Ref. No.: MUM/SEC/67-06/2022

June 9, 2021

To,

The Manager	The Manager
Listing Department	Listing Department
BSE Limited	**The National Stock Exchange of India Ltd.**
Phiroze Jeejeebhoy Tower,	Exchange Plaza, 5th Floor, Plot C/1,
Dalal Street	G Block, Bandra-Kurla Complex
Mumbai – 400001.	Mumbai – 400051

Scrip Code: Equity (BSE: 540716/NSE: ICICIGI), Debt (BSE:954492/NSE:ILGI26)

Dear Sir/Madam,

Environmental, Social and Governance (ESG) report FY2020-21

Please find enclosed the Environmental, Social and Governance (ESG) report of the Company for FY2020-21.

The ESG report of the Company for FY2020-21 will also be available on the website of the Company at www.icicilombard.com.

Kindly take the same on records.

Thanking you,

Yours Sincerely,

For ICICI Lombard General Insurance Company Limited

Vikas Mehra
Company Secretary

Encl.: As above

Environmental, Social and Governance
Report FY2021

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Our world-class technology solutions help customers go online and find the best products. These solutions proactively help corporate clients and MSMEs reduce losses. It also helps them along with individual customers in promoting holistic wellness and responsible driving.

- Our approach to customer service
- Standing up for customers in times of need
- Effectively handling customer grievance
- Customer relationship management
- Using advanced technology to solve customer problems
- Our approach to digital transformation
- Technology to deliver seamless experience to customers
- Technology to help customers avoid total loss scenario
  a) Marine insurance
  b) Fire insurance
  c) Solar and windmill insurance
  d) Holistic risk management
- Technology to enable remote claim settlement
- Cashless authorisation in 90 seconds
- Technology to enable virtual policy renewals
- Selling and servicing during pandemic
- Driving financial inclusion
- Contributing to a responsible and safer society
- Promoting transparency in selling

Know More ▸

EFFICIENTLY NAVIGATING THE RISK UNIVERSE THROUGH EFFECTIVE ENTERPRISE WIDE RISK MANAGEMENT

Risk is inherent to the insurance business, especially in general insurance, as the external factors causing more risks or mitigating some risks emerge all the time. We effectively track, assess and mitigate all risks.

- Risk management framework
- Criteria for measuring risk heads:
  a) Credit Risk
  b) Market Risk
  c) Underwriting Risk
  d) Strategic Risk
  e) Operational Risk
- Review process and feedback loop
- Risk management accountability
- Existing internal control policies and frameworks
- Risk grading

Know More ▸

OPERATING RESPONSIBLY FOR A BETTER WORLD

Serving the purpose of meeting our responsibilities as a corporate citizen and mitigating risks arising from imbalance in the natural world.

- Reducing carbon footprint and paper consumption with technology
- Energy management
- Managing e-waste
- Resource management
- Transitioning to sustainable materials
- Water management
- Employee volunteering
- Promoting sustainability with smart driving
- Way forward

Know More ▸

TAKING CLIMATE ACTION

As an innovation-driven insurer, it is our endeavour to launch pioneering initiatives for transforming customer experiences and protect them against climate change losses. We are taking climate action by providing value-added advisory services to prevent incident occurrence in the best interest of the environment as well as our business sustainability.

Our motor business considers environmental factors like PUC status, age and variant of vehicles for underwriting. We use technology inspections to reduce paper usage and on-site travel. Responsible behaviour is promoted by offering products with premium saving options for safe driving and kilometre usage, electric vehicles and hybrid vehicles.

- Climate action solutions:
  a) Solar panel insurance for low-carbon economy
  b) Value-added services to prevent incidents
  c) Advisory through expert team
  d) Robust solution delivering mechanism
  e) Motor insurance for promoting better environment
- Way forward

Know More ▸

EMBEDDING ESG IN UNDERWRITING

Underwriting being the core business function, we are continually adopting best practices to minimise our risks while serving the needs of society in a sustainable manner and safeguard the interests of the customers

- Differentiated offerings
- Value-added services
- Responsible marketing and labelling
- Way forward

Know More ▸

![ICICI Lombard Nibhaye Vaade logo]

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About the ESG Report

This Environmental, Social and Governance (ESG) Report is the second year of ICICI Lombard's ESG reporting journey. The Report has been developed by referring to the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) framework.

OUR APPROACH TO ESG REPORTING

ICICI Lombard is pleased to present its ESG Report FY2021, prepared as per the best international reporting practices. We initiated this journey last year and attempted to disclose our performance on ESG parameters with the underlying objective of identifying the impact we create across our value chain. This Report marks our progress in communicating various sustainability initiatives undertaken by us with respect to all our stakeholder groups. While we do this, we intend to make a difference in the lives of our stakeholders in a positive way. In the longer run, we wish to integrate environmental and social prosperity with our mainstream business practices of contributing to economic growth and development of the nation. Therefore, the key objective at ICICI Lombard this year has been to dwell upon what we do, how we do it, and how we can do it better from the ESG perspective.

This Report presents the data and information for FY2021 along with cumulative results wherever required.

Our key stakeholders include investors, customers, regulators, channel partners, vendors, employees and communities. Through this Report, we also attempt to provide our stakeholders a holistic view of our business that drives value for them and creates long-term relationships. As we look to improve continually, monitoring developments at the macro and micro levels helps us to apply the best sustainability practices to our operations. Also, various technological advancements have been instrumental in understanding and efficiently managing the concerns of our stakeholders.

REPORT CONTENT

We have undertaken an engagement with the internal stakeholders to identify the material ESG issues. Across the Report, we have covered the initiatives undertaken towards each of these material ESG topics. We are aligning our business strategy in a way that addresses these efforts more effectively.

SUSTAINABLE DEVELOPMENT GOALS

United Nations Sustainable Development Goals (SDGs) are a list of 17 goals that provide a global framework for peace, prosperity and sustainable development. Being India's one of the leading general insurers, our business is naturally aligned with several of these goals. However, we aspire to undertake more initiatives to imbibe more of these goals.

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

![ICICI Lombard — Nibhaye Vaade]

ICICI Lombard:
Doing Business the Sustainable Way

ICICI Lombard, with a gross written premium of ₹ 143.20 billion as on March 31, 2021, is one of India's leading private general insurer. We have presence across 250 cities in 29 states of India.

We meet the protection needs of our customers with our extensive range of best-in-class, technology-enabled and innovative risk management solutions.

OUR EXTENSIVE PRODUCT PORTFOLIO

Corporate Solutions Group

Integrated solutions for body corporates, and micro, small, and medium enterprises (MSMEs)

Insurance solutions offered

- **Fire:** Fire and Special Perils Policy
- **Marine:** Marine Inland Transit Insurance Policy
- **Liability:** Public Liability Insurance Policy
- **Group Health:** Group Health Insurance, COVID-19 Protection Cover
- **Group Personal Accident**
- **Workmen Compensation**
- **Other:** Office Package, Electronic Equipment, Shopkeeper, Burglary, Event, Project Insurance

Government & Rural Business Group

Insurance solutions for underprivileged customers accessing Central and State Government schemes

Insurance solutions offered

- **Crop:** Pradhan Mantri Fasal Bima Yojana
- **Mass Health:** Rashtriya Swasthya Bima Yojna

Common Services Centres (CSC) programme

- Enabling Government's CSC Programme involving digital delivery of essential public utility services, social welfare schemes, healthcare, financial, education and agriculture services

At ICICI Lombard, we have built a portfolio of unique, industry-defining offerings through constant engagement with stakeholders and by analysing the evolving challenges. We remain committed to supporting social and environmental sustainability with our innovative products and services.

Retail Group

Insurance solutions for individuals and MSMEs through multiple channels like Agents, Brokers, Bancassurance, Telesales, Direct Alliances, Motor Insurance Service Providers (MISPs), and Online Platforms

Insurance solutions offered

- **Motor:** Car Insurance, Two-Wheeler Insurance, Pay As You Use*, Pay How You Drive*, Single Owner Multiple Vehicle*, Motor Floater*

- **Health:** ICICI Lombard Complete Health Insurance, Health Booster, Personal Protect, Disease Management Programme, Arogya Sanjeevani Policy, Corona Kavach Policy

- **Home Insurance:** Own House, Rented House

- **Cyber-security:** Retail Cyber Liability Insurance

- **Travel:** Single Round Trip, Gold Multi-Trip

*Piloted under regulatory sandbox initiative, approval awaited

➔ *Note: More details on the products can be read on the website*

Supporting sustainability with innovative offerings

We have the reputation of being a trusted insurance company with a high level of transparency and accountability to all stakeholders that has consistently delivered on the expectations of our stakeholders. We are continually undertaking focussed initiatives to support the communities and contribute to a sustainable world.

Our vision

To be the most value-creating and admired risk solutions company in India, with a global footprint.

OUR FY2021 SUSTAINABILITY AT A GLANCE

Protection for customers

21.7 million
Policies issued

1.6 million
Claims settled

53.3 million
Lives covered

Growth and development of employees

₹ 7,460.98 million
Salaries and benefits paid

₹ 90.32 million
Investment in employee training

158,761 hours
Total hours of training provided

Community care

₹ 292.55 million
Contributed to community welfare reaching over 0.1 million lives

3.4 million
Policies issued with social obligations covering 4.8 million lives

Delivering value with purpose and principles

ICICI Lombard is a purpose-driven, principles-led organisation with a diversified business model. We are focussed on innovative solutions and end-to-end service delivery powered by technology, while keeping our business strategy centred around sustainability and national progress. Robust governance practices form our main pillar, ensuring transparency and accountability to all stakeholders.

VALUE FOR CUSTOMERS

- Wide range of innovative products
- Digitally-enabled efficient processes and use of advanced technologies like AI and ML for superior experience and risk management
- Robust claim and grievance mechanism
- Extensive multi-channel network and connectivity option
- Data security and privacy
- Encouraging and incentivising responsible behaviour

VALUE FOR PLANET

- Promoting low-carbon economy
- Digitalisation of processes to reduce travel and paper consumption
- Promotion of 3Rs – reduce, reuse, and recycle
- Efficient use of resources (water, energy)
- Use of sustainable materials
- Incentivising lower rate of vehicle usage
- Responsible underwriting

GOVERNANCE AND INTEGRITY

- Robust governance framework and policies
- Ethical and responsible business practices
- Robust risk management mechanism and enterprise risk management culture
- Dedicated ESG Committee* to make positive impact

VALUE FOR EMPLOYEES

- Diverse and inclusive workforce
- Learning, development and career growth opportunities
- Recognition and reward
- Health, wellness and welfare initiatives
- Hybrid working with an option to work completely remote
- Protection of human rights

VALUE FOR SOCIETY

- Healthier and safer societies
- Empowering women, children, and the underprivileged
- Job creation
- Rural economy development

VALUE FOR CHANNEL PARTNERS

- Technology enablement
- Training and development
- Reduction in turnaround time

VALUE FOR SUPPLY CHAIN

- Vendor welfare
- Protecting vendor interest

*A Management Committee comprising heads of functions

Addressing the needs and expectations of our stakeholders

Our business is profoundly connected with our stakeholders and the social and natural environment in which we operate. We create value for them and for ourselves by addressing their needs and expectations and devising solutions. The final outcome we desire is economic and ecological sustainability and a future safeguarded against all conceivable risks.

IDENTIFICATION AND PRIORITISATION OF STAKEHOLDERS

We have undertaken a comprehensive stakeholder analysis exercise to prioritise them according to their impact on our business and their influence over us.

Key Stakeholder Groups

INVESTORS

Their needs and expectations	Engagement methods	Matters material to them
▪ Sustained increase in return on investment ▪ Protection of rights ▪ Robust strategy for business growth ▪ Strong governance, ethics and transparency ▪ Long-term business value	▪ Quarterly financial statements ▪ Investor presentations ▪ Annual report ▪ Annual General Meeting ▪ Investor/Analyst meet ▪ Press conferences and media releases ▪ ESG report ▪ Announcement through stock exchanges	▪ Risk modelling ▪ Reserving ▪ Financial performance ▪ Ethical practices, anti-bribery and corruption

CUSTOMERS

Their needs and expectations	Engagement methods	Matters material to them
▪ Innovative products ▪ Customised solutions ▪ Superior service and experience ▪ Efficient claims settlement ▪ Competitive pricing ▪ Value-added services ▪ Simplified processes	▪ Engagement at all stages of product lifecycle ▪ Multi-channel engagement mechanism - phone, digital channel, trained customer relationship managers ▪ Sales, service and claims processes on digital platform ▪ Regular measurement of customer satisfaction	▪ Product pricing ▪ Innovation and IT deployment ▪ Customer privacy and data protection ▪ Customer service and claim settlement

CHANNEL PARTNERS AND DISTRIBUTORS

Their needs and expectations	Engagement methods	Matters material to them
▪ High service standards ▪ Win-win relationship ▪ Fair commission & rewards ▪ Digital infrastructure ▪ Ready support ▪ Product and value proposition and growth potential	▪ Meets, workshops, conferences and forums ▪ One-to-one meetings ▪ Telephonic and e-mail communication ▪ Channel partner management portals ▪ Periodic visits	▪ Product pricing ▪ Transparency ▪ Innovation and IT deployment ▪ Customer service

Addressing the needs and expectations of our stakeholders

EMPLOYEES

Their needs and expectations	Engagement methods	Matters material to them
▪ Learning and development ▪ Job security ▪ Fair remuneration ▪ Effective performance management and recognition ▪ Career growth ▪ Diverse, inclusive and enabling work culture ▪ Work-life balance	▪ Town hall meetings ▪ HR portal and intranet ▪ Performance updates ▪ Workshops, learning and training interventions ▪ Wellness initiatives ▪ Internal publications, circulars, posters, videos and e-mails ▪ Surveys ▪ Live interactive sessions by the MD & CEO, Vertical Heads, Skip Managers, HR	▪ Employee engagement ▪ Training & Learning ▪ Career progression ▪ Growth opportunities ▪ Recognition

VENDORS

Their needs and expectations	Engagement methods	Matters material to them
▪ On-time settlements of invoices ▪ Fair registration and procurement process ▪ Sustained business opportunities	▪ Supplier meetings ▪ Letters, e-mails, telephone conversations ▪ One-to-one meetings ▪ Periodic visits	▪ Ethical practices, anti-bribery and corruption ▪ Transparency

COMMUNITIES

Their needs and expectations	Engagement methods	Matters material to them
▪ Proactive engagement to solve social and environmental issues ▪ Contribution to community welfare ▪ Healthier and safer societies	▪ Community projects ▪ Employee volunteerism ▪ Awareness workshops ▪ Interaction through branch network	▪ Transparency ▪ Advancing sustainability ▪ Responsible underwriting, finance and investment policies

GOVERNMENT AND REGULATORS

Their needs and expectations	Engagement methods	Matters material to them
▪ Statutory and legal compliance ▪ Timely tax payment ▪ Transparency in disclosures ▪ Support for government policy ▪ Responsible development of insurance sector ▪ Insurance inclusion	▪ Directives and circulars ▪ Meetings / discussions ▪ Press releases ▪ Written communication ▪ Presentations ▪ Workshops ▪ Submission of reports and returns ▪ Workshop by regulators	▪ Disclosures ▪ Corporate governance ▪ Adequacy of solvency

Material ESG Matters

Materiality assessment is the process of identifying, refining and assessing the numerous potential - environmental, social and governance issues that could affect our business and our stakeholders.

We are continually evaluating our operating environment and engaging with stakeholders to identify and respond to existing and emerging material ESG issues. These can present unforeseen risks and opportunities and their effective management helps us to achieve our purpose of creating long-term value for all stakeholders. This internal listing and assessment of material topics is done through the year round engagement of our internal teams with various stakeholders, peer analysis and on our own domain expertise and analysis.

MATERIAL ESG ISSUES

Material matters	How ICICI Lombard is responding to it
Product pricing Rising competition necessitates that we attractively price products to tap more customers for business growth	▪ Risk-based pricing mechanism that balances interests of shareholder and policyholder ▪ Continuous evaluation of product performance and making relevant changes ▪ Robust actuarial analysis
Risk modelling Helps in determining and better managing policy risk levels, using statistical methods and tools	▪ Prudent and responsible underwriting practices benchmarked to best practices ▪ Sustained investment in technology, data and analytics ▪ Monitoring emerging risks and strategising mitigation techniques
Reserving Accurate reserving process helps determine the ultimate claim value, thus facilitating the meeting of obligations and undertaking underwriting decisions. This ensures our credibility	▪ Robust solvency margin ▪ Maintaining robust reserves year-on-year ▪ Compliance with reserving and solvency guidelines ▪ Disclosure of reserving triangle
Financial performance Sustained financial performance helps us deliver higher returns and maximise value for our shareholders and investors who provide funds	▪ Prudent risk selection for profitable growth ▪ Aligning business model and strategy with evolving external environment ▪ Constant risk monitoring ▪ Farsighted investment practices
Ethical practices, anti-bribery and corruption Helps in protecting the interests of stakeholders and enhancing our market reputation	▪ Robust corporate governance practice with defined policy for anti-bribery and corruption ▪ Encouraging a culture of ethics and fair practices among employees ▪ Code of conduct read and understood by 100% of employees ▪ Constant alignment with industry rules and regulations
Transparency Transparency in our dealings and disclosures enhances our market reputation and drives confidence across stakeholder groups	▪ Disclosure practices over and above regulatory requirement ▪ Initiation of <IR> and ESG reporting ▪ Use of technology ▪ Clarity and transparency in product description as well as in advertising document

Material matters	How ICICI Lombard is responding to it
Advancing sustainability Sustainable practices enhance our global reputation and parameters for evaluation by global investors and also provide stability to financial performance	▪ An overarching Policy on environment management, of which accountability lie with Board and CSR committee of the Board. This policy is reviewed periodically. ▪ Alignment with UN Sustainable Development Goals ▪ Extensively deploying technology in core business to reduce carbon footprints generated by travel and usage of paper ▪ Developing innovative products for customers to promote and influence change
Responsible underwriting, finance and investment policies Minimises exposure risk and generates sufficient return on investment to meet obligations. Also, taking measures towards long-term sustainability while keeping the focus on profitable growth as an outcome	▪ Improving risk selection through predictive model and managing risk retention through reinsurance ▪ Well-diversified portfolio across products and regions across the country ▪ Having in place stringent internal exposure norms as against regulatory limits – as on March 31, 2021, 84.7% of our investment are in debt securities, 86.1% of which is in sovereign or AAA rated securities (as against the norms of investing not less than 20.0% of total investments in Central Government Securities and not less than 30.0% in State Government securities and other Guaranteed securities) ▪ ICRA has assigned the company long-term issuer Rating of [ICRA] AAA with a Stable Outlook. Issuers with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.
Employee engagement and satisfaction Helps us maintain a motivated and productive workforce for executing strategy and realising goals	▪ Multiple learning and development programmes ▪ Fair performance management, recognition and rewarding excellence ▪ Health, wellness and well-being initiatives to ensure employee motivation ▪ Continuous engagement and feedback exercise
Innovation and IT deployment Enables us to build competitive advantage by enhancing operational efficiency and delivering superior customer experience	▪ Digital adoption across customer journey ▪ Digital transformation focussed on enhancing customer experience by becoming more proactive, giving them more features to do things themselves and inspire trust ▪ Service solutions based on latest technologies like AI, ML, chatbots ▪ Training and development of digital-ready people resources
Stability of systems and processes Ensures smooth, efficient and uninterrupted operations	▪ Continuous evaluation and upgradation of internal control systems
Customer privacy and data protection Digitised operations necessitate measures to protect customer data to prevent litigation issues and reputation loss	▪ Robust fraud prevention and cyber-security practices ▪ Controls in place for confidentiality, integrity and availability ▪ Information assurance control mechanism
Customer service and claim settlement Enhances our reputation as a customer-centric company that meets the final moment of truth	▪ Multiple channels for customers to reach out to us ▪ Use of advanced technologies to provide value-added service and customised solution ▪ Employee empowerment

Delighting Customers with innovative solutions

Our world-class technology solutions help customers go online and find the best products for their needs and also access support in the quickest possible way.
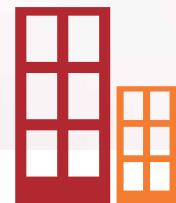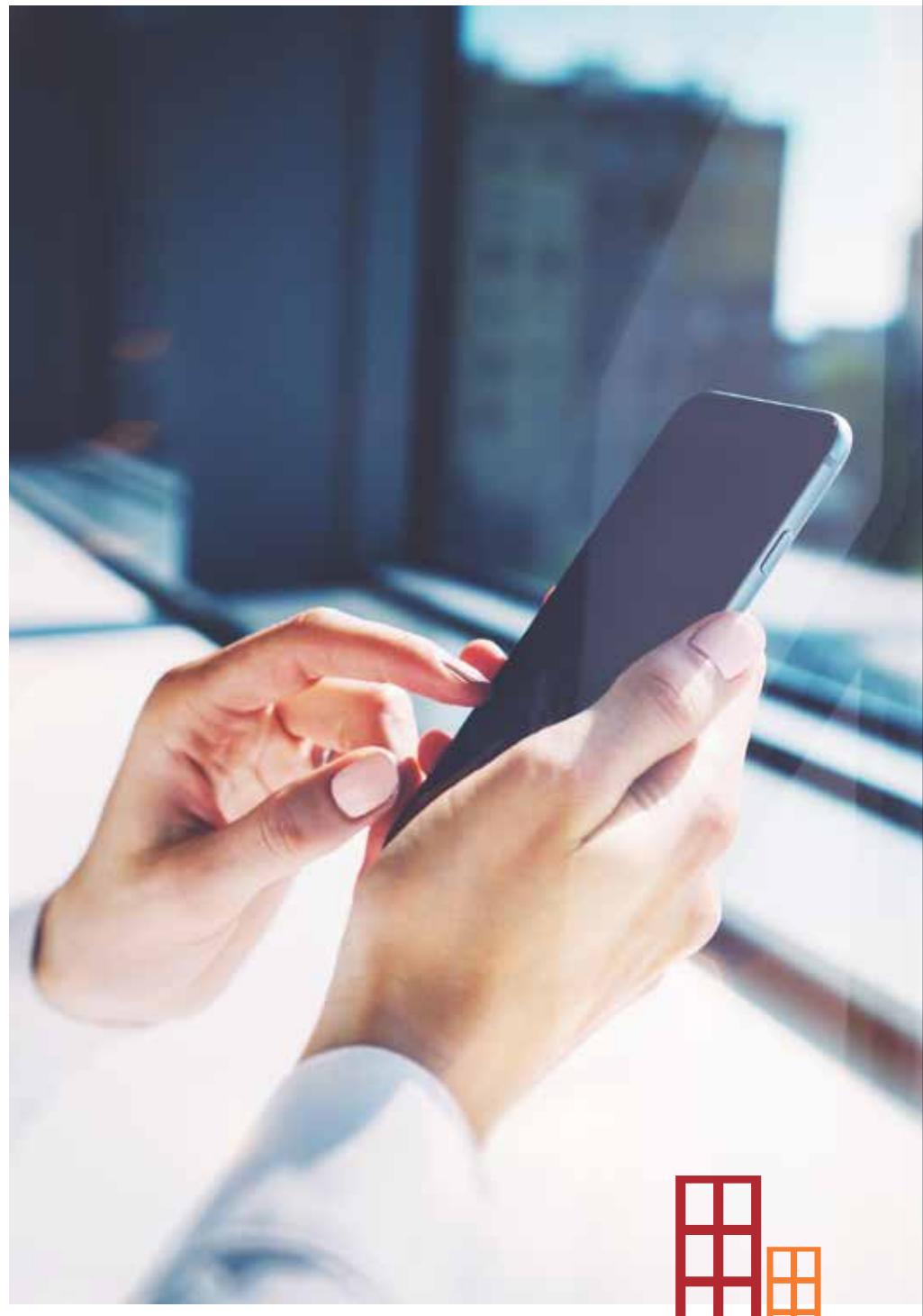
OUR APPROACH TO CUSTOMER SERVICE

The insurance industry plays a pivotal role in protecting society and supporting economic growth. It helps society to understand and mitigate present and future risks and ensures financial recovery and sustainability through settlement of claims.

