, and Governance (ESG) Framework

Feb 2026

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ESG Document No 1 - Change History

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I. Introduction

The Life Insurance Corporation of India (LIC), as the nation’s largest life insurer and a trusted public sector enterprise, has always been guided by the principles of trust, transparency, and social responsibility. Since its inception, LIC has played a pivotal role not only in providing financial protection and savings solutions to millions of Indians but also in contributing to the country’s economic and social development.

In keeping with our enduring commitment to national progress and sustainability, LIC has initiated the process of formalizing an Environmental, Social, and Governance (ESG) Framework. This marks an important milestone in our journey toward integrating sustainable practices into our business operations, governance systems and stakeholder engagement processes.

ESG Vision:

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

ESG Goals:

The Life Insurance Corporation of India (LIC) is committed to integrating Environmental, Social, and Governance (ESG) principles into all aspects of its operations, investments, and decision-making. Our ESG goals are designed to ensure that LIC continues to serve as a catalyst for sustainable growth, responsible investment, and societal well-being.

A. Purpose of the Framework

Life Insurance Corporation of India (hereinafter referred to as “LIC” or “the Corporation”) has established this ESG Framework to demonstrate its commitment to responsible and sustainable business practices. The Framework supports LIC’s mission to offer insurance solutions that are simple, affordable, and accessible. ESG principles are considered integral to LIC’s long-term business strategy and digital transformation.

The Framework aims to:

- Incorporate environmental, social, and governance factors into decision-making and routine operations.
- Promote sustainability, transparency, and innovation for customers, employees, and other stakeholders.
- Enable long-term value creation and strengthen risk resilience, while contributing to societal and environmental well-being.

This Framework will assist LIC in embedding ESG considerations into its insurance activities and in reinforcing stakeholder confidence.

B. Objective

The framework outlines a structured pathway for LIC's ESG journey, directing efforts in the short term while setting a foundation for sustained long-term progress. In the short term, LIC endeavours to measure, monitor and improve on ongoing ESG initiatives as detailed out in the focus areas below. Over the medium to long term, LIC's ESG focus will be determined by the materiality assessment exercise that will be conducted considering priority areas of internal and external stakeholders.

C. Scope and applicability

The ESG Framework applies to all operations, functions, and business activities of LIC located in India. The Framework is applicable across internal functions including risk, underwriting, claims, investments, human resources, procurement, and customer relations. It ensures that ESG factors are included in corporate planning, operational processes, and stakeholder engagement.

D. Alignment with IRDAI Regulations

This Framework is consistent with the IRDAI (Corporate Governance for Insurers) Regulations, 2024, which mandate that insurers adopt a Board-approved ESG framework and regularly monitor ESG activities.

II. ESG Governance Structure

LIC will adopt a two-tier governance structure for oversight and implementation of ESG activities.

Board oversight on ESG:

The ESG Framework will be approved by the Board of Directors. It will be reviewed annually to maintain relevance and effectiveness. The ESG Committee will hold primary oversight for ESG responsibilities and will present an annual summary report to the Board and will have the following duties.

- 1) Recommend the ESG Policy of the Corporation to the Board and review the policy as and when required.
- 2) 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.
- 3) Advise the Corporation and have an 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.
- 4) Recommend to the Board to establish a comprehensive Climate Risk Management Framework to facilitate the climate risk management, keeping in view the size, nature and complexity of operations of the Corporation.
- 5) Periodically review the ESG activities of the Corporation.
- 6) Reviewing and noting of the Business Responsibility and Sustainability Report (BRSR) or any ESG Related reports mandated by regulatory authorities.
- 7) To have an oversight on the activities of LIC Golden Jubilee Foundation Trust
- 8) Any other ESG related activities as stipulated by regulatory Authorities, from time to time.

Cross-functional working group:

An ESG Internal Team which will be a cross-functional ESG working group will be established, comprising representatives from core departments.

The ESG Internal Team will meet Quarterly. Its responsibilities will 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 will provide a semi-annual update to the ESG Committee and ensure that the ESG strategy remains aligned with business priorities and evolving ESG trends.



III. Pillar-wise Performance Activities

Environment

Understanding the increasing risks associated with climate change, the Corporation is taking steps to manage its environmental footprint and improve the efficiency of resources used. These efforts are directed toward enhancing climate resilience and strengthening environmental responsibility.

1. Climate change:

1.1. Energy efficiency

LIC has furthered its energy efficiency through green infrastructure agenda by installing solar PV systems across multiple locations thereby reducing its carbon emissions annually. The corporation is also promoting electric vehicle adoption and is planting saplings nationwide. LIC aims to give more thrust on obtaining green building certifications

for its buildings. Also, it is promoting to construct its new buildings with an aim to obtain at least 3-star ratings along with construction.