The novel coronavirus contagion has been the greatest challenge faced by human society in recent memory. In the 'new normal', ESG is set to become an integral part of every business venture in order to maintain its commercial and ethical robustness.

We continuously examine the trends and issues that are changing our world and affecting the needs of our customers. During FY2021, we undertook multiple initiatives to streamline the customer journey and improve engagement mechanisms to provide a seamless, hassle-free experience powered by the latest technology.

These technology-driven customer-led solutions are core to our ESG strategy of reducing our carbon footprints that would otherwise be generated due to travel of our employees for selling, inspection of properties, damaged cars, etc. for claim settlement. It also reduces paper consumption as we eliminate the need for paper policies. Besides directly strengthening the Environmental Pillar, it also strengthens our Social Pillar by maximising customer satisfaction.

Some of the key initiatives include:

WhatsApp as a support channel: The AI-driven service is an additional option for policyholders to get assistance for their queries or service requests. The platform allows customers to view and download existing policy details, locate nearest network hospitals / garages, request claim status, etc. The WhatsApp service menu has an integrated agent assistance option across customer journeys / flows, allowing them to have a seamless transfer to live-chat Relationship Managers. The service provides faster resolution and a more convenient experience on a modern messaging app of the customer's choice.

Website bot: Our chatbot is a natural language processing platform that responds to customer queries on a real-time basis. Powered by AI, it has a conversational interface that provides self-help options to customers and simplifies their servicing needs.

IL TakeCare App: This is a digital platform aimed at servicing and engaging customers. It covers all aspects of preventive, primary and secondary healthcare, including holistic health management, through various in-built monitoring and assessment tools harnessing the health ecosystem. It is a one-stop solution for all insurance and wellness needs of policyholders. The app is available both on App Store and the Play Store.

More details on IL TakeCare App are covered later in this report.

Proactive communication: To meet our customers' service expectations and to handhold them throughout lifecycle stages, we are proactively engaging with them in an intelligent and coherent manner. We have strategised a pro-active communication approach to sense needs and provide solutions much in advance.

Delighting Customers with innovative solutions

Our customers are at the heart of our business and excellent service and support to them is our constant endeavour. Our Contact Centre, E-mail Support Team and Chat Team are the primary touchpoints for our customers to reach us. Our trained Customer Relationship Managers assist with utmost sensitivity and care. We also have a Priority Desk and Senior Citizen's Desk at our Call Centre to address urgent matters and concerns of the elderly at the earliest.

During the pandemic, we emphasised on fully supporting our customers and ensuring the safety and well-being of our employees. Call centre executives operated remotely and teams were provided with requisite technological tools to work from home along with seamless tech support.

The Customer Relationship Team was available all through these difficult times, with an increased focus and priority accorded to health and motor policyholders. We redesigned the IVR to provide our customers with an option to directly speak with a Customer Relationship Manager. Our E-mail Support Team has been effectively catering to all the queries posted by our customers at customersupport@icicilombard.com.

Same-day resolution provided by Priority Desk in 90.0% cases

Zero Branch Diversion, i.e. complete resolution to customers without diverting to any other touchpoint or branch

DELIVERING IMPROVED OUTCOMES FOR OUR CUSTOMERS

E-mail response turnaround time reduced from 36 hours to 24 hours

SMS/E-mail updates sent to customers at each stage of their service request registered with us

We remain dedicated to helping and reassuring our customers during any crisis.

Our continuous efforts to decongest and improve processes, introduce relevant products and digital technologies, and undertake digital advancement to decentralise solutions have contributed to a significant improvement in customer experience and satisfaction. Our customer NPS (Net Promoter Score) has increased from 46 in FY2020 to 48 in FY2021, one of the best scores in the insurance industry. The score was measured across on-boarding, renewal, cashless claims and reimbursement claims transactions in the motor and retail health segments. It was arrived at by engaging a random sample of customers for feedback using CATI (Computer Assisted Telephonic Interviews) methodology. We survey ~20,000 customers every quarter through a structured questionnaire for each transaction separately.

STANDING UP FOR CUSTOMERS IN TIMES OF NEED

Staying true to our promise of helping customers, we launched a new product and modified our existing insurance policy to help citizens cover the risk of COVID-19.

Launching COVID-19 protection cover

A new product was launched to cover the risk of COVID-19. Launched in March 2020, it gave coverage in the form of immediately paying the entire sum insured if the individual tests COVID-19 positive*. The product has some unique features:

- Initial waiting period of 14 days as opposed to 30 days for regular policies
- No test conducted to check whether the individual is diabetic or has other disorders
- Unique short-term time period with 3/6/9 months coverage

We offered value-added services along with the product:

- Availability of health assistance team via a dedicated helpline for identifying specialist/hospital; fixing an appointment with medical practitioners; providing options on suitable network providers; providing information on ailments and possible lines of treatment; and providing for a second opinion
- Facility for chat/virtual consultation with healthcare professionals

Modifying existing health insurance policy

While insurance companies were mandated to cover COVID-19 under the health policy, the challenge was that most of the insurance policies cover hospitalisation expenses and COVID-19 did not necessarily require hospitalisation despite a long period of illness. So, we innovated and modified our health policies to cover home healthcare expenses with approval of the regulator. We further protected the customers by ensuring that the Additional Sum Insured (ASI) during renewals was not reversed in the case of COVID-19-related claims. ASI is normally added to the sum insured during renewals in case the customer does not make a claim during the policy period.

Launching Retail Cyber Liability Insurance

This product was launched in response to the growing online fraud cases, where a lot of people were losing money during the lockdown when working from home. To help customers who might fall prey to such crimes, we launched a Retail Cyber Liability Insurance policy, offering protection to individuals and their families against any cyber-fraud or digital risks that could result in a financial or reputational loss.

Enabling corporate customers to restart operation

Several of our corporate customers had shut down their production during the pandemic. Restarting operations without proper checks could have been hazardous and led to losses. Our expert risk engineers had multiple engagements and provided checklist to customers across diverse sectors on restarting operations in a safe way, thus preventing any mishap.

(*Subject to conditions)

Delighting Customers with innovative solutions

EFFECTIVELY HANDLING CUSTOMER GRIEVANCE

Our employees are continuously trained and sensitised to ensure fair, transparent and ethical dealings with customers in line with our Code of Conduct. Disciplinary actions are taken in case of any non-adherence to the code of conduct.

We have a detailed escalation mechanism that is put on the Company's website. It allows customers to raise their grievances through various modes. In addition, we have a dedicated Service Quality (SQ) wing to handle complaint escalation. The SQ wing has been further empowered, whereby any complaints by customers are flagged to concerned functions for an immediate response. All customer-facing individuals have been empowered to immediately raise a concern in case of any injustice to the customers.

During FY2021, we continued to ensure efficient resolution of customer grievances. Of the total complaints that we received, 48.0% were relating to claims, 15.0% relating to policies and the remaining 37.0% were for miscellaneous reasons. 71.0% of the complaints were fully resolved in favour of customers and 7.0% partially resolved in their favour. We also ensured speedy resolution, with 99.0% being complaints resolved within 15 days and the remaining 1.0% within 30 days.

CUSTOMER RELATIONSHIP MANAGEMENT

ICICI Lombard continues to set new benchmarks in customer service excellence, grievance handling, claim servicing and customer engagement. This has enabled us to achieve a high customer engagement and retention ratio. Our Autoninja platform, a robust CRM (Customer Relationship Management) tool, uses features like data-mining, lead management and business intelligence and is enabling us to better manage and engage motor insurance customers. It helps in generating triggers relating to customer renewals that can be worked upon to better engage with customers and improve retention.
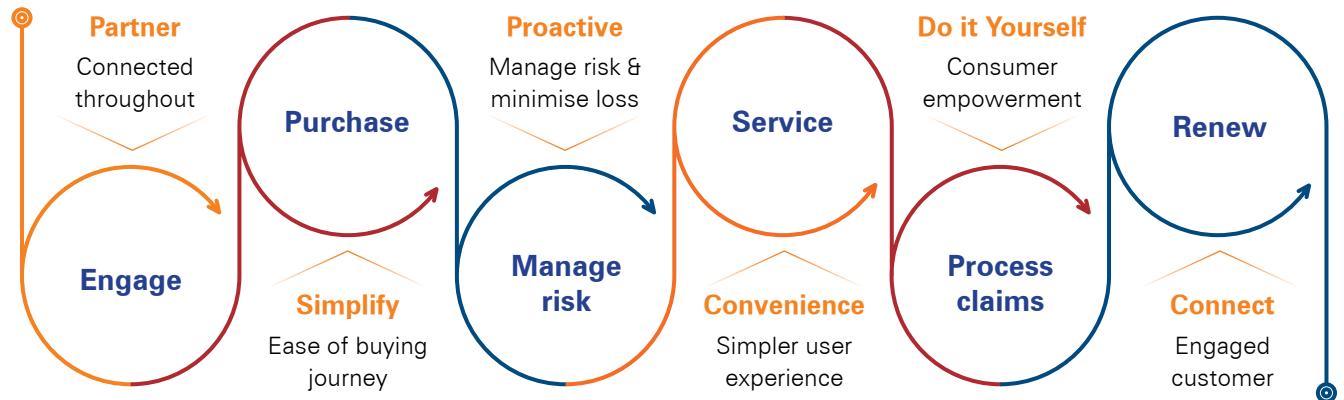
USING ADVANCED TECHNOLOGY TO SOLVE CUSTOMER PROBLEMS

Technology is a key enabler for ICICI Lombard, giving us a significant edge in terms of engaging with customers across their journey – engage, purchase, manage risk, service, process claims and renew. We have ensured digital adoption of our channel partners – agents, dealerships, garages and hospitals – to help improve the experience of our customers. These initiatives also reduce our carbon footprints by reducing usage of paper and reducing travel.
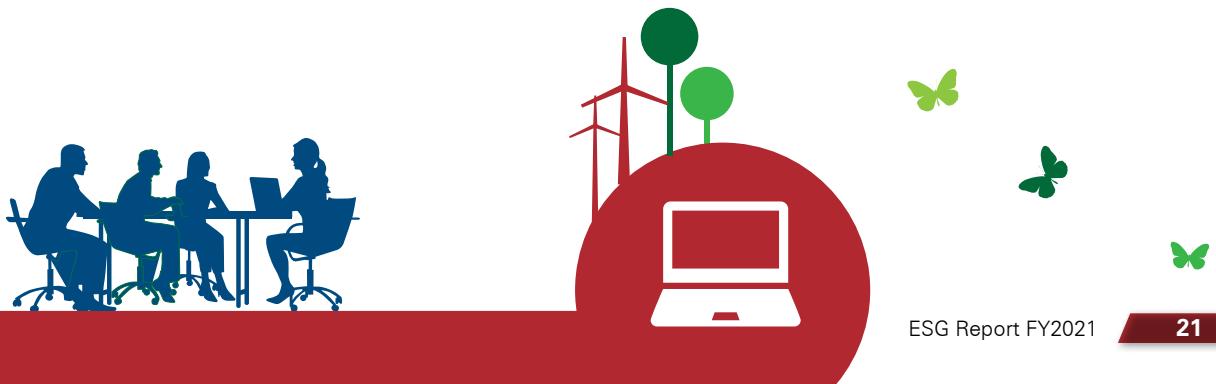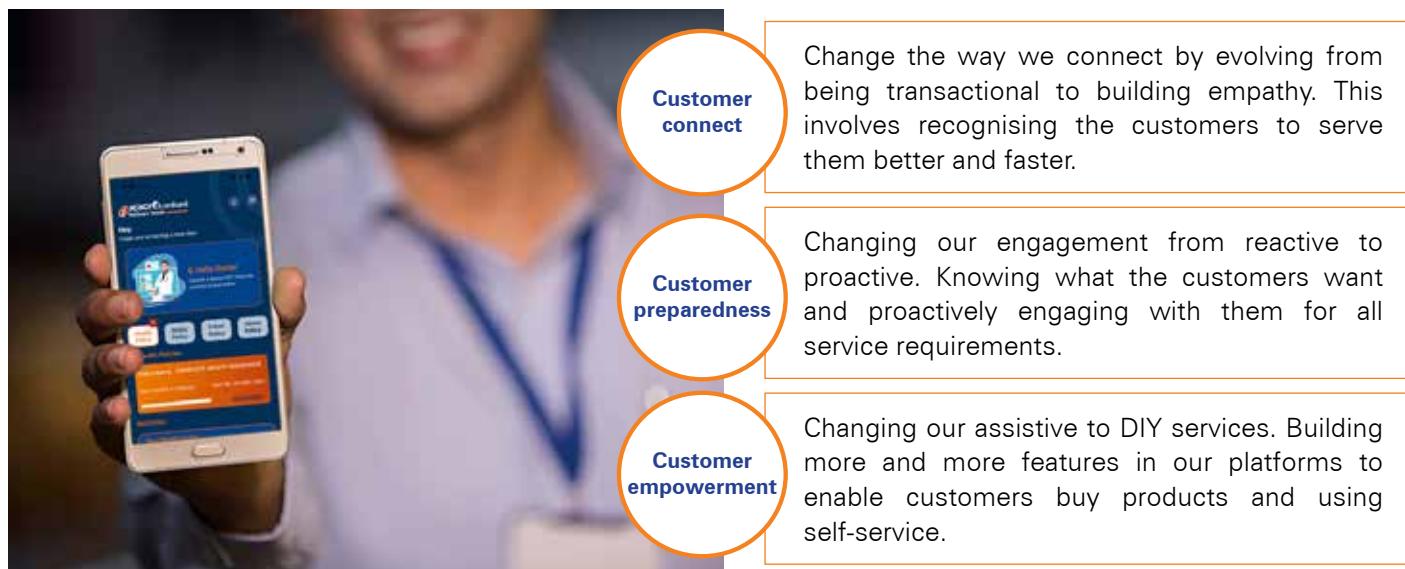
Over time, we have adopted several advanced technologies – solutions driven by Artificial Intelligence (AI) and Machine Learning (ML), both in sales and service. We use chatbots and robotic process automation (RPA) for sales. For servicing customers, technologies like image and video-based inspections, ICR/OCR (intelligent character recognition and optical character recognition) and algorithm-based claims authorisations are being used.

OFFERING DIGITAL SOLUTIONS ACROSS CUSTOMER JOURNEY

Partner
Connected throughout

Purchase

Engage

Simplify
Ease of buying journey

Proactive
Manage risk & minimise loss

Service

Manage risk

Convenience
Simpler user experience

Do it Yourself
Consumer empowerment

Renew

Process claims

Connect
Engaged customer

OUR APPROACH TO DIGITAL TRANSFORMATION

Customer connect

Change the way we connect by evolving from being transactional to building empathy. This involves recognising the customers to serve them better and faster.

Customer preparedness

Changing our engagement from reactive to proactive. Knowing what the customers want and proactively engaging with them for all service requirements.

Customer empowerment

Changing our assistive to DIY services. Building more and more features in our platforms to enable customers buy products and using self-service.

Delighting Customers with innovative solutions

TECHNOLOGY TO DELIVER SEAMLESS EXPERIENCE TO CUSTOMERS

AI-based MyRA bot: MyRA is an industry first chatbot that helps SME and corporate customers to buy products through our wide network of agents. It is a combination of an extensive network over 150+ bots working behind the scenes to handle communication and determining products requested, addressing buying journey and endorsement of each product.

It enables our customers and partners to instantly get answers, quotes or easily complete various transactions without any manual intervention. Its AI capabilities facilitate creating custom quotes based on the business risk profile. Further, it can make pricing decisions, issue policies and make policy endorsements.

We have recently launched Sphinx with a similar interface as that of MyRA and capable of decreasing turnaround times for complex products that MyRA cannot handle. During March 2021 close to 90% of the SME policies were issued digitally.

Robotic Process Automation (RPA) & Natural Language Processing (NLP): We have used these technologies to automate the manual process of quote generation and policy booking for our corporate and SME customers.

Bot-based medical underwriting: We have co-developed a medical underwriting interactive voice bot in association with a technology partner during the lockdown. It asks a customer several questions related to their medical history and records their responses, on the basis of which it applies the underwriting lens and segments customers into those that are safe risk for policy issuance and those needing further evaluation by a medical professional. This medical evaluation is then done by a qualified doctor over the phone in most cases. This feature has eliminated the need for medical tests in many cases. This solution gives us significant scalability to handle larger volumes. Within eight months of launch, 34.0% of our tele-underwriting volumes are interpreted and handled through this bot solution.
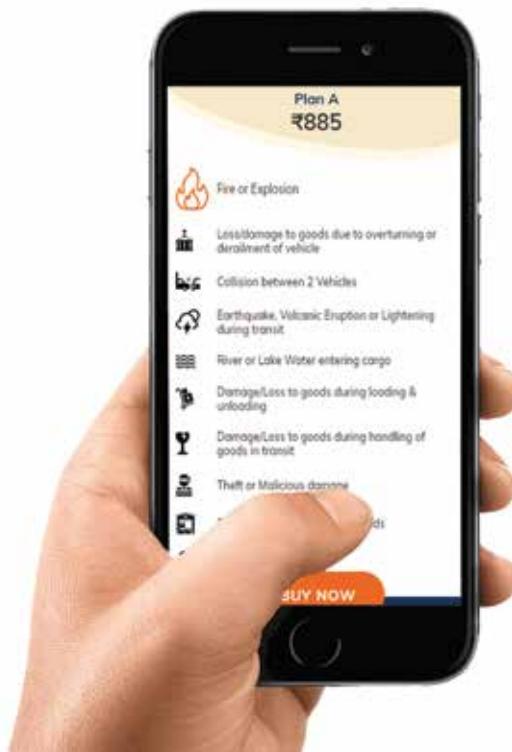
Digital platform for distribution: We have enabled all our channel partners with digital platforms for their daily requirements such as quotes, policies and other transactions, as well as gathering information in terms of products, processes and even payments. They can also do complete lifecycle management of their customers – checking renewals due, claims intimated and paid.

MyRA CHATBOT SUPPORTS BUSINESS GROWTH IN CHALLENGING TIMES

Our commercial business witnesses a large chunk of volumes in the months of April and May, when corporate firms and other businesses renew their insurance covers. However, in April-May 2020, the SME sector faced difficult times due to the lockdown, making manual processing difficult.

The MyRA chatbot enabled us to seamlessly renew and issue policies digitally for our SME customers, resulting in a hassle-free experience. During April-May 2020, of the total 74,000 policies issued, 58,000 were digitally issued (a 134.0% growth over 25,000 policies in the same period in FY2019). This reduced the need for manual processing by 28.0% from 21,000 policies to 15,000 policies in the said period.

SMOOTHENING CUSTOMER JOURNEY

In FY2021, we launched two IVR (interactive voice response) based services to streamline the customer journey. The first is an assisted interactive call (at present available in English and Hindi) that facilitates policy renewal over a call.

The other is automated tele-underwriting, whereby bots have replaced individual tele-underwriters for calling up customers to collect information. This is largely used for health underwriting, where we gather more information about the well-being and health of our customers.

Delighting Customers with innovative solutions

TECHNOLOGY TO HELP CUSTOMERS AVOID TOTAL LOSS SCENARIO

IoT/TELEMATICS

Marine insurance: We offer a comprehensive consignment monitoring solution, including features like location tracking, critical parameter monitoring (temperature, vibration, humidity, etc.), excursion alerts and detailed shipment (both domestic and international) reports. These services have been used by several large corporate firms to diffuse risks such as hijacking, theft and pilferages, temperature excursions in pharmaceutical items and moisture-sensitive cargos. We also help customers track their cargo on real-time basis, selecting best transporter, determine safest and shortest route and minimise carbon footprint. Since its launch in FY2014, we have saved 30 hijack attempts amounting to ~₹ 600 million.

Fire insurance: We use Hydrant Monitoring System-based IoT devices for monitoring customers' critical infrastructure (i.e. pressure on the hydrant line, maintaining operational status of the electric pump, maintaining water level in the storage tank) for emergency. This helps in providing real-time assistance in terms of performance, maintenance and monitoring the usage of key components on fire safety. Its unique in-built communication module ensures information transfer to the monitoring platform and advanced diagnostic for swift actions.
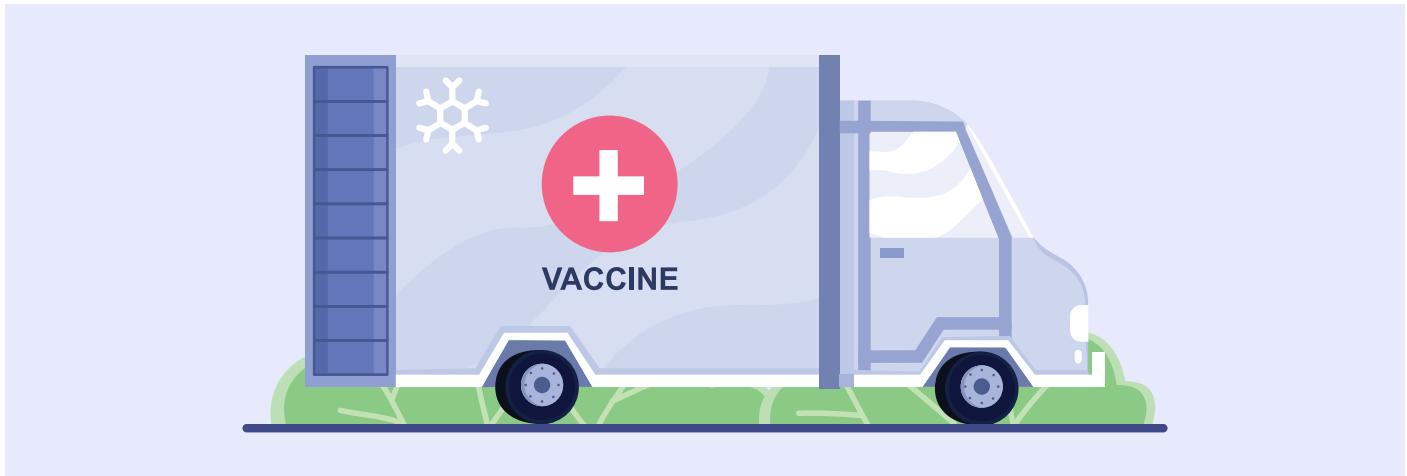
Solar and windmill insurance: We use drones in the insurance renewal process for solar plants and windmills. They are flown above the panels of solar plants and windmills to detect defects / cracks, thereby helping customers take necessary actions.

Holistic risk management: Engaged technically with more than 370 customers before cyclones like Amphan, Nivar and Nisarg. This provided them advance intimation and alerts to prepare better for catastrophic events and minimise damages.

HOLISTIC RISK MANAGEMENT SOLUTION FOR CUSTOMERS

- GPS-based Cargo Tracking Solutions
- ODC Movement in difficult terrain
- Marine Loss Control Exercise for Transit Risk
- NAT CAT Model for AoG Losses

END-2-END SOLUTION

- Property Loss Prevention Exercise for Risk Improvement
- IoT to monitor Hydrant Effectiveness
- AI-based Instant Risk Recommendation Report
- Comprehensive Risk Assessment for MSMEs

Protecting a sensitive pharma consignment

In FY2021, we leveraged our IoT and telematics technology to prevent temperature excursion for a high-value temperature-sensitive pharma consignment when the cargo truck met with an accident on the road.

Such solutions will be of great importance for transporting COVID-19 vaccines that require cold supply chain and refrigerated cargo. In India, the truck drivers, while trying to conserve fuel, may at times switch off the refrigeration units. This will immediately send a trigger in case the temperature increases or decreases beyond the thresholds set in these IoT devices, thus helping to save the precious cargo from being damaged.

Protecting human life

Our risk engineers undertake detailed risk inspection of the premises of corporate customers including electric, fire and workplace safety risk assessments. Based on this, the risk engineers provide recommendation on enhancing safety parameters through value-added advisory. We are focussed on strengthening our practices by constantly evaluating our solution and adding more checks.

Delighting Customers with innovative solutions

TECHNOLOGY TO ENABLE REMOTE CLAIM SETTLEMENT

The ease of making claims and the speed of their settlement distinguish a solution-oriented insurer from a sales-oriented insurer. Any customer making a claim is experiencing a very trying time; our seamless processes are designed to alleviate their anxiety and assist them at every step. We are exploring new digital methods of servicing claims and are also creating systems to identify and prevent fraud.
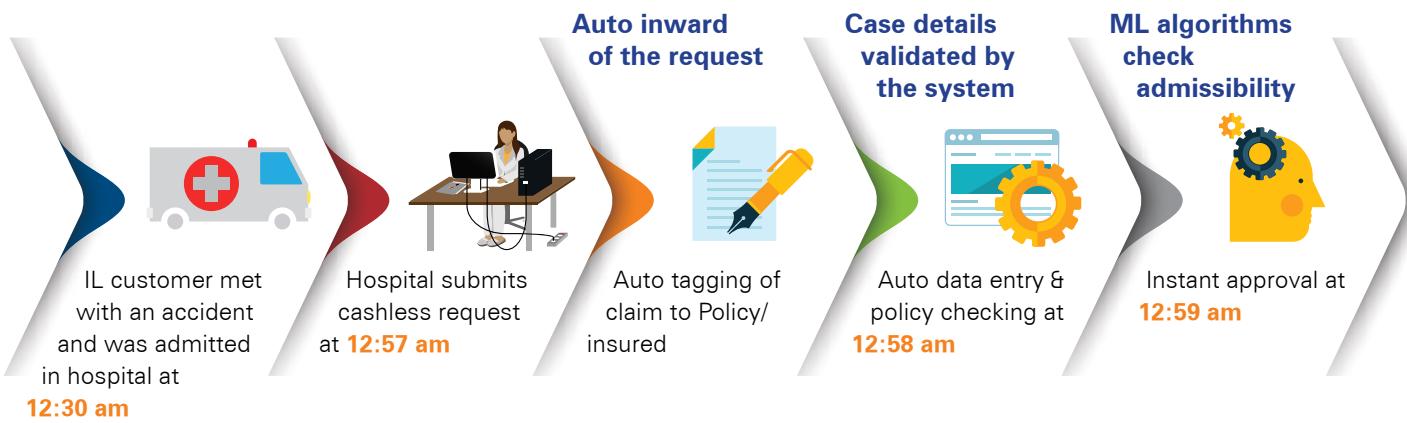
Digital surveys: InstaSpect, our virtual survey solution, helps process motor insurance claims very quickly. At one end, the garage operator conducts a video survey of a damaged vehicle, using our 'ILInsure' mobile app; at the other end, the ICICI Lombard surveyor accesses the live-stream and instantly processes the claim. Enabling remote surveying, this technology was indispensable in ensuring the safety of the employees during the pandemic by eliminating the need for physical visit. At the same time, it is also facilitating claim assessment in remote areas, thus saving time and expense relating to physical visit. The app itself helps an insured customer, who wishes to file a claim, to contact us and also to find the right garage for repairing the vehicle. In March 2021, 60.8% of motor OD claims were settled through InstaSpect, compared to 24.5% in March 2020. Since its launch in FY2017, it has helped process over a million claims.

AI-based and ML-based approval algorithms for health policies: We use Artificial Intelligence-based technology (a first in India) for instant health insurance claims approval for cashless cases. The technology uses policy-related information, doctor's diagnosis and the recommended course of action to decide on claim admissibility, a task that was earlier carried out by our panel doctors. For non-surgical hospitalisation cases, where treatment costs vary significantly, an advanced Machine Learning model is used to determine and auto-approve the optimal amount, reducing the cashless claim approval time from 90 minutes to 90 seconds. This mechanism has freed up doctors' time for more complex cases. In March 2021, 60.1% of the cashless claim requests in corporate health insurance was processed through this AI/ML system, as compared to 31.0% in March 2020.

CASHLESS AUTHORISATION IN 90 SECONDS

Auto inward of the request

Case details validated by the system

ML algorithms check admissibility

IL customer met with an accident and was admitted in hospital at **12:30 am**

Hospital submits cashless request at **12:57 am**

Auto tagging of claim to Policy/ insured

Auto data entry & policy checking at **12:58 am**

Instant approval at **12:59 am**

Cashless and seamless motor claims: We have tie-ups with 9,700+ garages across the country to give customers the advantage of cashless claim settlement. Our 24x7 assistance team is available to answer all queries of the insured, guiding them through smooth processing of a claim. The starting point for making a claim is our 'ILInsure' mobile app or our helpline.

SME Digital: We use this unique web platform (https://sme.icicilombard.com/) to serve young entrepreneurs (MSMEs and start-ups) who have no access to traditional insurance channels. It allows them to learn about products, buy insurance and raise claims through a simplified interface. The platform based on the search can decipher the business interests and preferences and suitably suggest relevant policies accurately to the prospective customers.

Delighting Customers with innovative solutions

INSTASPECT WITNESSED INCREASED ADOPTION DURING PANDEMIC

With its remote servicing capabilities, InstaSpect was utilised by a much-higher-than-usual number of customers and garages during the pandemic, in order to maintain social distancing norms. As on March 31, 2021, it has enabled 1 million+ customers to get their vehicle damage claim approved instantly.

TECHNOLOGY TO ENABLE VIRTUAL POLICY RENEWALS

Our AI-based damage assessment for motor policies: Our AI-based break-in inspection service enables instant renewals of motor insurance. Customers need to take photos of their vehicle and our cloud-based, AI powered algorithm decides on instant policy issuance or on passing the case to a human adjuster for further verification. With this, break-in renewal happens almost instantly, compared to 72 hours when done manually. If the motor insurance renewal case does not qualify for being handled by AI, a detailed virtual survey is done by the surveyor at a time convenient to the customer. Our thrust on technology has reduced the need to travel for conducting physical surveys. It saved consumption of fuel involved in the travelling of our employees significantly.

Cognitive solution based on NLP for health: We have started a DIY journey to enable customers to renew their health policies on our website or using a particular link. Its cognitive solution, based on Natural Language Processing (NLP), helps better understanding of customer responses and in standardising their experience. It is suited to the customer's need either in terms of taking a higher sum insured driven by the inadequacy of cover or taking a different cover altogether. This solution is currently being piloted with a channel partner.

Autoninja platform: The Autoninja platform was acquired in the third quarter of FY2020 to enable dealers and channel partners to offer engagement and renewal tools to customers. This digital solution proved effective when dealers' staff were working from home, by helping them access data digitally. Tele-callers could easily connect with customers, with the Autoninja app-based interface giving a 360-degree view of the customer, facilitating easy upload of documents and fulfilling a sale digitally or handing it over to the field force. Dashboards and continuous monitoring helped with tracking renewals.

We also built an end-to-end journey for two-wheeler OEMs on the platform; auto-filling of information made renewals seamless. This complete experience takes less than a minute for the customer to complete.

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ENCOURAGING HEALTHY CHOICES
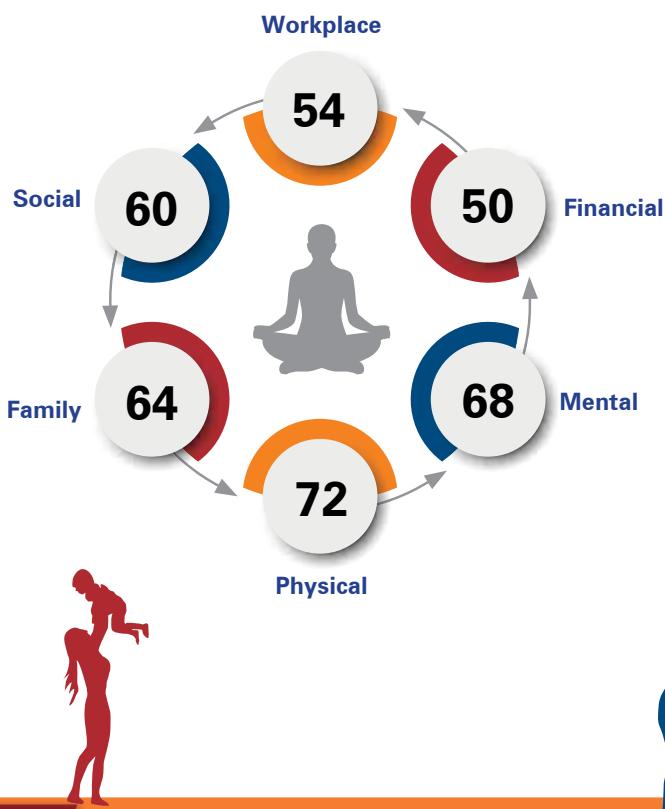
Indians need help with making their life meaningful

Individuals and corporate firms are increasingly becoming more aware of the power of a preventive and proactive lifestyle. However, people are still unable to do things to make their life meaningful due to a lack of exercise, lack of infrastructure to act on mental health, difficulty in finding time for family or social life and inadequate work-life balance. This is validated by our 2020 India Wellness Index Survey, based on 3,866 respondents across 19 cities.
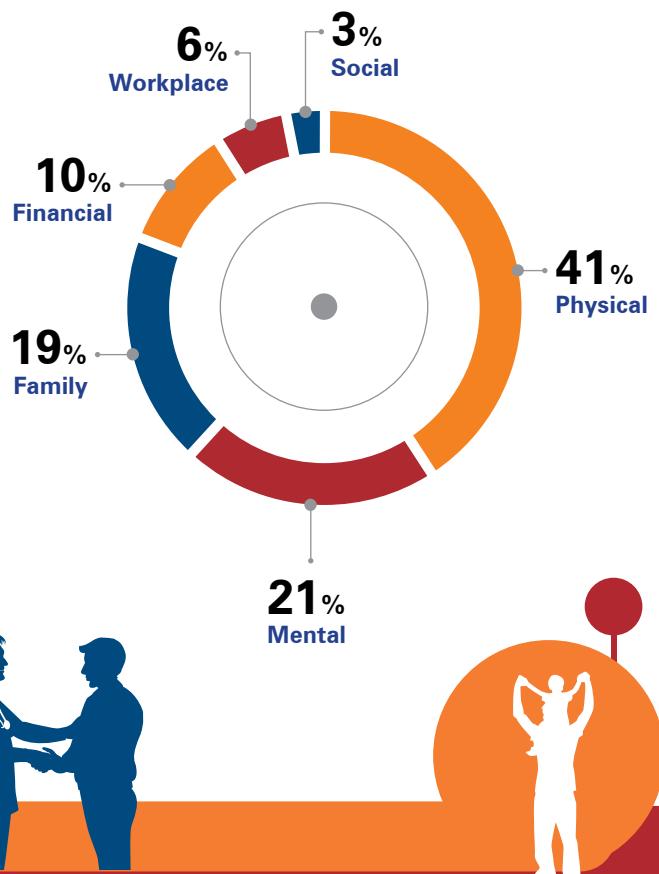
WELLNESS INDEX SURVEY RESULTS

India index score (max=100)

Workplace **54**

Social **60**

Financial **50**

Family **64**

Mental **68**

Physical **72**

Respondents saying it's the most important factor

6% Workplace

3% Social

10% Financial

41% Physical

19% Family

21% Mental

Initiatives to promote holistic wellness

At ICICI Lombard, we extend our relations with customers beyond just selling insurance; we become their wellness partner. We reward healthy behaviour through wellness programmes covering the occupational, emotional, environmental, physical and social aspects of fitness. Some of our key initiatives include:

Promoting women's health: We run multiple health programmes designed to address the physical, mental and social needs of women. These include health talks, screening camps (breast cancer), maternity health programmes, yoga, zumba and dietary sessions.

Disease Management Programme: This programme provides a well-supervised plan for managing chronic diseases like hypertension and diabetes and, thus, living a fulfilling life. Each customer gets a personalised health management solution, built on scientific guidelines with proven results. Under the initiative, our health experts provide personalised healthcare management using diagnostic and digital tools. Participating customers' activities are tracked and expert support is given. This discipline has helped customers to better adhere to medication and keep their conditions under control, improving their health parameters.

IL TakeCare App: This app has emerged as our flagship health management platform. It was initially launched to engage with group health customers (employees of companies) and make them aware of our wellness features. The user-friendly platform allowed them to login, interact with us, use some of the wellness features and services and initiate claims. The key features of the app include:

- Facility for renewal of policy and raising claims

- Tele-consulting – 'IL Hello Doctor', a 24x7 tool to consult qualified doctors (general practitioners and specialists and super specialists)

- Chat with experts – Addressing queries on diet, nutrition, weight loss, fitness and stress management

- Health tracker – Health risk assessment through bot, weight loss management and trackers for steps, sleep, water intake

- Nudging customers through blogs – More than 130 blogs on lifestyle, diet, stress, health recipes and disease management

- Health vault – 1GB dedicated space per account to upload medical documents

- Out-patient services – Policyholders with coverage of out-patient treatment along with regular hospitalisation policy can have a completely cashless use of doctor consultancy, diagnostics and ordering medicines

Delighting Customers with innovative solutions

Considering the potential of this service it was extended to retail customers. The app proved to be an instant hit, with over 500,000 downloads as at March 31, 2021. In just 22 months of launch, this app glavanised our engagement quotient with its users. We are using the power of the cloud to scale up the technology solution to eventually support our entire customer base. We see a huge opportunity to leverage this app for engaging with customers on product decision-making and ensuring appropriate coverage.

Informatics

Enrolment

Outpatient services

Claims

Health Check-up

Pharmacy

IL Take Care

Health Records

Providers

Activity Tracker

Health Assistance

Tele-Consult

Health Risk Assessment

App support during pandemic

The IL TakeCare App played a critical role during the COVID-19 pandemic, providing 24x7 tele-consultancy to everyone who downloaded it. The video consultation with doctors to resolve health issues saw significant traction during the lockdown, empowering customers to make informed decisions. Through the app, we enabled Health, Motor, Travel and Home policyholders of ICICI Lombard (i.e. 0.5 million customers and employees) to receive two free digital health consultations.

We also added a unique home care service feature to the app, in collaboration with home service providers. Under this, in addition to diagnosis by doctors through tele-consultation, customers had the facility of remote monitoring by a medical professional, need-based visit by nurses, doctors, or physiotherapists and home delivery of medicines.

IL TAKECARE APP IN NUMBERS AS ON MARCH 31, 2021

500,498
Downloads

409,513
Registrations

11,307
Tele-consultation and

3,371
Successful calls
(prescriptions shared)

2,199
HRAs
(Health Reimbursement requests)

11.4%
DAU : MAU (daily active users / monthly active users) ratio

Delighting Customers with innovative solutions

SELLING AND SERVICING DURING PANDEMIC

We had equipped most of our sales partners with digital solutions in terms of selling policies and servicing customers even before the pandemic, preparing the ground for business continuity regardless of the contingency. We undertook several more initiatives, such as:

IT infrastructure for employees

We put in place the full range of IT infrastructure (laptops, dongles and headsets) to help employees work and service customers remotely. VPN and private cloud were activated for customer data security. Microsoft Teams was used for collaboration among employees as well as external partners, offering the tools of voice and video conferences, presentations, spread sheets, and visualisations.