1.2. Water Management

LIC is dedicated to sustainable water management, ensuring the efficient and responsible utilization of water resources in accordance with the guidelines of the Central Ground Water Authority (CGWA) under the Ministry of Jal Shakti, Government of India. By embracing advanced technologies and pursuing continuous improvement, LIC seeks to reduce water consumption and actively contribute to environmental sustainability. For instance, many of our offices have a rainwater harvesting units and sewage treatment plants.

1.3. Waste Management

LIC follows the 3Rs principle—Reduce, Reuse, and Recycle—to effectively minimize waste generation and promote sustainability. Our waste management practices include electronic waste management through certified disposal partners and paperless initiatives. We make use of MSTC (Metal and Scrap Trading Corporation) platform for disposal of scrap.

1.4. Afforestation

As part of its environmental stewardship, LIC actively conducts sapling plantation drives across various locations. These efforts not only improve green cover but also engage employees and stakeholders in promoting ecological well-being.

1.5. Climate Risk

The Corporation follows a structured approach to identifying, evaluating, mitigating, and reporting climate-related risks that may impact its business operations and long-term financial resilience. As climate risk management practices within the Indian insurance sector continue to evolve and regulatory expectations progress, the Corporation will progressively strengthen and refine its methodologies to more fully

integrate climate considerations into its overall risk management framework.

Social

LIC's approach to ESG places emphasis on building a responsible organization by valuing people, treating every individual with dignity, and earning customer trust. Social responsibility is embedded in business operations through inclusive human resource practices, respect for human rights, and community engagement. This approach supports sustained value creation for all stakeholders. The stakeholders include – employees, customers, agents, regulators, community, suppliers etc.

2. Customers

2.1 Customer trust and satisfaction

LIC places customer-centricity at the core of its strategy, with a strong focus on delivering simple, transparent, and accessible insurance experiences. Leveraging a digital approach, the company has established efficient service processes. Aligned with IRDAI requirements, LIC has implemented a policy for the protection of policyholders' interests aimed at safeguarding customer rights. This includes clear service standards, grievance redressal procedures, insurance awareness efforts, customer centric products and services, Citizen's charter, customer zones, call centres etc. LIC integrates consumer education into its core values, promoting awareness of insurance and broader risk management to empower customers to make informed decisions.

2.2 Customer Engagement

Engagement of customers at various forums on periodic basis and evaluation of suggestions received.

3. Agents

LIC provides a wide range of opportunities to help its agents grow their business and enhance their professional capabilities. As an extension of our

workforce, we take responsibility for their continuous capacity building through initiatives like *Vidyagnet*, our dedicated learning portal for training and development. We also offer several welfare schemes such as group insurance, gratuity benefits for long-term service, pension schemes, and hereditary commission, ensuring comprehensive support for agents and their families. Agents demonstrating exceptional performance are recognised through membership in various prestigious clubs, which offer additional benefits such as office allowance, telephone facilities, and other entitlements as per policy. Further strengthening our agent ecosystem, LIC has introduced *ANANDA* (Atma Nirbhar Agents New Business Digital Application)—a digital platform and mobile app that simplifies and digitises the proposal and policy issuance process, enabling agents to conduct business efficiently and seamlessly.

4. Employees

4.1 Employee engagement and Training

LIC's strength lies in its human capital, and continuous upskilling remains critical for sustaining leadership in a knowledge-driven industry. With a large workforce across a widespread network, constant vertical and lateral movement makes ongoing skill development essential.

At LIC, we carry out the employee engagement through a well-designed Employee Engagement Program during which sessions are conducted on various topics. Programs conducted have sessions on topics like Leadership Development, Vigilance, POSH, Swachhata, PLLI, ESG, Reinvestment and Health & Wellness.

LIC has shifted to digital self-learning, enabling standardized training accessible anytime through online platforms. LIC introduced its Learning Management System— "*LIC Gyanpeeth*"—to promote self-learning, collaboration, and seamless knowledge enhancement across the organization.

4.2 Diversity and inclusivity

The Corporation is committed to ensuring equal opportunity and remuneration for all employees, irrespective of their gender, disability,

or identity. All employees are provided with insurance coverage (life, health and personal accidents) through various group schemes. Well defined retirement benefits take care of employees during their sunset years. LIC has long upheld provisions to ensure a safe and accessible workplace for employees with disabilities, and these commitments are further reinforced through the Equal Opportunity Policy and adherence to the Rights of Persons with Disabilities Rules, 2017. All offices of the Corporation have been instructed to ensure barrier-free access and necessary facilities for persons with disabilities. Ramps, grab rails, and similar accessibility features have been installed in our Zonal and Divisional offices to support individuals with special needs. In addition, ramps have been set up across office locations, and a dedicated Divyangjan-friendly restroom has been constructed at the many of our offices. LIC's Bima Sakhi Yojana is a women-centric career and empowerment initiative by the Life Insurance Corporation of India (LIC) that aims to train and support women as LIC insurance agents while providing them financial stability and skill development.