Touchless solutions and technologies

Each of our channel partners, i.e. banks, motor dealers, agents and brokers, was supported by our tech team as they began working from home during the nationwide lockdown. This support augmented the digital platforms already available to them. Workshops, outreach programmes and training sessions were also organised.

We enhanced features in our self-service platforms InstaSpect (virtual motor accident survey solution) and IL TakeCare App (holistic health and wellness solution). IL TakeCare was extended from corporate to retail health customers and tele-consulting was provided 24x7, including for COVID-19-related consulting. Customers were encouraged to use these solutions and maintain physical distancing.

Customer welfare events

We conducted multiple online events on health – expert talk on mental health, counselling, yoga session, fitness session, etc. – and cyber-security, giving expert guidance to heighten the physical and mental well-being of customers.

DRIVING FINANCIAL INCLUSION

We are a pan-India insurer with a strong focus on enabling customers from rural locations to participate in the financial landscape. Our Government Business Group vertical is an empanelled member of the Government of India Common Services Centre (CSC) programme, through which the rural population can access essential public utility services, social welfare schemes, healthcare, financial, education and agriculture services. We have a dedicated team for this segment - the team members visit these areas, spread knowledge and make available general insurance products. We have launched several relevant products specially catering to the needs of this segment.

In the motor insurance segment, our products are attuned to customer needs. Our Woman Assist Facility is designed for the policyholder or even the spouse or daughter of the policyholder, providing them 24x7 assistance through new technological solutions. Being the market leader in two-wheeler insurance, we have helped the masses with affordable mobility, since two-wheelers are the chief mode of private commute in India. We also focus on rural coverage with ~14.0% of our motor GWP (Gross Written Premium) coming from rural areas.

CONTRIBUTING TO A RESPONSIBLE AND SAFER SOCIETY

Launching a product that incentivises safe driving

We launched a unique telematics-based insurance product – Pay How You Use – in response to the regulatory sandbox initiative. Customers opting for this product were provided a telematics device free of cost for installation in their vehicles. An app associated with the product tracked the vehicles on a real-time basis and sent updates on driving behaviour, over speeding, traffic rule violations, etc.

Every customer was scored based on their driving behaviour. Those who improved their scores were incentivised with reduction in premium payable. Thus, the product helped make the roads safer and also helped customers spend less.

Launched on a pilot basis, we have completed the premium target of ₹ 50 lakh set by IRDAI. The product is currently awaiting approval from IRDAI.

Smart features of the product

- Low premium based on good driving behaviour
- Customisable coverage
- Weekly summary of driving behaviour to help customers improve driving score and save on premium

Mapping accident spots

In a pioneering initiative, we invested a significant sum in building a robust database of accident locations across India over the past decade. This was achieved by capturing the geo-coordinates of accident spots, where our representative went for investigation of claims raised. These accident spots are a good underwriting input to identify the accident-prone areas and they have the potential to prevent accidents in future by cautioning vehicle owners.

We have also demonstrated our corporate responsibility by sharing this rich database with the regulatory authority to enable actions for preventing accidents.

Engaging with customers for vehicle safety protocols

We send out messages to motor insurance customers on a regular basis during calamity on initiatives to be undertaken to keep vehicles safe. Intimation is sent out relating to areas that are flood-prone. During COVID-19 lockdown, when there was a restriction on movement and most vehicles remained unutilised for days, "Dos and Don'ts" messages were sent out to customers to maintain vehicle condition and minimise losses.

Spreading awareness

We ran various campaigns to promote road safety in FY2021, including:

- **Ride to Safety -** To address the issue of road safety at formative age
- **#Iwilldriveyouhome -** Creating awareness on drunken driving
- **Helmet Emoji -** Road Safety World Series

Delighting Customers with innovative solutions

PROMOTING TRANSPARENCY IN SELLING

Accuracy in marketing and labelling

We give out accurate, transparent and easily understandable product information to ensure customers get the right message without being misled. This is done across all forms of communications i.e. website and advertising document to protect customers' interest. The objective it to clearly communicate necessary information relating to product features, costing and assumptions made relating to charges and returns to help them make informed decisions and buy the products most relevant to their needs.

We are continually working towards making product information across all communication channels more concise, standardised, clear and transparent.

Product approval

We have a robust product approval process whereby the business units are required to assess the product's compliance with all regulatory laws and internal policies. They also review the sales materials to ensure no misleading information goes out. We have an internal product risk approval framework for evaluating products in various risk areas.

Market conduct

We ensure every employee as well as channel partner adhere to our code of conduct on responsible sales process. They are regularly sensitised and trained to make sales in a responsible manner with customers' interest being the top priority and to provide technically accurate information. Adherence is ensured through customer surveys. Any attempt of mis-selling, misrepresentation or providing misleading information to make sales are strictly prohibited and attract disciplinary action. Till date, none of our products have had any lawsuits or regulatory pushback, for withdrawal on account of unclear product description.

Our responsible selling practices have resulted in a low policy cancellation at 0.4%* in FY2021.

*Policy cancellation rate = Total number of policies cancelled/Total number of policies issued

Efficiently navigating the risk universe through Effective Enterprise Wide Risk Management

Risk is inherent to the insurance business, especially in general insurance, as the external factors causing more risks or mitigating some risks emerge all the time. To maintain its leadership, an insurance organisation needs to be constantly agile and alert. New material risks emanating from climate change and certain catastrophic events having the potential to cause significant damage are amongst the core areas given consideration for further strengthening the ESG framework. In addition, changes in the macro-economy as well as sectoral performance, also mean changes in consumer behaviour and expectations, requiring corresponding changes in risk management and identification of growth opportunities.

Our risk management and internal control systems are designed to ensure that these risks are managed effectively and efficiently, aligned with our overarching objective of creating long-term value for all our stakeholders.

ICICI Lombard was the first company in India to get the ISO 31000:2018 compliance certification by the British Standards Institution (BSI), and successfully renewed it every year. The certification assesses the robustness of the Enterprise Risk Management (ERM) ecosystem. It is awarded on the basis of conceptualisation and implementation of an effective ERM framework, along with a comprehensive assessment of the rigour of Risk Management Practices.

We put a strong emphasis on embedding the principles of ERM in our strategy and operations. New products and processes are approved by the risk management function prior to rollout.

The ERM function has devised an internally adopted product risk approval framework. It aims to evaluate the product in light of various risk areas, such as Strategic Risk Management, Underwriting Risk Management, Credit Risk Management, Regulatory Risk Management, Distribution Risk Management and Operational Risk Management.

RISK MANAGEMENT FRAMEWORK

We have developed a risk universe consisting of 26 enterprise-wide risk areas, broadly categorised into five distinct groups: Credit Risk, Market Risk, Underwriting Risk, Strategic Risk, and Operational Risk.

CRITERIA FOR MEASURING RISK HEADS

1. **Credit Risk:** This refers to the risks on account of re-insurance and investment asset classes. The risk of default is assessed by tracking solvency margin numbers, re-insurer downgrades, and investment asset classes downgrade, below the defined threshold.

2. **Market Risk:** This refers to the risk related to exposure on assets, liabilities, income, and expenditure on account of market movements.

We have an internal Market Risk Management Committee (MRMC) to evaluate and identify key market risks with appropriate mitigation plans. The MRMC, comprising of senior management, meets periodically to assess the quantum of market risk and gauge the effectiveness of mitigation plans from a market risk management standpoint.

Our market risk mostly lies in the investment portfolio. To manage risks pertaining to investments, we have in place a robust investment framework, whereby our portfolio is managed by the investment function and monitored by the investment committee at the Board level. Further, as part of our internal risk management framework, we measure, track, and monitor the following aspects of our investment portfolio:

- Sectoral focus with regard to investments made

- The quantum of exposure and value at risk

- The effective concentration risk in existence, in various segments of investment

- The risk profile of certain investment categories and other core perceived risks that are critical from a market risk management standpoint

3. **Underwriting Risk:** This refers to the risk faced in terms of selection and retention of risks on our books and products.

We constantly monitor the performance of the underwriting portfolio and closely evaluate the portfolio dynamics, including the existence of concentration risk across various lines of business. The same is also placed before the Board Risk Management Committee.

4. **Strategic Risk:** This refers to the risk associated with the Company's long-term strategy. The same is tracked and reported to the Board Risk Management Committee.

Amongst other strategic risk areas, the Company has a measurement mechanism through a Key Risk Indicator which is in place to monitor the level of Reputation Risk faced, which includes the nature of publicity received by the Company on print and social media. This indicator has Board approved risk tolerance limits which classify reputation risk into the significant, high, medium and low risk categories. It is presented on a quarterly basis to the Board Risk Management Committee. For FY2021, the reputation risk indicator has been in the Low-Risk Quadrant.

5. **Operational Risk:** This refers to the risk of loss on account of inadequate or failed internal processes, systems, and people, or because of external events.

We counter this risk by having in place a detailed Operational Risk Management Policy that covers the following:

- The risk and control assessment framework
- Incident management and reporting
- Operational loss appetite levels
- Operational risk capital charge
- Strategies/plans/mechanisms for monitoring and mitigation of operational risk

Our ERM function continually conducts risk and control assessments for all units. Training is imparted on Operational Risk Management across the organisation to create awareness and ensure sensitisation. Critical updates with respect to operational risk are presented to the Internal Operational Risk Management Committee (ORMC), consisting of the C-Suite executives.

To manage material risks related to outsourcing, we have an internal Outsourcing Committee, to which such risks are presented by the ERM function, on the basis of a Committee-approved evaluation framework. We have a robust vendor empanelment mechanism. Every vendor in the outsourcing category is evaluated by the ERM function prior to empanelment, on the basis of a Committee-mandated vendor risk management approach. This includes obtaining declarations from vendors and questionnaire-based responses from the function empanelling the vendor. The empanelment is evaluated from the perspective of key risk areas i.e. strategic, reputation, operational, compliance, legal, fraud, business continuity planning, and exit strategy risk.

Two other critical components are Fraud Prevention and Cyber-Security.

Fraud Prevention is managed by the IC & LM (Internal Control and Loss Minimisation) function.

It was established in 2006 with the following objectives:
- Checking claims and premium-related leakages
- Prevention, detection, correction of internal irregularities and fraud
- Supporting the claims team with loss minimisation efforts

The approach is to have an objective-driven team with domain experts to manage various risks emanating from different Lines of Business (LoBs). The claims investigation teams are specialised in managing claims across LoBs. We have a salvage team to bring additional value to the net realisation amount.

The function engages with specialists for its activities, to bring in rigour and quality in its delivery. We have created a talent pool working together to deliver the set goals.

For fraud detection, we use traditional heuristic techniques based on either a checklist or a scoring algorithm. Additionally, we utilise advanced technologies and algorithms based on Machine Learning and Artificial Intelligence to identify fraudulent activities faster and with increased accuracy. The continuous self-learning approach of these techniques helps us to implement auto-correcting solutions, reducing the time for learning and execution.

Cyber-security has become a universal area of importance in recent times. Organisations, especially insurers, remain vulnerable to highly targeted cyber-attacks designed to hack into sensitive information. An important consideration is the various states in which the information resides in a system, namely, storage, transmission, and processing - we work to close any security loopholes in any of these states through constant monitoring and increasing the safeguards.

To provide secure services, we have introduced various technology-led innovations and adopted industry-leading security practices and controls. Available technology and relevant human factors have been assessed and policies and procedures have been implemented to detect and eliminate cyber-threats.

Efficiently navigating the risk universe through Effective Enterprise Wide Risk Management

REVIEW PROCESS AND FEEDBACK LOOP

We conduct periodic stakeholder meetings with respective business heads. This is done to assess the emergence of new risks, review all risks, including those previously classified as very high, high, medium or low, and to assess the latest position of the risks. The review has four important steps:

- Assessing the applicability of current risks
- Evaluating the emergence of new risks, if any
- Grading the risks on the basis of implementation of defined mitigation plans, including evaluation of reasons for non-implementation, if any
- Monitoring and verifying the efficacy of mitigation plans, including undertaking controls testing, as applicable

RISK MANAGEMENT ACCOUNTABILITY

The ERM function is responsible for identifying, assessing, evaluating, monitoring, and mitigating risks. It is headed by the Chief Risk Officer (CRO), who reports to the CEO and the Risk Management Committee of the Board. The ERM function is responsible, among other things, for the following:

1
Undertaking a thorough evaluation of the key risks (by assessing their frequency and impact of occurrence) to which the Company is exposed, including new and emerging risks

2
Presenting critical updates with respect to Operational Risk Management on a quarterly basis to the internal Operational Risk Management Committee

3
Improving the risk profile of all the units and thereby the Company through formulation and timely implementation of mitigation plans

4
Reporting the status of risk levels vis-à-vis defined appetite and tolerances, with action plans for bringing down exposures, where applicable

5
Undertaking training activities for awareness creation and sensitisation towards different areas of effective risk management
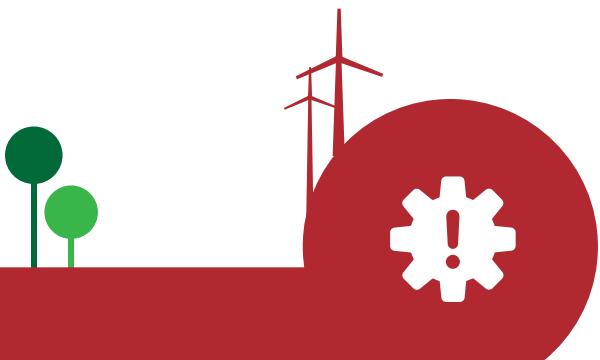
6
Placing a status update note to the Board RMC, giving an overview of the core perceived risks across the Company's Risk universe, along with the risk management approach and strategy to manage them and including amongst other risk areas, a section on Sustainability and Climate Risk Management

## EXISTING INTERNAL CONTROL POLICIES AND FRAMEWORKS

At present, we have the following control frameworks and policies (indicative list) to control and manage risks:
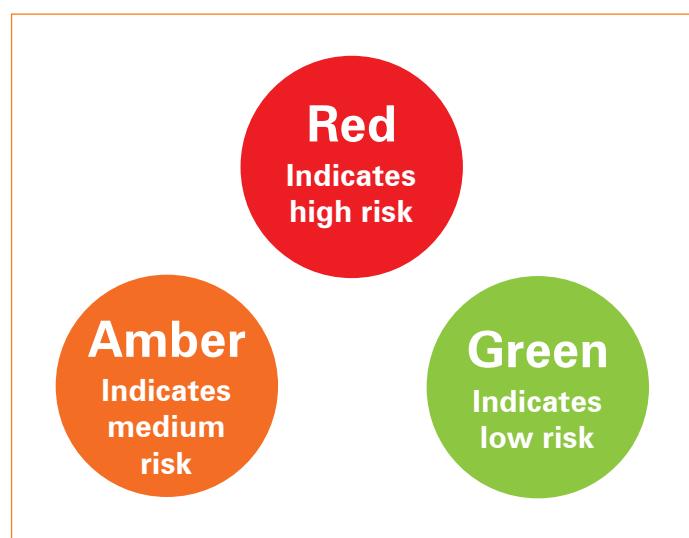
- Risk Management Framework
- Operational Risk Management Policy
- Underwriting Policy & related Standard Operating Procedures
- Internal Audit Policy
- Investment Policy
- Anti-Fraud Policy
- Liquidity Policy
- Policy on Outsourcing of Activities
- Compliance Monitoring Framework
- Information Security Policy
- Record Maintenance Policy
- Asset Liability Management Policy
- Policy on Provisioning and Write-off of Other Asset
- Insider Trading Policy
- Dealers' Code of Conduct
- Business Continuity Management Policy

The business units, the internal audit, compliance function, and risk functions work in close co-ordination to identify, assess, and mitigate risks at an enterprise level.

RISK GRADING

Our matrix consisting of 26 enterprise risk areas, falling into the five broad risk categories, are measured on a quarterly basis against a set of Board-approved defined tolerance levels. The tolerance limits and subsequent tolerance scores are divided into traffic light segments. This is the 'heat map' used to monitor and analyse all the risk areas every quarter and review their mitigation.

Red Indicates high risk

Amber Indicates medium risk

Green Indicates low risk

We place ERM governance at the heart of our decision-making and have integrated this in our day-to-day workflow and management.

Operating Responsibly for a Better World

As one of India's leading insurers, we continuously promote sustainability. This serves the purpose of meeting our responsibilities as a corporate citizen and mitigating risks arising from imbalance in the natural world. A core element of our environmental strategy is enabling the transition to a low-carbon economy.

REDUCING CARBON FOOTPRINT AND PAPER CONSUMPTION WITH TECHNOLOGY

ICICI Lombard has always been at the forefront of adopting technology-driven solutions. While many organisations stepped up their digitalisation programme only after the outbreak of COVID-19, we already had a level of digital preparedness that allowed us to continue barrier-free operations. There was no interruption in services even when physical mobility was extremely limited by the pandemic, because we introduced e-issuance of policies some 15 years ago, among the first insurers to do so.

Over the years, we have shifted most of our processes to digital mode - from engaging customers to generating business, sales, customer servicing, claim inspection, and claim settlement. These solutions have, on one hand, enabled us to deliver superior experience to customers and, on the other hand, resulted in a significant decrease in paper consumption and carbon footprint. Organisation-wide, multiple digitalisation initiatives have led to less travel and lower energy consumption. The digitalisation of initiatives leads to the conservation of paper resources. Additionally, it allows the Company to reduce the environmental footprint created by the paper manufacturers and its suppliers to the Company. In FY2021, 81 tonnes of paper and approximately 9,825,876 miles air travel was saved due to the work-from-home system and digital claim inspection.

Sustainability with technology (FY2021)

Issue policies digitally

Digitised vendor invoices

Promoting digitised agreements, where possible

Virtual inspection through InstaSpect
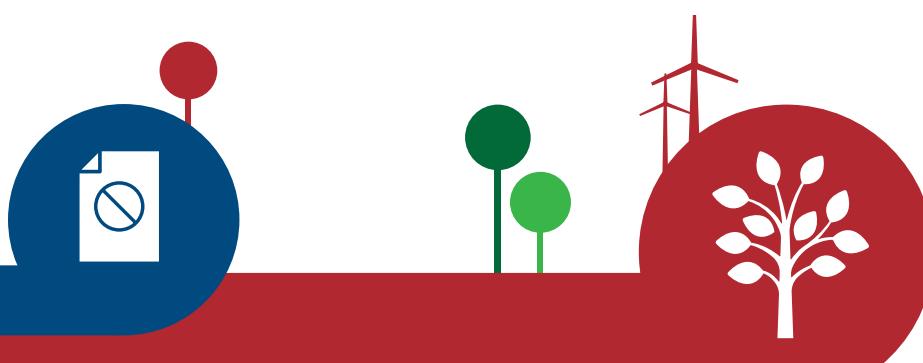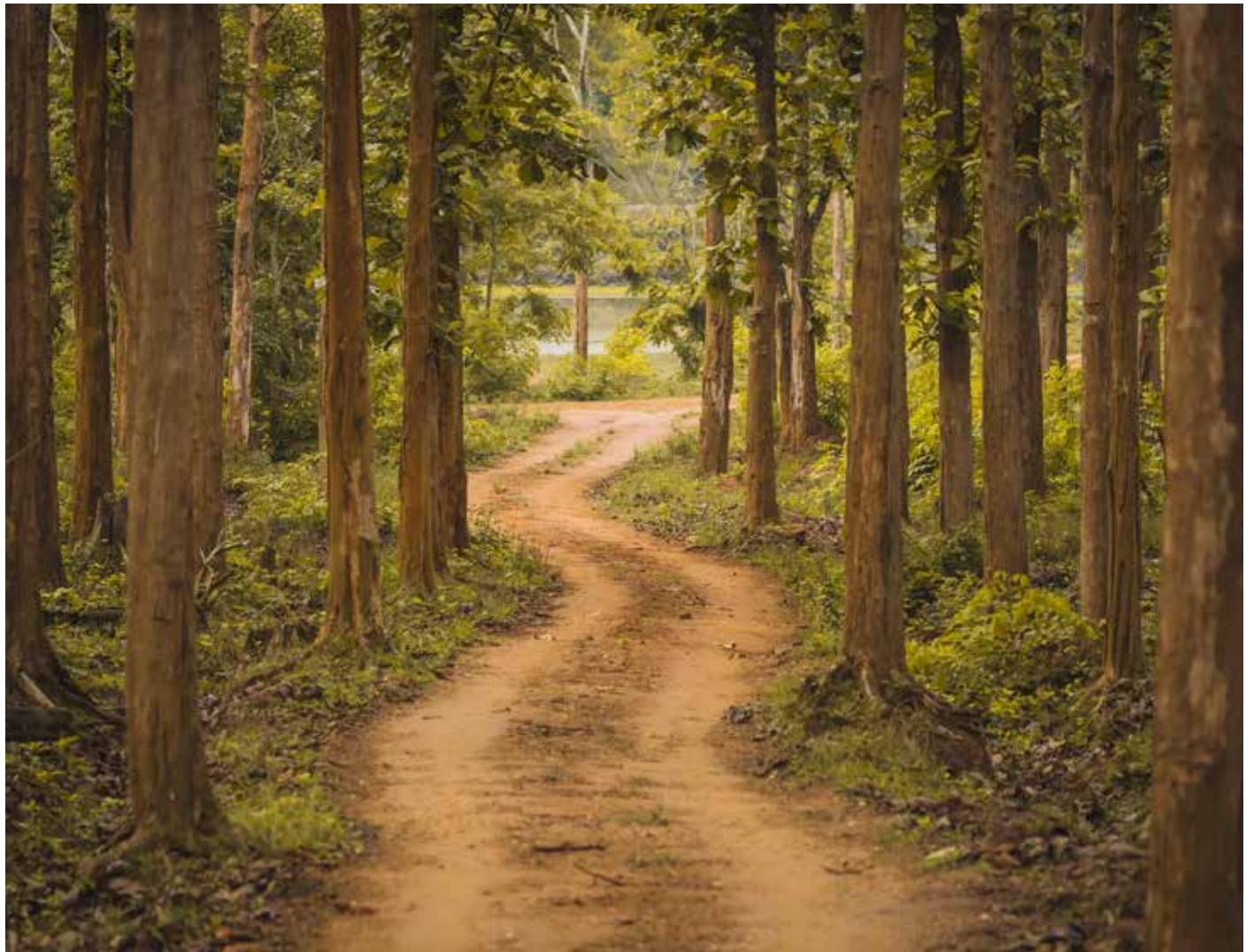
Cashless authorisations through AI for group health insurance

Insurance of Solar power to enable transition to renewal energy

Saving trees with technology

Digitised system: After the COVID-19 outbreak, we have moved to a completely new system whereby all agreements and invoices from vendors, policy issuance from channel partners, are being done digitally. We have built a system that allows customers and vendors to digitally sign agreements and invoices, respectively.

Key digital initiatives undertaken in FY2021 driving positive environmental impact

Digitalising policy issuance, invoices and agreements

In line with IRDAI's guidelines following COVID-19, we have initiated electronic-policy (e-policy) issuance (with consent of the policyholders) and digitalisation of vendor invoices. Our channel partners have been provided access to all the necessary information, tools and forms for e-issuance of policies. Proposal forms have been shifted from wet signature to OTP-based (one-time password) authentication. Large partners have also been connected through APIs or been provided solutions like microsite or portal for accessing necessary information and serving customers.

Steps have been taken to enable all vendors to send digitally-signed soft copies of invoices. For vendors not having digital signing facilities, a portal has been developed where they can upload invoices and sign the same using their Aadhaar number and a mobile OTP. For new vendors, the entire process - from discussing terms and conditions to sending the final agreement and the digitally-signed invoices - has been completely shifted to this digital platform.

Digitalising internal processes

All proposal forms and claim forms are now moved to paperless format.

We have started sending all letters from the Company, except those for regulatory requirements, in digital formats. Further, we have digitised all employee reimbursement claims above ₹ 5,000. Printers and scanners at our offices have been replaced with more efficient ones; and software was installed to enable only double-sided prints which have halved our paper usage.

Digitalising business operations

In the health insurance segment, we have transitioned to digital underwriting and claim processing through the use of scanned documents. All agreements with our network of hospitals have been moved to the digital platform and validated with e-signatures. Also, 100% of all physical visits to hospitals and travelling for collecting evidence has been shifted to video calls and 100% of pay-outs shifted to e-payments.

In the motor insurance segment, our Virtual Risk Inspection tool, InstaSpect, has enabled reduction in paperwork and travel. The tool is used for virtual inspection for claims processing through live video streaming. For policy renewals, we have invested in an AI-based inspection mechanism that facilitates virtual inspection of vehicles and eliminates the need for the inspectors' commute. Under the digitised motor claims processing system, customers use our app or a link to submit an e-claim instead of a physical form.

Minimising employee travel

Our past investments in digital solutions facilitated remote working for business continuity during the COVID-19 outbreak. Even after the lockdown was lifted, we saw work from home as an opportunity to increase safety and decrease the pollution caused by daily commute and business travel. Employees were given the choice of working at offices, working from home, use a blend of the two, or even work remotely from an off-base location. Employees working on field would not be required to report to office regularly. Online meetings, adopted during the lockdown, have continued.

Leadership meetings

The leadership team has been embracing virtual conferences for internal communications and external meetings and opted for paperless Board meetings, annual general meetings. This also includes reducing the carbon footprint generated through travel.

ENERGY MANAGEMENT

We have undertaken a programme to replace traditional lights with LED lights (~50.0% more energy-efficient on an average) across 12 ICICI Lombard branches. We are actively promoting an energy-saving culture where all lights and workstations remain operational only during the set time limits and are switched off when not in use. Additionally, workstations now have more compact energy-efficient machines. In FY2021, we moved most of our systems and processes to the cloud, making them accessible from anywhere. These initiatives have contributed to a 59.4% reduction in electricity consumption across all offices, 6,052 MWh in FY2021 from 14,919 MWh in FY2020.

MANAGING E-WASTE

Our transition from a physical to a digital workspace means more e-waste, and we have proper policies to manage this. BMC-registered vendors work with us to dispose of this e-waste in a way that minimises harm to nature.

RESOURCE MANAGEMENT

Carbon footprint from the manufacture of vehicle parts is a pressing issue in India, where most customers under insurance cover opt to replace parts even if they are easily repairable. At ICICI Lombard, we are encouraging service centres and customers to repair parts whenever possible.

TRANSITIONING TO SUSTAINABLE MATERIALS

In our meeting rooms, we have replaced all plastic bottles with reusable glass bottles. In FY2020, 96,648 plastic bottles were used across the organisation. We have now almost completely eliminated the usage of plastic bottles and other plastic cutlery in canteens across our offices pan India.

In motor insurance, we have set criteria for empanelling workshops using sustainable products for certain kinds of repair. This includes the use of environment-friendly vehicle paints.

WATER MANAGEMENT

Our water consumption is limited to drinking water and washrooms. Still, we have undertaken multiple initiatives to save this resource wherever possible. Water aerators, installed across all our branches, save about 30.0% of water flowing from taps.

At our Prabhadevi office, we have installed rainwater harvesting and groundwater-recharging systems. In FY2021, 2,927 KL of water were harvested through these systems, meeting 59.4% of the Prabhadevi office's annual water requirement.

EMPLOYEE VOLUNTEERING

We ensure sensitising all employees relating to the Company's sustainability focus areas including switching off the lights in meeting room when not in use, minimising wastage and water consumption, avoiding prints unless necessary. To promote the idea of green work, employees are presented with plants for all internal competitions. Even agents and channel partners get plants and certificates instead of gifts.

E-waste.

Operating Responsibly for a Better World

PROMOTING SUSTAINABILITY WITH SMART DRIVING

We piloted a unique product named 'Pay As You Use' as a part of IRDAI's sandbox initiative with a maximum limit of ₹ 50 lakh premium. The product is based on telematics technology and encourages customers to minimise their vehicle usage to reduce premiums. Customers are offered yearly plans for 3,000 km, 5,000 km and 7,500 km, based on which premiums vary. The product nudges customers towards using public transport more than their private vehicles, keeping the latter only for essential own rides.

An app associated with the telematics device allows customers to track the car usage, remaining kilometre balance and also monitors car health. Top-up option is available in case the balance is used up. The product is currently awaiting approval from IRDAI.

Smart features of the product
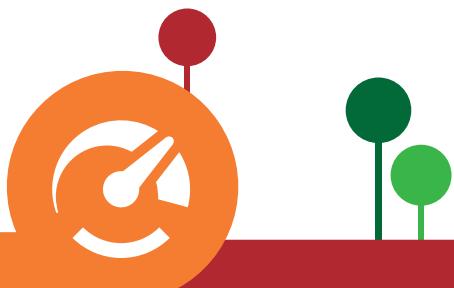
- Low premium based on kilometres driven
- Customisable coverage
- Free telematics device to track car health
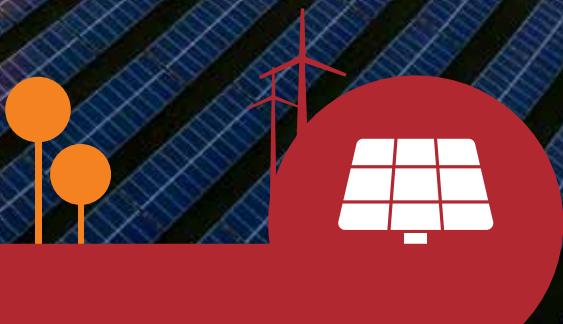
WAY FORWARD

Sustainability remains a key agenda for us, as we explore multiple ways to reduce our environment footprint. Eliminating paper consumption wherever possible, reducing travel-related emissions, efficient waste and energy management and use of sustainable products across all offices will be our priority.

We are engaging with vendors and licensed surveyors to send digitally-signed e-documents of procurements and reports, respectively.

Taking Climate Action

As an innovation-driven insurer, it is our endeavour to launch pioneering initiatives for transforming customer experiences. Value-added service is one such initiative whereby we have moved beyond insuring our customers against risks to giving them the most cost-effective and environment-friendly solutions to manage them.

Climate change impacts everything on the planet, including an individual's health and property and an entire nation's economic prospects. Of the factors pertinent to the general insurance industry because of their cascading effect, climate change is the most important and now also the most urgent. This makes taking climate action the need of the hour. One of the main fallouts of climate change is the increasingly weather unpredictability, including fiercer cyclones, floods and flash floods, inundation, tsunami, earthquakes, etc.

The impact of climate change is elucidated in a recent survey publication based on FY2019 data by Sustainable Insurance Forum (SIF), a leadership group of insurance supervisors and regulators. It showed that direct economic losses and damage from natural calamities globally amounted to USD 232 billion, with 409 total natural disaster events recorded that year. Most of the people and businesses who suffered these losses were not insured. This presents a big expansion opportunity to insurers; but there is also the risk of increasing claims and correspondingly increasing premium rates taking the shine off insurance instruments.

At ICICI Lombard, we endeavour every day to contribute effectively to the cause of climate change mitigation with the belief - what is good for Earth is good for our business. On the one hand, we have launched necessary products to cover for asset and income loss caused by these phenomena, playing a key role in nation-building by protecting businesses. On the other, we are striving to be at the forefront of taking climate action by providing value-added advisory services to prevent incident occurrence in the best interest of the environment as well as our business sustainability.

PRODUCTS AND VALUE-ADDED SERVICES FOR CLIMATE ACTION
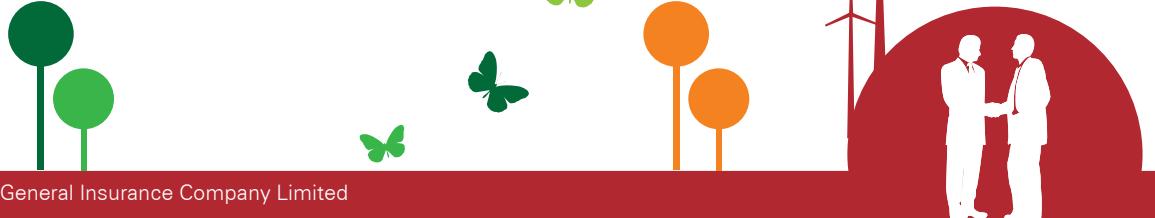
We focus on providing the right set of insurance covers and value-added services to protect our customers against climate change losses. These include:

Solar panel insurance for low-carbon economy

Renewable energy (solar and wind) is critical to support India's growing power need in a sustainable way. The segment, enabling transition to a low-carbon economy, is rapidly growing supported by the Government of India, which is a signatory to the 2016 Paris Agreement on climate action.

ICICI Lombard is contributing to this national goal through its pioneering solar panel insurance. This innovative product goes beyond just insuring against property loss i.e. damage to the panels by external factors, to covering losses due to non-performance of the photovoltaic (PV) panels to generate desired power output. These include losses caused by design defect, bad workmanship, defective material, etc. basis certain standard operating procedures to be met for running plant and making PV panels.

This protects original equipment manufacturer (OEM) and solar power plant developers against significant losses and insolvency, which would be a setback for the nation's low-carbon agenda.

Value-added services to prevent incidents

ICICI Lombard has transitioned from being an insurance provider to a global risk management solutions' and value-added service providers that helps build sustainable businesses, unfettered by any adversity.

We provide businesses advisory on measures for risk anticipation and planning. We discuss events or incidents that can lead to property damage, their consequential impact on environment and human and the actions to minimise its likelihood. These events or incidents are determined through a detailed inspection – Property Loss Prevention and Inspections. Basis this, cost-effective recommendations are arrived at focussed around three angles – quality (improving plant performance), environmental (resource conservation, avoiding air, water and soil pollution, carbon emissions, etc.) and safety (safety of property, human health and the industrial equipment).

We have introduced an AI mechanism to create risk report for smaller risk clients (below ₹ 500.00 million), whereas the larger ones continue to be done manually. Smaller risk clients are also given star rating to help them understand industry standing and motivate them to take proactive actions.

Further, we constantly enhance and upgrade client site risk inspection parameters by adding more checks basis evaluation of existing claims and claim sites inspection. We also go into micro details relating to loss of equipment and property. This has helped us to create a robust database of industry specific parameters. We have also gone from visual to a data-oriented operation whereby instead of just giving qualitative recommendations, we actually make measurements at key points. This allows us to spot the exact of problem in the premises.

This proactive approach ensures a three-way win-win scenario. The client is rewarded with stability and resilience of business as well as incentivised renewal price as the probability of a damaging incident is lower. The environment remains sustainable. We benefit from strengthened relationships and lower claims.

Three-way benefits of our advisory services

Clients

- Business stability and resilience
- Incentivised renewal price
- Better environment performance

Environment

- Climate change addressal
- Lower impact on natural resources

ICICI Lombard

- Stronger relationships
- Lower claim

Taking Climate Action

Advisory through expert team

We have a team of competent risk engineers possessing rich experience of over 10 years in evaluating the risk profile of companies across businesses/industries, they can provide customised recommendations to adopt practices that safeguard the environment and prevent damaging incidents, including fire. Our team monitors and leverage latest technology trends to offer best solutions.

Robust solution delivering mechanism

We have developed a robust mechanism focussed on technical engagement with a detailed risk visit, followed by benchmarking (industry risk profiling) and creation of a customised risk management programme. Our customer risk management (CRM) cell actively involves in enhancing the overall safety culture. We also share sector-specific research and case studies to help clients identify new challenges and address evolving risks.

The various solutions offered by us include:

Low Focus-High Loss Areas programme: This programme is for chemicals and petrochemicals companies that have a high-level of inherent risk because of the flammable nature of their raw materials and potentially hazardous operations. It focusses on identifying highly damaging (operationally and environmentally) areas for such companies due to safety lax. We group all risk recommendations into four segments based on cost-impact matrix to determine priority. Further, our CRM cell actively involves with their key decision-makers to get the recommendations implemented.

Internet of Things (IoT) monitoring: We are leveraging IoT technology to ensure access to critical infrastructure during emergency scenarios. It helps in providing real-time assistance for maintenance and usage monitoring of the key fire safety components. A real-time dashboard and complete reporting system provide information on performance of the fire-fighting system and ensure its functionality for timely usage during emergency. This solution helps in mitigating environmental hazards of air (CO_2 emission), water and soil pollution. Additionally, we have installed fire ball, a fire mitigation product, free of cost at our clients' premises for enhanced safety.

Drone inspection: We offer advanced drone-based technology for inspecting wind turbines and solar PV modules. This ensures faster (within hours compared to days in traditional ways) and more accurate inspection to identify defects, especially in case of solar plants which is spread across vast area. It also helps in determining appropriate solutions which if unaddressed might affect the output of these plants and may eventually lead to bigger losses.

Electricity monitoring: We provide solutions to micro, small and medium enterprises (MSMEs) for managing risks arising from electrical problems, a leading cause for claims across the general trade and manufacturing sector. In keeping with our safety-and-efficiency approach, we provide additional services such as harmonics studies, power quality checks and energy efficiency solutions to address this challenge. Covering multiple data points and tests, our low-cost solutions are apt for MSMEs which face a dearth of quality audit services due to their limited budget. Additionally, we also provide solutions around energy management. Actionable solutions provided to several of our customers facing power factor penalties, have helped them to achieve savings.

Motor insurance for promoting better environment

As a Company, we believe that contributing to climate change is a core focal point of our overall long-term strategies. Therefore, in furtherance to the same, we would endeavour to aim at laying a strong focus on insuring petrol vehicles vis-à-vis diesel vehicles, considering that they are more environment-friendly.

WAY FORWARD

We shall continue to devise innovative solutions, keeping in mind changing global climate and the need for businesses to have safe and environment-friendly operations in order to minimise a range of risks. Alongside solutions, we shall offer our clients industry-leading insurance products that would protect their interests and contribute to uninterrupted national progress. Acting together, our solutions and our insurance products will create new opportunities for all stakeholders and heal the planet.

Embedding ESG in Underwriting

We aspire to be a responsible insurer. Underwriting being the core business function, we are continually adopting best practices to minimise our risks while serving the needs of society in a sustainable manner. We are focussed on innovating and growing our portfolio of products and services, with ESG considerations embedded in them.

DIFFERENTIATED OFFERINGS

In our motor insurance business, while the third-party insurance (TP) segment continues to be highly regulated, we are undertaking measures and differentiation in the own damage (OD) segment to make our portfolio more sustainable.

We ensure underwriting only vehicles having a PUC (pollution under control) certificate. The age of the vehicle is also taken into consideration, which, apart from playing a key role in fitness-related risk mitigation, has a bearing on environmental aspects, too, as older vehicles tend to be more polluting when not maintained meticulously. We are exploring initiatives around differentiated offerings such as battery add-on cover, whereby extended warranty cover is provided to electric vehicles, which are more environment-friendly than vehicles run on petrol or diesel. Further, we are using telematics technology to get into the granular details of driving behaviour, traffic violation, and quantum of driving. We have piloted several products under IRDAI's sandbox initiative aimed at promoting innovation. These products had an upper limit of ₹ 50 lakh in premium and were received well by customers. Currently, we are awaiting regulatory approval. These products include:

- **'Pay As You Use' and 'Pay How You Use'**, which use telematics technology to encourage policyholders to save on their premiums by reducing vehicle usage and practising safe driving, respectively

- **'Single Owner Multiple Vehicle',** intended to tap individuals owning two vehicles — a private car and a two-wheeler (which usually remains uninsured). So, a single policy is offered, which can cover both the vehicles. 53% of the two-wheeler customers who bought this policy were uninsured for at least for a defined period of time.

In the health insurance segment, we run a Disease Management Programme for our customers to encourage them to lead a healthy life. Under it, we provide personalised health management solutions based on scientific guidelines, and also provide them with various trackers for their daily fitness regime.

VALUE-ADDED SERVICES

Our risk engineers undertake detailed risk assessment of corporate customers before underwriting including identifying hazards, trigger points, fire spread, process safety and mitigation at their premises. Based on this, they are provided risk rating. We avoid high risk companies; for the rest we try to engage with them on improving safety (property and human life) and environmental parameters through various recommendations and high-end technologies. The clients are incentivised with better renewal rates for adopting such practices which can lower risks at their end.

RESPONSIBLE MARKETING AND LABELLING

We ensure clarity and transparency in the description of the products as well as in the advertising document so as to safeguard the interests of the customers.

WAY FORWARD

We intend to further strengthen our underwriting practice by embedding more ESG risk management elements. This will enable us to better manage our risks and leverage new opportunities for solutions that support sustainable development and a low-carbon future.

Telematics, which is the future of vehicles and their insurance, will be an important focus area for us. We have witnessed its success in our 'Pay How You Use' and 'Pay As You Use' products, which helped improve safe and sustainable driving habits in a small group of customers by tracking their driving behaviour on a real-time basis. Going forward, our intent is to proliferate its use across all motor insurance products to cover more customers. This will be a key step in contributing to a safer automobile society, especially in India, where road accidents are on the rise as traffic congestion increases.

Being Responsible with Investment

Investment is a critical business function that enables us to meet the obligations we have towards the policyholders and to maintain profitability of the company. While following all regulatory requirements, we are constantly adopting best practices and undertaking investment decisions to balance income and generate revenues for long-term sustainability.

FRAMEWORK AND APPROACH TO INVESTING

Our Investment function is headed by the Chief Investment Officer (CIO), who oversees the investment/disinvestment decisions and is monitored by the Board Investment Committee on a quarterly basis. The function is structured as front, middle, and back office where the front office team is exclusively involved in research, credit reviews, and decision-making for investment/disinvestment, and it reports to the CIO. The middle office oversees regulatory and compliance matters as well as investment risks while the back office looks into investment accounting, reconciliations, and settlement of transactions. The middle and back office report to the Chief Financial Officer thereby ensuring a high degree compliance.

Material risks pertaining to the investment function are reviewed by the Market Risk Management Committee (MRMC). In addition regular audits are conducted by the auditors to ensure sufficiency of the investment processes.