4.3 Training on ESG

Regular training at various forums at all levels for making all stakeholders aware & more responsive towards ESG framework & concerns underlying.

4.4 Grievance redressal and Human rights practices

LIC upholds a workplace culture based on respect for human rights. The Corporation ensure a safe and respectful environment. A grievance mechanism system e-Samadhan is in place to ensure fair handling and timely resolution of matters related employees.

The corporation, for redressal of matters pertaining to sexual harassment at workplace, has formulated an Internal Complaints Committee which is consistent with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

5. Suppliers and Vendors

We extend our commitment to fair treatment and capacity building to our suppliers and vendors. Well laid down board approved outsourcing policy and procurement policy provide us guidance for proper on boarding of suppliers and vendors and their management including remuneration, provident fund, ESIC etc.

6. Community engagement

The LIC Golden Jubilee Foundation undertakes Community Development activities across the country giving preference to disadvantaged, marginalized and underprivileged sections of the society. The projects range from scholarships, health initiatives, rural education programmes and providing infrastructural support in fields of education and health.

Governance

LIC corporate governance is guided by a comprehensive set of policies and procedures that reinforce ethical conduct, regulatory compliance, and stakeholder trust, including:

- [Anti Fraud Policy](#)
- [Anti-Bribery And Anti-Corruption Policy](#)
- [Archival Policy](#)
- [Code of Conduct for Directors and Senior Management](#)
- [Director's Policy](#)
- [Dividend distribution policy](#)
- [Equal Opportunity Policy](#)
- [Materiality-policy](#)
- [Policy for determining Material Subsidiaries in India](#)
- [Policy on Insider Trading](#)
- [Policy on Material Subsidiaries outside India](#)
- [Preservation of Records](#)
- [Whistle Blower Policy](#)

7. Business ethics

7.1 Ethical practices

LIC maintains strict standards of ethical conduct through an established Staff Rules that applies to all employees and associated personnel. The Code reinforces expectations of lawful, ethical, and responsible behaviour in the workplace. There are supporting policies which include Anti bribery and Anti-Corruption Policy, Anti Money Laundering Policy, Insider Trading Code, Whistle Blower Policy, Anti-Fraud Policy, Information and Cyber Security Policy. These measures promote transparency, accountability, and integrity across the organisation.

8 Risk management

8.1 Risk management systems

LIC has established a comprehensive Enterprise Risk Management framework that identify and manage risks proactively, ensuring business operations remain controlled and well-governed. A Business Continuity and Disaster Recovery (BC & DR) plan is in place to ensure continuance of critical operations during crisis, including natural disasters and cyber disruptions.

9 Economic performance and financial resilience

9.1 Economic performance

LIC regularly monitors and transparently discloses its financial performance on LIC's website through its Annual Report, ensuring accountability and stakeholder confidence. Some of the key economic performance enhancement measures at LIC include a careful market and product segmentation, and digital mode that enhances efficiency and cost control.

LIC strives to make ESG criteria an integral part of its commitment to responsible and sustainable business practices.

10 Sustainable business practices

10.1 Responsible Investment

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.

10.2 Digitalization in Operations

Digitalization is a core enabler of our customer-centric and operational excellence strategy. We leverage technology to simplify various processes from product design and policy issuance to claims management, customer engagement, and internal bill processing etc. Our in-house digital claims platform ensures fast and transparent service delivery, while significantly reducing paper usage. We have implemented automated communication at key policyholder touch points to enhance trust and clarity. Through digitalization we reduce paper usage and operational carbon footprint while improving efficiency and governance using digital communication channels at key touch points. The digital initiatives effectively reduce turnaround times thereby elevating customer satisfaction. These initiatives also help us build resilient, future-ready systems that ensure continuity of service in diverse operating environments. Together, they reinforce LICs vision of responsible growth and long-term value creating for policyholders and society.

Other measures:

The company's underwriting philosophy is rooted in fairness, transparency, and responsible risk management. The underwriting policy, for instance, embraces inclusive insurance by extending coverage to marginalized and vulnerable groups, including persons with

disabilities, mental health conditions, and transgender persons, in compliance with IRDAI and national legal frameworks.

11 Data privacy and cyber security

11.1 Data protection

LIC prioritizes the protection of customer data, proprietary information, and digital assets in accordance with the provisions of the Digital Personal Data Protection (DPDP) Act, 2023. The Information & Cyber Security Policy reflects leadership commitment for building a secure digital environment, improving cyber resilience, and meeting regulatory expectations.