The Investment function is governed by the IRDAI (Investment) Regulations, 2016. We have a robust investment policy in place, approved by the Investment Committee and the Board. It guides our investment actions and lists down the broad asset allocation strategy to be followed by the Investment team. These strategies are the guiding force to drive profitability, achieve investment goals, and enhance our risk-taking ability. We also limit our investments in the promoter group companies and keep it within the prescribed limits.

Our investment objective is based on the guiding principle of conservatism and long-term sustainability and aim at generating surplus income while ensuring capital preservation. The asset mix is determined by considering the likely claim obligations, safety of capital, and prospect of generating superior risk adjusted returns. Allocation to equities is considered when the same are available at reasonable valuations. We have set guidelines for monitoring counter-party limits or broker limits to diversify and broadbase the operational risk. As and when newer instruments are permitted by the regulators, we continue to broaden our investment avenues and diversify our portfolio as it grows.
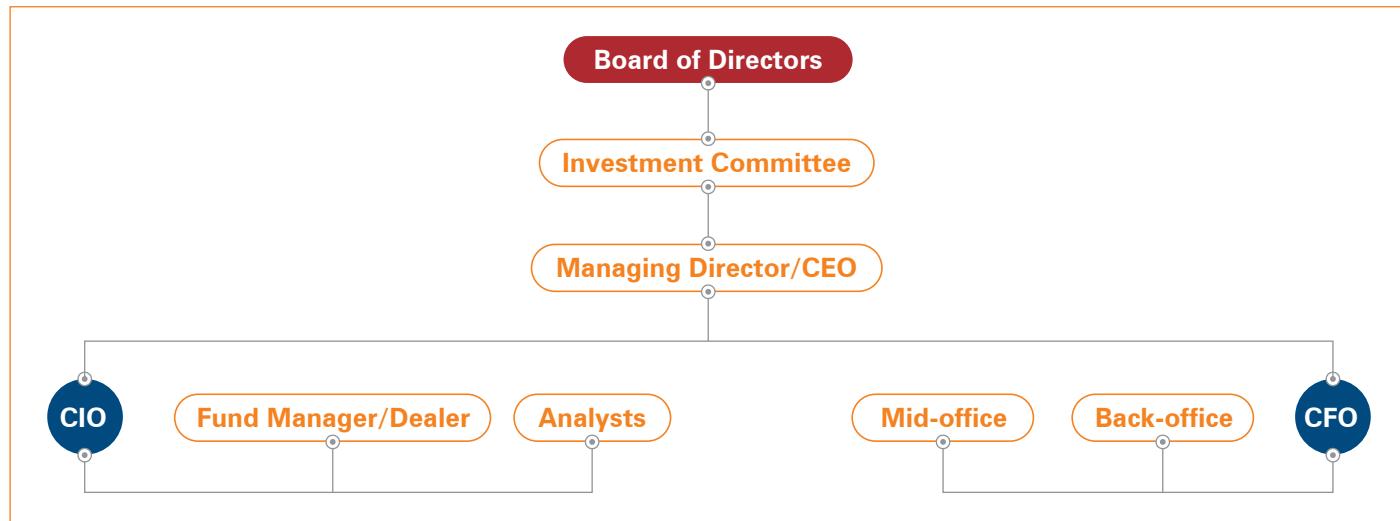
Further, we have a Standard Operating Procedure and Process Manual for the Investment function. The SOP is subject to review by the Investment Committee on a semi annual basis. In addition, we have a dealer's code of conduct which investment officials are required to follow and stipulates controls with respect to access to dealing room, dealing through the recorded lines, block leaves for the dealers, etc.

As an ongoing practice, we monitor the investee companies' performance, business strategies, risks involved, capital allocation decisions, corporate governance and such other aspects as may be necessary to protect our investments. This is governed by the stewardship policy, which sets out the principles and processes to be followed by the Investment department when it exercises its right to vote on the resolutions proposed at the investee company meetings.

➲ *Read more of our stewardship policy: https://www.icicilombard.com/docs/default-source/other-documents/stewardship_policy.pdf*

Our Investment function framework

ENSURING HIGH QUALITY OF PORTFOLIO

We lay a strong emphasis on the quality of investments. We undertake a thorough research before committing to any investment through our in-house research team. We also have a panel of brokers approved by the Board Investment committee who provide assistance as regards research and facilitate execution of the investment decision.

As on March 31, 2021, 84.7% of our portfolio was invested in debt and 12.5% in equity at cost. Of this, 86.1% of the total debt investments were in AAA+ rated instruments (bonds and debentures) and central and state government securities. The robustness and quality of our investments are evident from the fact that we have not witnessed any default of principal or interest amount on our debt securities and the returns delivered over the long run. Our investments delivered 9.6% returns in five years and 10.1% returns in 10 years.

We have ensured a well-diversified portfolio with investment in various sectors like financial institutions, banking, public sector undertakings, information technology, fast-moving consumer goods, pharmaceuticals, automobile industry, etc., with adequate liquidity being maintained to ensure timely payments of claims and other contingent payments.

Our conservatism in investment is evidenced by a lower exposure to Other Investments which stands at 5.8% as against the regulatory limit of 15.0% of total investments. Investments not adhering to the prudential exposure norms prescribed by the IRDAI regulations are classified as "Other Investments".

CONTRIBUTING TO NATIONAL DEVELOPMENT

As India's leading insurer, we are aware of our role in the growth of the nation. Therefore, we invest a minimum of 15.0% of our portfolio in housing and infrastructure assets, considering their importance in the country's development. As on March 31, 2021, 23.0% of our portfolio (i.e. ₹ 69,497.22 million) was invested in the infrastructure and housing sector. Besides financing the nation's needs, these investments, being long-term in nature, strengthen the sustainability of our overall portfolio. About 0.4% of the investment portfolio is invested in alternative investment funds (AIFs) which fund start-ups, early stage companies and growth companies.

WAY FORWARD

ESG is still a relatively underdeveloped concept in India when it comes to investment. However, as India's leading insurer, we intend to incorporate ESG factors in our investment decisions as these practices mature.

# Ensuring Employee Welfare and Development
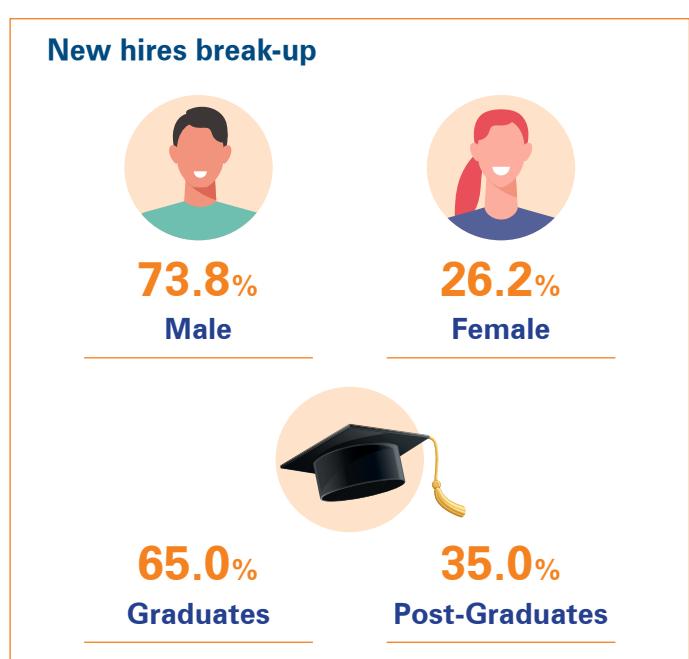
We have a flexible and open culture and an inclusive work environment, where different perspectives are valued. We attract talented employees from different backgrounds and provide them with equal opportunities. Regular skill upgrade and innovation helps in the development of our human resources which in turn helps us deliver exceptional outcomes to customers.

TALENT MANAGEMENT

Attracting and retaining the best people is essential for our business success. Attracting the right talent, focussing on their development, engaging and deploying, rewarding and recognising them for performance and ensuring career growth is an integral part of the talent management strategy. The talent and skill gaps arising from the annual workforce planning exercise are addressed by acquiring the right talent from within and outside the organisation. The talent strategy also focusses on building a diverse workforce and fostering a work environment which values the differences and promotes respect and acceptance so that these differences are leveraged for performance. This focussed approach ensures that employees play a critical role in supporting the delivery of the medium and long-term organisation goals and at the same time employees too are able to get opportunities to develop, grow and achieve their full potential.

As part of our talent management approach, we aim to build an internal pipeline for our organisation by hiring from various industries and campuses for Leadership, Niche Skills, Mid and Entry Level roles. We hire students from campuses with 2 to 6 months of internships and then induct them into the permanent workforce. These students undergo rigorous training to be ready for the upcoming roles. During the internship phase, efforts are undertaken to build their capabilities and deploy them in the right roles to ensure they are able to contribute to the best of their abilities. We have a multi-layered onboarding mechanism to orient all new joiners on the Company's work culture and get them job-ready. Interventions are undertaken in the areas of function expertise, 360-degree overview of the organisation and certifications. Further, a 90-day mentoring programme is undertaken to nurture and help them become acquainted with systems and processes.

In FY2021, we hired a total of 1,491 employees, including 46 engineering graduates as interns & around 52 management interns. Of the total new hires, 1,100 were male and 391 female; 65.0% were graduates and 35.0% post-graduates. As of March 31, 2021, we have a total of 8,962 employees on-roll and 1,221 trainees.

New hires break-up

73.8%
Male

26.2%
Female

65.0%
Graduates

35.0%
Post-Graduates
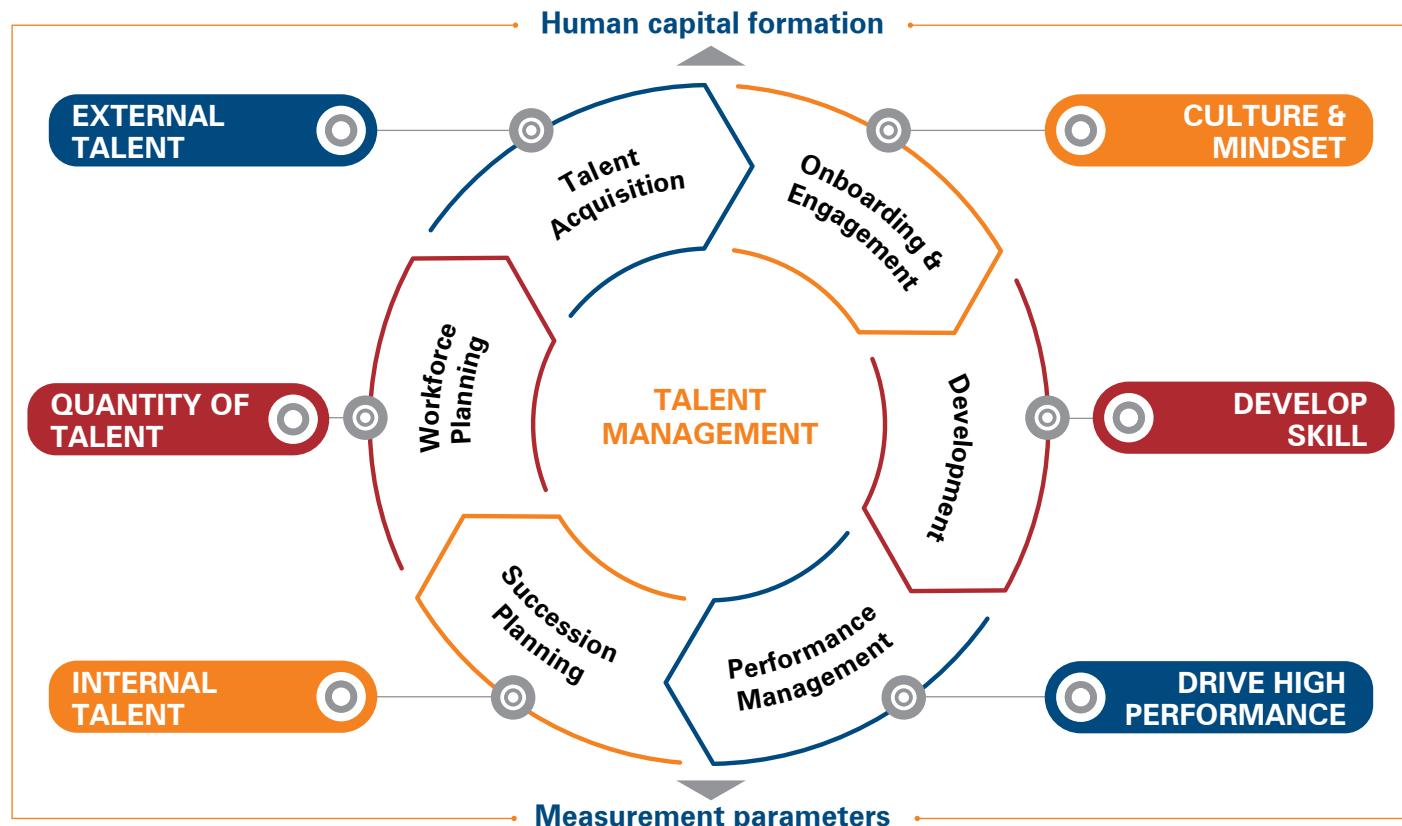
At Leadership level, we believe in grooming and building an internal talent pipeline for higher responsibilities and next-level roles. Over 80% of the leadership roles have been resourced internally from within the organisation. Annually, through defined processes, the organisation identifies the talent pool at the mid & senior levels through skip-level talent councils using inputs from 360-degree feedback & feedback on performance and potential. While the feedback is used for development interventions for the emerging & existing leaders, the identified talent pool is also considered for succession opportunities for higher-level roles in the organisation. This talent pool is reviewed annually and the plans arising from the review are deployed in a consistent manner. Basis the succession readiness assessment and gaps, the decisions to consider and attract external talent, particularly in niche skill areas, is taken. Keeping in view the long-term talent & succession pipeline needs, apart from talent hired from the market, the organisation has also tied up with select management and engineering colleges to regularly hire resources for addressing these needs.

We undertake multiple development, welfare, and engagement programmes to enhance employee satisfaction and motivation. Our outreach programmes and engagement surveys offer us a basis for detailed feedback, action planning and implementation that is designed to further strengthen ICICI Lombard's journey as a 'Great Place for All'.
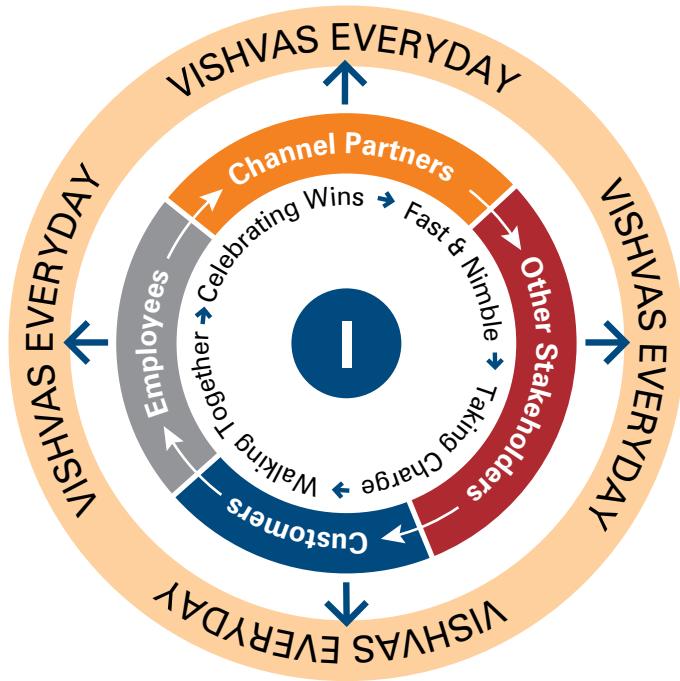
Vishvas, the organisations guiding principles, ensure alignment of employees to organisation priorities and the dynamic needs and expectation of key external and internal stakeholders and help building a collective mindset which is a key enabler to drive the common organisational goals. Employees demonstrate behavioural standards across the four pillars of Vishvas – Fast and Nimble, Taking Charge, Working Together and Celebrating Wins – and are recognised periodically, which reinforces these behaviours.

OUR APPROACH TO TALENT MANAGEMENT

Ensuring Employee Welfare and Development

VISHVAS – OUR GUIDING PRINCIPLES

VISHVAS EVERYDAY

Channel Partners

Celebrating Wins → Fast & Nimble

Employees

Other Stakeholders

Walking Together → Taking Charge

Customers

I

Customers

- Friendly, fair, and fast in interactions and responsiveness to our customers, especially in times of need
- Leverage customer insights to create differentiated solutions and deliver on our promises

Employees

- Being an empowered and solution-oriented workforce
- Being accountable for our actions/inactions and always act in the best interest of the Company
- Take risks smartly and tolerate the honest mistakes
- Practice meritocracy, where rewards are aligned with performance
- Respect and care for the well-being of colleagues – celebrate wins and significant moments together and help each other

Channel Partners

- Responsiveness to the needs of channel partners
- Actively engage with them and work on their feedback
- Be their preferred partner through fair and transparent interactions
- Deploy technology to empower and provide convenience to our partners
- Help them build and nurture a sustainable business

Other Stakeholders

- Constantly deliver long-term shareholder value
- Set industry benchmarks while contributing to community welfare
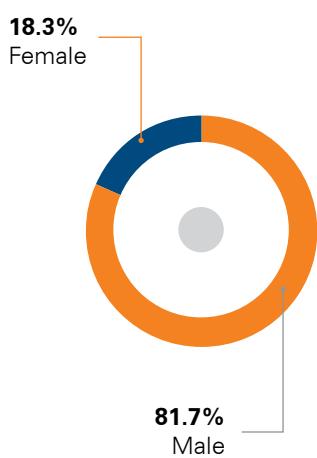
ENSURING A DIVERSE, EQUAL AND INCLUSIVE WORKFORCE

As part of our ongoing journey, we aim to reinforce and ultimately build an continuously evolving workplace culture where everyone feels included and respected. It includes building an environment where we value differences and leverage them for a variety of perspectives and ideas to meet the known and unmet needs of our customers and channel partners and deliver on performance and growth.
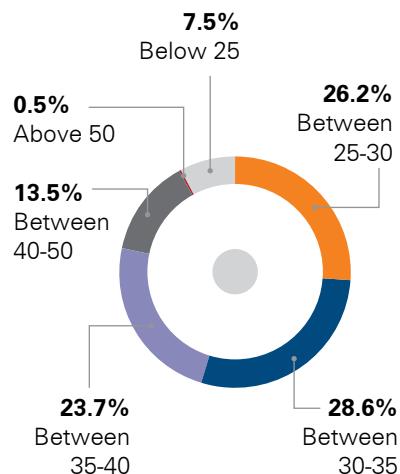
We promote a diverse and inclusive work culture, whereby we do not discriminate against any individuals on the basis of their gender, age, religious beliefs, caste, sexual orientation, family status, etc. and ensure fairness and avoid discrimination in matters including hiring, employment terms and conditions, policies, learning and development opportunities and career growth. We ensure having equality at workplace with policies covering all employees across gender, or the nature of job. We have in place a Diversity Plan that focusses on women, the differently abled and new generation employees. We have goals for hiring and retention as part of our larger talent strategy to improve and build gender representation.

ENCOURAGING WOMEN'S PARTICIPATION

We are strongly focussed on building women's representation through focussed initiatives and interventions. Policies have been implemented to build a conducive workplace for women. The Women's Interactive Network forum – WIN – has been set up to enable women professionals to celebrate, network, and engage. It is a formal/informal network providing development opportunities through training and coaching and seeking feedback and inputs on creating leadership pipeline for women employees Several initiatives have also been undertaken to make our workplace safe for women which include:

- Building employee awareness and stringent guidelines on prevention of sexual harassment
- Assigning 3-star and above hotels during travel
- Authorisation to book cab service for pick-and-drop between 11 pm and 5 am without any approval

The recently launched flexi-working arrangements has been a strong enabler for women in the new work environment.

DIVERSITY AT ICICI LOMBARD
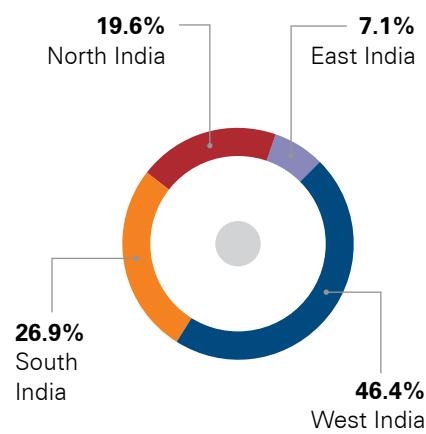
Workforce split by gender

- 18.3% Female
- 81.7% Male

Workforce split by age

- 7.5% Below 25
- 26.2% Between 25-30
- 28.6% Between 30-35
- 23.7% Between 35-40
- 13.5% Between 40-50
- 0.5% Above 50

Workforce split by region

- 19.6% North India
- 7.1% East India
- 46.4% West India
- 26.9% South India

Ensuring Employee Welfare and Development

LEARNING AND DEVELOPMENT

We believe that Learning & Development is an important differentiator to sustain the edge in this knowledge intensive industry and this we believe gives us competitive advantage.

A successful corporate learning program is one that addresses both the company's capability gaps to achieve its overall objectives and the employee's professional development. We thus prioritise our learning programs by aligning it with the organisational learning objectives and ensure that they are continuously evaluated on their impact. Our programs are competency based, experiential and focussed on building capabilities at an individual, team and enterprise-level to effectively manage today's work and to prepare and improve readiness for the future.

At an individual level, as part of the overall performance management process, employees craft individual development plans, called Individual Capability Plans (ICPs), based on the 70:20:10 principle (70.0% on-the-job learning, 20.0% from peer or social learning, and 10.0% through structured classroom and e-learning). All ICP's help address capability gaps that help improve performance for the ongoing year and preparing for the future and are aligned with the overall business agenda.

A Learning Council (LC), comprising leader-teachers and subject matter experts contribute to the learning agenda through content creation, facilitating technical/domain training programmes and promoting knowledge-sharing via informal learning practices.

Some of our key learning initiatives include:

- **Integrated Knowledge and Behavioural Certification:** A three-level knowledge acquisition model that builds domain knowledge
  - **Code Orange:** Involves blended learning via online, classroom sessions, and a 90-day mentorship programme
  - **Code Maroon:** Involves clearing three consecutive internal assessments, go beyond immediate scope of work, and build knowledge
  - **Code Maroon+:** An apex level domain/functional certification that offers international exposure and benchmarking
  - **Code Blue:** Addresses major transitions in employees' leadership journey and equips them – transition from Individual Contributor to First-Time Manager; from First-Time Manager to Manager's Manager; and then being an Emerging Business Leader.
- **Learning Roadmaps:** Involves 92 learning roadmaps based on understanding of domain learning needs.

We also encourage relevant team members to get surveyor licence and other related industry-level certifications for their career growth.

Leadership development

Developing leaders of the future is important for succession planning and sustaining the organisation growth momentum.

Leadership development is an integral part of the capability building journey and is anchored in the leadership DNA anchors of the Organisation. The focus is to build perspective and self and socially aware leaders with the capability of shaping and leading the organisation in future. The journey follows a blended learning approach. It comprises of psychometric assessments and profilers which provides insights on strengths & development areas for individual and as a cohort. The learning journey over a 18-24 months period includes a blend of curated classroom inputs, peer engagement sessions, coaching inputs and implementing strategic projects.

Code Blue also helps build the people management skills of the managers and leaders addressing the three transitions in employees' leadership journey – from Individual Contributor to Supervisor, from Supervisor to Manager's Manager, and finally to being a Business Leader.

Enabling remote learning and development

The Pandemic required us to shift to a virtual environment on our learning and development initiatives. Most 'all classroom' learning modules went online, so that capability-building initiatives continued without any disruption. The interventions for enabling remote learning and development include:

- Leveraging social learning platforms and video libraries to build a new medium for learning
- Conducting virtual sessions over platforms to enable rapid learning exposure to a larger employee base and re-skill them for better productivity in changed work dynamics
- Launching Leader Connect initiative for effective interaction between leaders and team members, thereby ensuring continued learning opportunity, and sharing of business concerns and practices

Developing a future-ready workforce

With the surge in digitalisation and advanced technology, we remain strongly focussed on up-skilling and re-skilling employees. The objective is to build technology-enabled and specialised skills for new products, solutions and ways of working.

Employees working on specific assignments undergo a 16-hour agile certification learning and also go through multi-phased Machine Learning workshop. Master courses around Scrum tools/practices through external experts and on-the-job project management support are scheduled at different intervals for continuous learning. Also senior leaders have been identified as coaches to guide the new pilot teams throughout the scrum cycles.

We encourage employees to think outside the classes/curriculum and magnify their learning mindset under the guidance of functional coaches. This has led to new trends of peer learning and social learning for discussing tools and practices. Employees are also inspired to come up with innovative solutions using new technologies. Several Artificial Intelligence and Machine Learning solutions have been developed by in-house data scientists who have learnt these skills on the job. We work with leading technology providers to arrange training programmes for our employees and hold business-specific hackathons to help them learn and create solutions.

Training initiatives and impact (FY2021)
158,761 hours Total training hours
18.05 hours Average training hour per employee
8,564 (97.3% of the total) Employees trained
70.0% Employee turnover ratio (invited to attend)
8,564 Employees up-skilled/re-skilled

Ensuring Employee Welfare and Development

PROMOTING EMPLOYEE HEALTH AND WELL-BEING

Health and wellness

Company has deployed a bouquet of employee wellness initiatives to help employees in their physical & psychological well-being such as Annual health check-ups for employees above a given age, Health Risk Assessments and advice, Medical Insurance covers, Employee Assistance Program (EAP) helpline, IL TakeCare App, and emergency ambulance services. Periodically the organisation also arranges expert talks & sessions on various topics related to physical and mental health and fitness with regular awareness communication on the same. Further, initiatives like Preferred Working Hours in select locations, Family Fridays, Leave Donations provides opportunity to build peer-to-peer camaraderie and work-life integration through these initiatives.

As an organisation, we have always believed in providing our employees with a supportive work environment. Hence, we have a counselling hotline 24*7 where they have free access to expert psychologists to cope better with various stressors (professional and personal).

We also extended access of employees to our IL TakeCare App which provides access to doctors, emergency services etc. Apart from these and a plethora of other services, the pandemic and ensuring work from home necessitated a need for focussed sessions delivered to employees at their homes. Feedback from employees with respect to various aspects - physical health, COVID fears, mental wellbeing etc. lead to the design and implementation of a 'Wellness Fest' where experts from different fields conducted one hour interactive sessions virtually. Topics covered so far range from COVID safety, Pilates, Eye Care, Ergonomics, Time Management, coping with change, baking session, Yoga, diet to boost immunity etc. Pre-sessions campaigns, communication about the credentials of the speaker have been the key mediums for creating awareness and driving participation. These sessions hosted by employees themselves are interactive, address questions from the audience and provide practical tips with feedback solicited after every session. Frequency and medium for the sessions is constantly evolving basis this feedback. Senior Leader endorsement as Wellness Ambassadors is also being solicited to drive better participation.

Health and wellness performance record in FY2021
103   Number of employees availed counselling under Employee Assistance Program - Santulan
11   Number of Wellness Fest (wellness series) sessions conducted
13   Number of employees donating leaves to colleagues

Personal and professional life balance

We believe that enabling employees to achieve work-life harmony is key to their mental well-being and productivity. Multiple initiatives have been taken towards this, such as Mandatory Block Leave policy (10 days at a stretch) leave on probation to meet exigencies and guidelines for working hours and branch closing time.

In the new ways of working, special guidelines have been laid down by the organisation to ensure that the personal time & space of the employees while working from home is taken care of. It emphasises on no meetings outside of office hours & to allow employees time to take care of their desk work, 2-3 PM is designated as a silent hour. It also highlights that meetings over weekends or on holidays are discouraged.

The adherence to all these initiatives is tracked through well-defined metrics such as Block leave utilisation, working on weekends/after core working hours etc.

EMPLOYEE CARE AND SATISFACTION

We value our employees and strive to make ICICI Lombard a great place to work.

We have established platforms for employees to share their feedback and any issues or grievances, including reporting to HR, Reach Me Portal, Fraud Control Unit Portal, with dedicated e-mail where they can reach out. In FY2021, 72 grievances were received from the employees, 100% of which have been closed.

We conduct regular feedback, connect sessions and surveys. We have recently conducted two surveys – Vishvas (internal) in December 2020; and Great Place to Work (external) in February 2021.

Based on the results of the FY2020 year-end surveys, a master action plan was designed to drive employee engagement and wellness. These included interventions towards building a conducive work culture, balancing personal and professional life, learning interventions, reward & recognition initiatives & strengthening engagement.

Effective implementation of the plan was ensured through a cross-functional micro-enterprise project team which had been set up to focus on the areas of talent, leadership and culture. The team comprises of employees at different levels and departments and is led by the senior leadership team. The team benchmarks best industry practices to ideate, design and implement practices and processes to build a sustainable workplace.

Feedback of employees at all levels were collated from focus group discussions and surveys to identify concern areas. In FY2021, the key concerns of our employees were around remote working, leading to increased meetings and work hours, loss of informal connect with colleagues and leaders, limited recognition and stress-related issues.

Several interventions by the micro-enterprise have been rolled out for employees to cope up better with these challenges by supporting open communication and sharing through various platforms to voice, discuss, share and learn from each other, their leaders and experts.

Hybrid working norms allow employees to have a well-balanced work schedule. Hybrid working provides flexibility to employees to work productively either from office, partly remote working from office or any other location, fully remote working from the base location or completely remote working from and off-base. 'IL Social' and 'Leader Connect' platforms facilitate informal engagement sessions between colleagues, managers, skip managers & leaders. Hobby Groups proved to be a platform for like-minded employees to nurture their interests. Wellness sessions and the counselling services have helped employees cope with the stress.
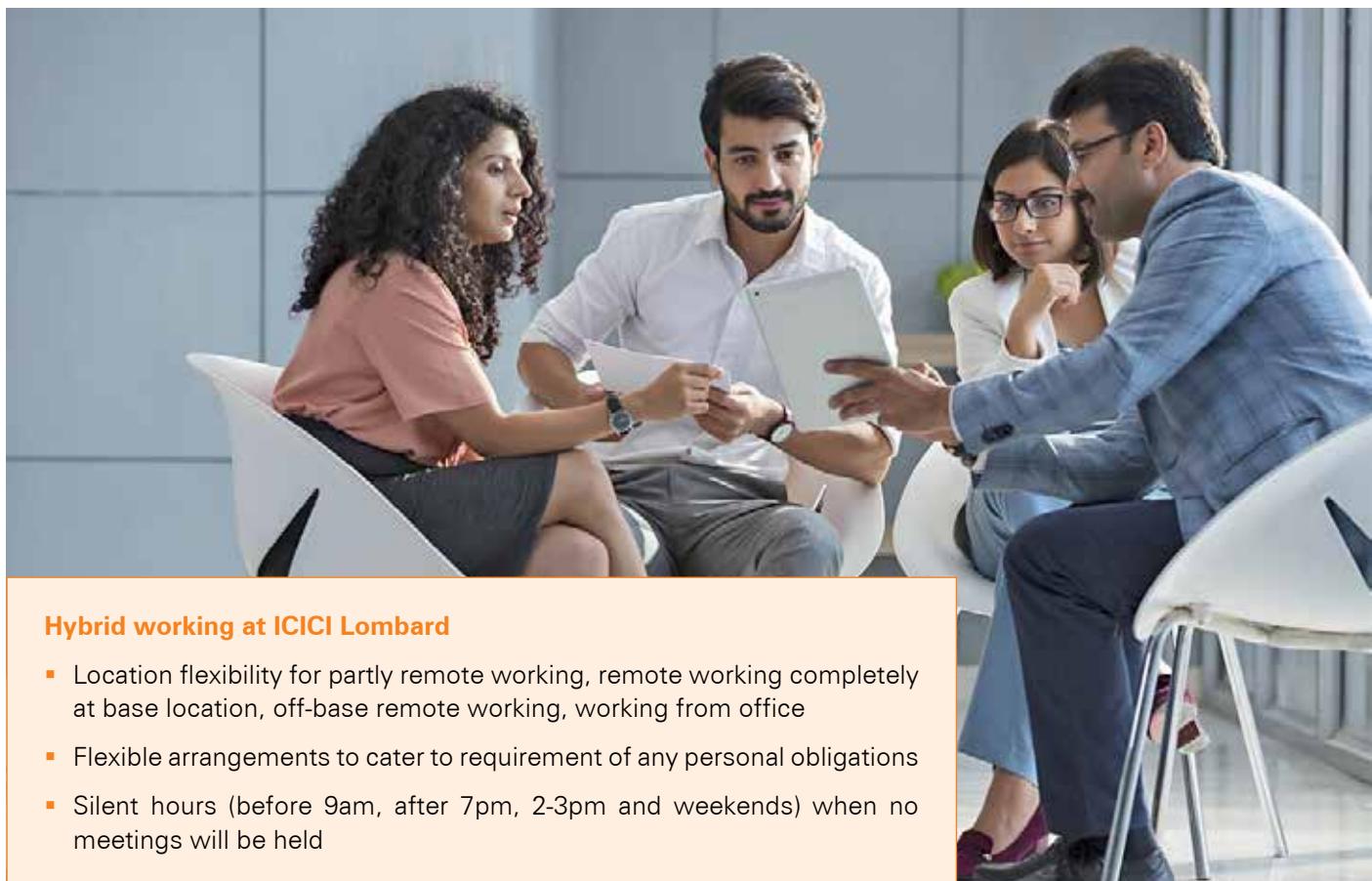
All managers were primed about the challenges of virtual working and their role in active listening in the changed environment. Leader Connect was designed to enable leaders to connect and engage with their teams at pre-defined intervals to communicate and also address any concerns. To socialise this, independent feedback on the adoption of the guidelines at the ground level through dipstick surveys, focus group discussions and polls were obtained and feedback shared with the managers.

All recognition events were seamlessly transitioned to the virtual space and executed flawlessly with the inclusion of family to elevate employee experience. Online recognition app – 'Champs' – was now made available on other on-line communication and engagement platforms as well to address the ongoing need of thanking/appreciating/recognition for all.

Ensuring Employee Welfare and Development

Results of surveys undertaken

	Great Place to Work
% of employees who feel valued at work	86
% of employees who are satisfied with their current job	91
% of employees who are happy with work-life balance	70
% of employees who feel their goals are clearly defined	97
% of employees who feel they are able to use their skills and abilities	86
% of employees who feel they can recommend new ideas and solutions	84
% of employees who feel their work is recognised	87
% of employees who feel they get rewarded for their work	87
% of employees who feel they have grown with the Company	79
% of employees who rate ICICI Lombard favourably on Engagement Index	91
% of employees who feel ICICI Lombard is a good corporate citizen	89
% of employees who feel ICICI Lombard is a place where people from diverse backgrounds can succeed	87

Hybrid working at ICICI Lombard

- Location flexibility for partly remote working, remote working completely at base location, off-base remote working, working from office

- Flexible arrangements to cater to requirement of any personal obligations

- Silent hours (before 9am, after 7pm, 2-3pm and weekends) when no meetings will be held

FAIR PERFORMANCE MANAGEMENT, RECOGNITION AND REWARDS

Employee recognition and rewards for their performance drive motivation and satisfaction levels. We have established a robust performance management system (PMS), wherein goals have been translated into Key Performance Indicators (KPI's) and cascaded at the individual level. These KPIs are tracked and reviewed on a quarterly basis alongside providing feedback to the employee and helping them address issues. To further strengthen fairness of the performance assessment process, post the annual appraisal exercise, employees are given a platform where they can write to the Head HR for concerns, if any, regarding their experience about Annual PMS process like Ratings, Organisation support, Manager Conversation, Fair treatment etc. Any queries hence received are examined by the HR team following elaborate due diligence and keeping fairness, transparency and neutrality at the core.

The annual appraisal is arrived at based on the assessment of the year-long performance. The entire process is transparent and fair with employees having visibility of their performance on a continual basis. High-performing employees are recognised and rewarded across events and online platforms twice in a year at an organisation level. External benchmarking is done annually on rewards and compensation reviews done every year to ensure that rewards are competitive.

In view of the remote working scenario, we have changed performance management approach from Management by Presence to Management by Results and Outcome. In line with this, Critical Success Factors (CSF) has been introduced to give timely feedback on performance and coach employees in shorter duration cycles to address any performance issues and bringing performance back on track.

Impact of our rewarding platforms in FY2021

Recognition platform	Employees awarded
Frontiers: A platform to recognise the top 2.0% performing employees and the ones exhibiting values, innovation, knowledge, etc.	465
iUtsav: A monthly event to recognise the top 5.0% employees after the Frontier winners, celebrate employee milestones like work anniversaries, birthdays	738
Talent Meets: Top 20.0% of the employees get an opportunity to interact with their leadership teams and share their success stories	1,919
Champ: An online recognition tool to recognise anyone, anytime	2,144

SUCCESSION PLANNING

Our succession plan is focussed on identifying and grooming the talent pool for senior positions and classifying them as per readiness for the identified roles. This talent pool is reviewed annually, on the basis of which plans are deployed consistently. Further, a succession readiness assessment and gaps analysis are done to take decisions on attracting external talent, particularly in niche skill areas.

At the mid to senior management levels, talent assessment and development process ensures that apart from performance, potential is also assessed and developed. A 360-degree feedback and assessment through cross-functional Talent Councils provides holistic leadership feedback, which helps design specific learning and development interventions for the leadership teams.

SUPPORTING REMOTE EMPLOYEES DURING THE PANDEMIC

At ICICI Lombard, we moved half of our employees to remote working even before the lockdown was implemented and ramped it up in accordance with Government directives. We enabled IT infrastructure such as laptops, internet access devices, ergonomic

workstations at home and headsets and implemented Internet reimbursement policy to enable and facilitate employees to work remotely.

For employees not having laptops or systems, proxy applications were provided on their mobile devices to access critical business applications for discharging duties. To make the workplace compliant to the hybrid ways of working, hot-desking was introduced to de-personalise previously occupied workstations for employees visiting branches after normal operations resumed. This ensured that only a limited number of employees are able to pre-book their seats and work at office and that employees had the flexibility to work from any office in the base location.

A help desk and AI-bot was created to provide continuous IT support to the entire team for any troubleshooting and to address all queries. Microsoft Teams was used to ensure smooth collaboration among employees for communication, presentation and document-sharing.

HR bot was launched to provide employees with an ease of query resolution for their day-to-day queries. This reduced their dependence on the availability or having to reach out to an HR representative.

We promoted asynchronous communication given the understanding that all teams would not be online all the time and also not available at the same time. This provided flexibility to individuals to plan their day as per priority and yet ensure that conversations, collaboration and decision-making across teams was also carried out.

We also offered comprehensive benefits, facilities and support to employees and their families during times of crisis. This includes:

Support for medical expenses:

- Mediclaim insurance (family floater cover and corporate buffer)

- Reimbursement of medical infrastructure support expenses arising from home quarantine in case of COVID-19 infection for employee, spouse, two children and dependent parents

- Salary advance for COVID-19 positive employees to ease financial burden

COVID-19 safety initiatives implemented

- Kept branches shut for three months & for additional duration at some locations as employees worked from home

- To support the business, proper approval mechanisms were defined for those wanting to visit the branch to provide critical services to the customers or channels

- Operated branches with defined manpower capacity in compliance with the Government guidelines post-lockdown

- Equipped all branches with temperature measurement devices to monitor temperature and trained security and front office executives on its usage

- Seating layouts in offices and cafeteria were remodelled to help follow social distancing

- Employees were given option to work remotely or from office to ensure lower headcount at the office

- Introduced Health Declaration Submission by employees while marking their attendance to determine their health status on real-time basis, extend support if required and track them to avoid spread

- Weekly sanitisation and disinfections of the branches

- Provision to buy face masks and sanitisers at branches

- Leaves and time off were provided to employees on need basis

- Strictly discontinued all movements, transfers and travel during the pandemic

- Included COVID-19 coverage in the corporate health insurance to all employees and dependants

Support for consultations, medical facilities and other benefits:

- National helpline to support all employees through representatives in Health Provider Management Team (HPMT), Human Resources and Quarantine Assessment Committee (QAC)

- QAC of in-house doctors connecting with positive employees to guide, advice and counsel them till recovery

- Continuous communication and engagement with local ER/Admin staff and SPOCs at specific locations for local support

- Doctor-on-call facility through IL TakeCare App and PMT

- Facilitation of employee and family vaccination via tie-ups along with reimbursement basis company policy

- Santulan helpline for assistance through trained counsellors

- Additional leave for COVID-19 positive employees over and above existing casual cum medical leaves

ENCOURAGING EMPLOYEES TO BE ESG TORCHBEARERS

For ICICI Lombard to set new benchmarks in ESG performance, employee participation is vital. We sensitise our employees and spread awareness on their role in creating sustainable societies. We practice recognising employees through organisation-wide e-mails from functional heads for coming up with unique ideas relating to ESG practices.

We have established some niche roles in Underwriting and Claims functions for providing value-added services and risk mitigation solutions to the customers and business partners. They constantly reassess risk models on the basis of historical data-inputs, changing severity and frequency of climate-related events. These employees use this knowledge to proactively engage with relevant stakeholders and assist them with minimising risks during any probable climate change phenomenon.

ENABLING EMPLOYEES TO HELP CUSTOMERS MINIMISE LOSSES

Prior to cyclones like Amphan, Nivar and Nisarga, we conducted various webinars for the employees (including Sales Head, Legal Head, Underwriting and Customer Service Experts) and business partners to equip them with relevant information and measures. This knowledge was used by the team to proactively engage with more than 370 customers.

Moving HR function to cloud: A one-stop shop for all needs

In a significant development undertaken in FY2020, we have digitised and brought HR services on cloud – SAP Success Factors. With a robust plan along with system integrator and a steering committee to meet regularly to discuss and solve implementation issues for a smooth transition, the entire initiative was completed in just eight months.