IV. Capacity Building on ESG

LIC fosters awareness and adoption of ESG principles across the organisation. Internal Learning and Development guidelines support employees in building new capabilities and strengthening existing skills. Awareness programs reinforce understanding of corporate policies related to ethics, human rights, diversity, and employee well-being.

V. Focus Areas

LIC has identified ESG focus areas for its insurance business through a structured assessment process that aligns global sustainability frameworks with internal strategic priorities.

These topics and their associated key performance indicators (KPIs) are summarized in **Table 1**.

Table 1: ESG focus areas and Key Performance Indicators (KPIs)

#	ESG Focus Area	#	Theme	KPI	Frameworks
Environment					
1	Climate Change: Improving energy, water,	1.1	Energy efficiency	Reduction of total energy consumption from Direct Operations by using	UN PSI

and waste efficiency across operations			power saving methods.	GRI
			Increase in Percentage of Renewable energy consumption of total energy consumption.	
			Green buildings certifications on construction of new buildings and existing buildings in a phased manner.	
			GHG Emissions - Measurement and monitoring of Scope 1, Scope 2 and establishing process for calculation of Scope 3 emissions.	
	1.2	Water management	Total water consumption Reduction in percentage of total water consumption	GRI
	1.3	Waste management	Disposal of waste responsibly to authorized vendors and obtain certificates of reuse/recycle.	
			Develop SOPs for Waste Management	
1.4	Electric Vehicles	Number of EVs hired during the financial year.	GRI	

				(minimum 10% EVs to be hired for Official purpose)	
		1.5	Climate Risk	Development of Climate Risk Assessment process for underwriting and investment	IFRS S2
Social					
2	Human resource development: Fostering an inclusive, healthy, and skilled workforce through continuous learning and well-being initiatives	2.1	Employee engagement – Satisfaction and Training	Integrating ESG with Functional Training for employees. E-SAT Score	GRI
		2.2	Agents – Training	ESG training for Agents	
3	Human rights: Ensuring fair labour practices, equal opportunity, and safe working conditions across the value chain	3.1	Human rights practices	Number of employee grievances reported and resolved	GRI
		3.2	Diversity and Inclusivity	Creating a DEI Policy for ensuring transparency	

4	Customer centricity: Delivering transparent, accessible, and fair insurance services with a strong customer-first focus	4.1	Customer trust and satisfaction	Customer Satisfaction Score (C-SAT)	GRI
				Percentage of customer grievances/complaints resolved as per the established timelines	
				Claim settlement ratio	
5	Community engagement: Actively engaging with and supporting the social and economic well-being of the community	5.1	Community Engagement	Voluntary spend on community engagement	GRI
Governance					
6	Business ethics: Upholding integrity, responsible practices and regulatory compliance in all operations.	6.1	Violations of Acts & Regulations	Number of reported ethics/compliance violations and percentage of violations resolved/addressed	GRI

7	Sustainable business practices: Integrating ESG into core functions	7.1	Responsible investment	Alignment with the ESG requirements in adherence to the IRDAI (Corporate Governance for Insurers) Regulations, 2024	GRI UN PSI
		7.2	Digitalization in operations	Percentage of policies renewed digitally	
				Percentage of policies sold through paperless medium (using Ananda app)	
8	Data privacy and Cybersecurity: Protecting customer and employee data through strong governance, cybersecurity, and legal compliance	8.1	Data protection systems	Obtain and maintain ISO 27001 certification for building customer trust	GRI UN PSI
		8.2		Number of 'open' findings identified in external audit	
		8.3		Adherence to DPDP Act	
9	Risk Management: Managing climate-related risks	9.1	Risk management systems	Quarterly review and update of the high-priority risks by CERM	GRI UN PSI

VI. ESG Performance Monitoring

To track progress, measurable Key Performance Indicators (KPIs) have been defined for each ESG priority (refer to Table 1). KPI owners will be assigned, and performance will be monitored using an internal Excel-based ESG tracker. The ESG Internal Team will conduct a Quarterly review, and the Board level ESG Committee will oversee ESG performance on a semi-annual basis. The ESG outcomes will be reviewed each year to ensure accountability and continual improvement.

Appendices

Glossary of Terms

BC & DR	Business Continuity and Disaster Recovery
ESG	Environment, Social, and Governance
HR	Human Resource
IRDAI	Insurance Regulatory and Development Authority of India
KPI	Key Performance Indicator
RPwD	Rights of Persons with Disabilities Act
GRI	Global Reporting Initiative
UN PSI	United Nations Principles of Sustainable Insurance