Benefit to employees

The new system called People1st is a one-stop shop for all HR information & process needs of employees. Being a fully automated platform, it gives the employees the advantage of accessing all HR/people information like onboarding process, Compensation information, revision letters, salary slips, flexi-benefits, tax declaration, leave application & balances, performance management system, recruitment approvals for hiring managers, learning module etc., from anywhere & at any time. Many of these modules were either not available in the earlier system or were available via standalone applications.

Empowering Channel Partners

Channel partners are an important part of our business value chain. They help us grow the business and support customers. We are continuously devising ways to ensure their welfare and create more value. We are investing in digital initiatives and developing processes and systems to enable them to conduct business seamlessly with us and serve customers better.

DIGITALISING WITH IPARTNER AND NYSA

iPartner is our digital portal for distribution channel partners, including dealers, insurance agents and corporate agents. Most of our insurance products are available on this platform to help our partners sell and renew policies. The multiple dashboards feature makes it easier for agents to track cases.

We launched the Nysa platform as a new digital portal exclusively for motor agency channel partners. It was designed to give them unique opportunities. Having a web and mobile user interface, it has the capability of pre-filling 70.0% of all data fields by using public data sources in six vernacular languages. Data pre-filling and multilingual facility has reduced end-to-end policy issuance time by 50.0%. This gives our channel partners more time to interact with customers. We have tied up with payment specialists to create a wallet to ensure seamless payments.
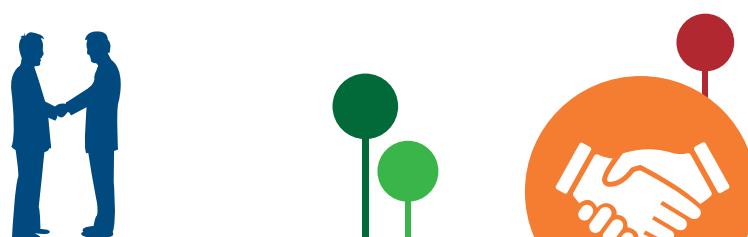
Expediting endorsements with digital platform

Endorsements are an important component of the insurance business for amending or modifying existing policies. We have automated the earlier system manual processing of policies process with our digital platforms to let channel partners directly endorse motor and group health policies without coming through a call centre.

Pioneering digital endorsement

In a pioneering initiative, ICICI Lombard digitised the cumbersome endorsement process, making it seamless and condensing the time. It allows customers, their agents, or even broker partners to enter new information digitally and get an instant endorsement to the policy with new additions. Underwriting decision is also done digitally and instant e-cards are delivered back to the customer. The entire process now takes less than a day.

NEW BOOKING SYSTEMS

We have launched two new booking channels for our channel partners. For the Common Service Centre programme, an initiative of the Ministry of Electronics & IT, Government of India, where most business happens at rural level, we have introduced a multilingual portal. Further, a lot of services were launched on WhatsApp, whereby customers can do almost all the transactions and chat with our agents.

DIGITALLY INTEGRATED ECOSYSTEM

We have launched a new API 2.0 platform to partner born-in-cloud digital companies for distributing insurance products. With more API partners added, we have greatly enhanced our distribution capability. With this, we have created a digitally integrated ecosystem to solve problems for our customers and also the customer's customers in a seamless manner. We intend to launch newer APIs aimed at corporate clients.

TRAINING AND TOOLS

During the pandemic, we increased our tech support and digital tool range for all of our channel partners, most of who began working from home and needed to sell policies and serve clients without disruption. Moreover, we conduct workshops, outreach programmes and training sessions for all our channel partners across India to share knowledge on domain, processes, new products, new tools and systems. During the pandemic, these sessions were conducted digitally.

Strengthening Supply Chain

Our supply chain is critical for conducting our business with ease. Supply chain partners are impacted by our risks, opportunities and strategies. We have in place a Code of Conduct and Procurement Policy, both developed in accordance with global best practices to protect their rights and enable them to improve their business models.

At ICICI Lombard, we have an extensive network of supply chain across our geographies of presence to help us deliver value to our customers and employees. Our supply chain includes small and medium enterprises as well as businesses controlled by under-represented segments. The vendors are empanelled in the categories of IT, infrastructure, marketing, administration, human resources and branch services.

VENDOR RISK MANAGEMENT PROGRAMME

We have a fair and robust practice of vendor registration that requires them to comply with all applicable laws and regulations of the region. We practice assessing and managing vendor relationships based on identifying and addressing inherent risk, in order to ensure uninterrupted operations and protect brand goodwill. Every vendor is evaluated by the Enterprise Risk Management (ERM) and Information Security function prior to empanelment; this is done on the basis of a defined vendor risk management approach involving declarations from vendors and responses to risk management related questions asked by the ERM function. The purpose is to evaluate vendor empanelment from the perspective of key risk areas of our Company and the vendor risk management approach is approved by the internal Outsourcing Committee.

The vendors are required to fill a vendor empanelment form, which is then verified by respective departments. Some of the key points of the vendor selection process include:

- Vendor empanelment form, which includes the vendor's basic details, with intermediary licence, related party and Micro, Small and Medium Enterprises Development (MSMED) declaration

- Know Your Customer (KYC) documentation

- Vendor empanelment approval process undertaken by our Business Team following cost-benefit comparison (by analysing three quotations for similar services from different vendors)

- Physical verification of the vendor office by our Investigation Team

- Legal confirmation on vendor services activity i.e. Outsource & Non-Outsource (if outsourced, an outsourcing template is taken as declaration, which includes points on ERM, business continuity planning and third-party data sharing. This is authorised by the business head and the vendor and also evaluated and approved by the Infosec & the ERM Team)

- Key Managerial Personnel (KMP) approval collecting for outsourced vendors

We normally have a service engagement tenure agreement of three years with each vendor, extended further if services and performance are satisfactory.

SUSTAINABLE PRACTICES

We have an agreement with BMC (Brihanmumbai Municipal Corporation) approved vendors for disposing of e-waste.

During the empanelment of outsourced vendors, a declaration is taken from them regarding their adherence to the social and occupational laws of the country. This includes norms of not employing child labour, have humane working conditions, follow safety standards, etc. Our intent is to cover all vendors under this declaration and audit them to ensure they are following the norms.

VENDOR WELFARE AND SURVEYS

We are strongly focussed on the welfare and satisfaction of our vendors. In line with this, some of our departments undertake engagements and survey of the vendors they deal with, to understand their needs and expectations. We are in the process of digitising empanelment and outsourcing forms, which will further streamline vendor registration and bring in more transparency.

PROTECTION OF VENDOR INTEREST

We are developing a bot for undertaking data entries of invoices sent by vendors, in order to reduce the risk of duplication. This entry then goes to the respective teams for verification. The digital entries reduce the risk of manual tampering or mistakes. We have checks in place to ensure that all the declarations/documents from the vendors remain safe and confidential. All of this information is stored in an application and is accessible only by the respective departments, admin team, and the Vendor Management Team.

Contributing to Community Development

We endeavour to go beyond our focus on business growth and strive to enhance the well-being of all our stakeholders, including the community at large. As a responsible corporate citizen, we undertake targeted interventions in preventive healthcare, hygiene and road safety.

Through our meaningful interventions, we make a positive contribution to the lives of thousands of individuals and develop strong relationships with the community. We also implement several projects in partnership with ICICI Foundation including in the areas of skill development and sustainable development that benefit the tribal districts in India.

OUR CSR INITIATIVES

Caring Hands

A child's vision is the most important source of information about the world around them and is the primary factor in a child's overall development. And so, poor eyesight, when it is untreated or inadequately treated, gives the child a sense of inferiority. This is a common problem for underprivileged children.

Through our preventive healthcare initiative 'Caring Hands', launched in FY2011, we organise free eye check-up camps to ensure that no child is held back from fulfilling their potential. This initiative is conducted annually and is led by our employee volunteers, comprising more than 50% of our workforce.

During FY2021, despite the pandemic related challenges, we continued this initiative by adopting a hybrid approach, keeping in mind the safety aspect. Parents were sent e-vouchers through SMS (database collected by employees in coordination with school authorities) to facilitate eye check-up at designated clinics (managed by/ in tie-up with Dr. Agarwal's eye Hospital).

Healthy participation was ensured by permitting visits (a parent and child) to the clinic and extending activity period to more than a month to enable visit as per convenience. During the year, around 16,000 children got their eyes check-ups and spectacles were couriered to those having poor vision.

IMPACT

Since inception in 2011, we have organised over 800 eye check-up camps across 300+ locations in India benefiting 300,000 children and distributing almost 30,000 spectacles.

Ride to Safety

India has one of the highest road accident death rates in the world at 1 every four minutes. Therefore, greater awareness on road safety is of paramount importance. As per National Crime Records Bureau (NCRB) data, a total of 437,396 road accidents were recorded in FY2019, resulting in the death of 154,732 people, 38% being two-wheeler riders. In line with this, we run our nationwide initiative 'Ride to Safety', focussing on two-wheeler riders.

Not wearing helmets is the number one factor in the road deaths of two-wheeler riders; these deaths are often preventable. Being enthusiastic motorists, the youth in India usually have two-wheelers as their affordable first vehicle, and they (including those aged below 18 years) are the top target group of our initiative. Our annually held sensitisation workshops create awareness among children about road safety habits and the need for wearing helmets alongside distributing to them child-specific helmets if they are pillion riders. This builds a culture of responsible motoring from the formative years.

Contributing to Community Development

During FY2021, we conducted 250 workshops across 7 cities virtually to adhere to social distancing norms. Over 40,000 parents and children were sensitised and 35,000 specially-designed ISI-marked helmets were distributed to the children and their parents. We also distributed masks (sourced from NGOs). We also launched other activities to amplify the impact of this programme.

Road Safety Anthem

Taking forward our long-standing endeavour to drive behavioural change towards road safety, we have launched 'Ride To Safety' anthem, sung and composed by the music maestro Shri Shankar Mahadevan. The eclectic 'lyrical storytelling' as a medium of expression, conveying road safety guidelines, will resonate with the masses in a unique and heartfelt manner, considering India's interest in music. It was unveiled by Shri Nitin Gadkari, Minister of Road Transport & Highways and Micro, Small & Medium Enterprises.

We are promoting the anthem across social media assets and digital platforms along with traditional media such as radio.

IMPACT

Since inception in September 2015, we have conducted 950 road safety workshops (250 virtually in FY2021) in the metros and other major cities across India, spreading awareness among 180,000+ children and their parents and distributed 100,000+ ISI-marked child-specific helmets.

Niranjali

Access to clean and hygienic drinking water is vital for a society to progress from poverty to sufficiency, and essential for a healthy childhood. Diseases contracted from unsanitary drinking water can cause major repercussions within communities. For instance, diarrhoea and cholera are easily spread through dirty water and they can lead to malnutrition, dehydration, and even death.

Children in India are susceptible to these preventable infections. There is an urgent need for India to bring down these deaths by six to nine times to meet United Nations Sustainable Development Goals, which aim at less than 3 deaths per 1,000 live births for pneumonia and less than 1 death per 1,000 live births for diarrhoea by FY2025.

Our purposeful intervention 'Niranjali', initiated in FY2017, creates awareness on clean drinking water for child health. Its focus is in line with our experience in the healthcare domain and expertise in initiating preventive care projects – especially related to wellness. Under Niranjali, we instal water purifiers in schools where drinking water is scarce. An annual maintenance contract is also drawn up to ensure the smooth functioning of the purifier machines.

In FY2021, we conducted virtual sessions in 250 schools across Mumbai and Delhi where our existing programmes – Caring Hands and Ride to Safety – were organised. We installed water purifiers in these schools and additionally 250 automated sanitiser dispensers considering the pandemic scenario.

IMPACT

Since inception, we have installed 445 water purifiers at schools benefiting over 100,000 children

COVID-19 INITIATIVES

We took several initiatives towards rehabilitation of communities and curtailment of virus spread to strengthen the country's fight against the pandemic. We donated ₹ 50 million to the PM CARES Fund.

We collaborated with reputed diagnostic brands (Apollo Hospitals, Metropolis Healthcare, Suburban Diagnostics) to provide free COVID-19 testing to over 35,000 people. More than 5,000 PPE kits, masks and sanitisers were distributed to hospital medical staff. Further, 25,000 masks and 25,000 sanitisers were distributed to underprivileged senior citizens to help them stay safe.

We also donated funds to Indian Institute of Science, Education and Research, Pune and Tata Memorial Hospital, Mumbai for the procurement of COVID-19 testing equipment.

In May 2020, as the COVID-19 infected cases were rising, cyclone Amphan in the eastern parts of the country significantly impacting its populace. We collaborated with the Kolkata Traffic Police to provide ration kits to over 9,000 affected families. We also donated 50 disinfectant spray machines to enable authorities sanitise areas where the refugees were sheltered.

Making villages self-sufficient for healthcare

We piloted a new initiative in FY2021 to equip Primary Health Centres in rural areas with medical instruments to cater local health-related needs, thereby avoiding the need to refer every case to district hospitals.

The programme was run at Tajpur and Panthpiplai districts of Madhya Pradesh covering 60 villages and Jugguar and Kasmandi districts of Uttar Pradesh covering 112 villages. PHCs in these areas were provided with operation kits, anaesthesia workstations, BP machines, ECG kits, among others. Telemedicine kiosks were also installed to enable the PHC medical staff to take real-time advice from expert doctors on specific cases over video consultation sessions. Since inception in March 2021, 1,650 PHC patients have benefited from the initiative.

Critical illness treatment support

In another pilot initiative in FY2021, we facilitated customers buying insurance policy on our website to donate voluntarily towards critical illness treatment expenses of underprivileged patients; ICICI Lombard would contribute an equal amount.

To ensure effective utilisation of these funds, we partnered with YouWeCan Foundation (founded by the Cricketer Yuvraj Singh), Ketto Foundation and Jagdish Sarla Trust. Customers can choose a Trust of their preference. Since launch in February 2021, ₹ 16,000 donations were received from customers and the funds (post adding our matching contribution) were utilised towards treatment of critical illness cases. We have also developed an interactive video to spread awareness among customers to drive greater traction in the future.

Fortifying Good Governance

We remain committed to meeting our responsibilities to our key stakeholder groups. This is underpinned by our robust governance framework and focus on doing business with integrity, ethics and transparency. Our Board ensures running the business responsibly while appropriately managing our broader social and environmental impacts.

GOVERNANCE FRAMEWORK AND ARCHITECTURE

We are India's leading general insurer with a wide spectrum of customers across all sectors as well as multiple other stakeholders with whom we do business through regulated operations and infrastructure. This requires us to effectively manage our ESG issues across businesses with appropriate governance and oversight. We ensure this through our robust governance framework that goes beyond compliance with regulatory and legal requirements and includes several voluntary practices for maximising shareholder value legally, ethically, and on a sustainable basis.

Our corporate governance architecture is based on the Board's independence to bring objectivity and transparency in management and its dealings. It is strengthened through various policies, codes and frameworks. We are committed to conducting our business with the highest standards of compliance, integrity, honesty, fairness and responsible business practices with zero tolerance for fraud. We achieve this through the Employees Code of Conduct ("the Code") which summarises the conduct and guides all actions of our employees and Directors. A framework has been established to encourage the employees and Directors to report any concerns or violations of the Code. Any non-compliance is subject to disciplinary action, including employee termination.

The Code further has guidance on the Prohibition of Insider Trading, Prevention of Bribery and Corruption, Preventing Fraud, Whistle-Blower Policy, and Anti-Money Laundering. Appropriate policies have been formulated for these. We maintain a policy calendar to keep track of policy reviews, which are carried out on an annual or a semi-annual basis, taking into consideration various regulatory amendments and benchmarking best practices. Additionally, frequent e-mails are circulated to all employees on various aspects of SEBI (Prohibition of Insider Trading) Regulations, 2015 to spread awareness on insider trading regulations and intimate on regulatory changes.

Focussed training sessions are undertaken on the core and essential aspects of Enterprise Risk Management (ERM), the operational risk management policy, the ERM framework and universe, and business continuity management, among others. We ensure that every new

hire mandatorily undergoes these trainings during their induction. Hundred per cent of our employees have signed up for the Code of Conduct and the business ethics code and are required to acknowledge this every year.

GOVERNANCE STANDARDS UNDER ESG

We are deeply committed to becoming a more responsible and sustainable organisation by embedding environment, social and governance (ESG) standards across all facets of our business. Departments across the organisation and respective heads are undertaking efforts to understand and address the ESG issues that can impact our business performance, customers and business partners. We have developed a Policy on Environment Management, the progress on which is discussed at the Corporate and Board level. The Corporate Social Responsibility Committee and Board of Directors reviews the Policy on Environment Management of the Company.

A dedicated ESG Committee*, comprising of Heads of Functions, has been formed to review, assess and monitor the core ESG-related initiatives and material risks of the Company. The Committee endeavours to continually undertake focussed deliberations through periodic meetings and monitor laid down actionables to strengthen our sustainability management and ESG risk management practices.

BOARD ROLE AND DIVERSITY

Our Board is responsible for the overall leadership and plays an important role in establishing the Company's purpose and strategy as well as improving supervision. We ensure this by having a diverse Board for bringing a diverse skillset, knowledge, and perspective. Our Board diversity policy, reviewed by the Board Nomination and Remuneration Committee and Board of Directors of the Company, necessitates an optimum mix of Executive and Non-executive Directors.

As on March 31, 2021, our Board consisted of 11 Members – three Executive Directors including Managing Director & CEO, two Non-executive, Non-independent Directors and six Non-executive, Independent Directors. With over 70.0% of the Directors being Non-executive

*Management level committee

Directors out of which over 50.0% of the Directors are Non-executive, Independent Directors, we have taken an important step towards enhancing our governance standards and protecting the interest of all stakeholders. Our Board includes two Women Directors who bring in more diversity and drive cognitive thinking. Our Board Members are distinguished individuals who not only guide the Company with their treasured knowledge, but also help in enhancing our corporate credibility.

Our Board is adequately equipped to understand the business in which the Company operates as well as manage the evolving business dynamics.

More on Board Diversity Policy can be read at: _https://www.icicilombard.com/docs/default-source/policies-of-the-company/board-diversity-policy.pdf_

Our Board diversity as on March 31, 2021

Number of Directors on the Board of the Company	11
Executive Directors including Managing Director & CEO	3
Non-executive, Independent Directors	6
Non-executive, Non-independent Directors	2

Fortifying Good Governance

BOARD COMMITTEES

Our Board operates either as a full Board or through various constituted Committees. The Committees and the Board meet at regular intervals to discuss and decide on business policies, strategies, and review specific business areas. We have a total of eight Board Committees, which are constituted in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines for Corporate Governance for insurers in India issued by IRDAI. These Committees recommend to the Board on relevant areas, so that the right decisions can be taken in the Company's best interests. The terms of reference of the Committees are reviewed by the Board periodically to align the same with the business/regulatory requirements.

8 Strategy Committee (SC)

1 Audit Committee (AC)

7 Investment Committee (IC)

2 Board Nomination and Remuneration Committee (Board NRC)

Board of Directors

6 Policyholders Protection Committee (PPC)

3 Risk Management Committee (RMC)

5 Stakeholders Relationship Committee (SRC)

4 Corporate Social Responsibility Committee (CSRC)

The terms of reference of the Board Committees is hosted on the website of the Company and can be viewed at
https://www.icicilombard.com/docs/default-source/policies-of-the-company/terms-of-reference-of-board-constituted-committees.pdf

Board of Directors: Qualifications, Expertise, Committee chairpersonships/memberships and attendance at the Board Meetings:

Director	Qualification	Field of Specialisation/ Existing skills/ expertise / competence	Committee Memberships	Number of Other Directorships*	Details of Board Meetings attended/ entitled to attend
Lalita D. Gupte Chairperson, Non-executive, Independent Director	BA (Eco Hons) Master of Management Studies (MMS)	Banking, Finance, Economics, Corporate Planning and Risk Management	Board NRC (M) AC (M) RMC (C)	4	8/8
Ved Prakash Chaturvedi Non-executive, Independent Director	BE (Electronics & Power) PGDM-IIM Bangalore	Strategy, Finance and Investment	RMC (M) PPC (M) CSRC (M) SRC (M)	1	8/8
Uday Chitale Non-executive, Independent Director	B. Com Fellow Chartered Accountant	Finance, Accounting & Auditing, and Alternative Dispute Resolution (ADR) Business Advisor	Board NRC (C) AC (M) RMC (M) PPC (M) CSRC (C) SC (C)	3	8/8
Suresh Kumar Non-executive, Independent Director	B. Com (Hons) Post-Graduation - Investment Management Programme, Stanford University and London School of Business Advanced Management – Columbia Business School Fellow of the Indian Institute of Bankers (FIIB)	Banking, Finance and Investment	IC (C) RMC (M) SRC (C)	6	8/8
Ashvin Parekh Non-executive, Independent Director	B. Com (Hons.) Fellow Chartered Accountant AICWA AICSA Exec. MBA-INSEAD	Business Strategy, Corporate Planning, Technology and Finance	Board NRC (M) AC (C) RMC (M) PPC (C) SC (M)	3	8/8
Murali Sivaraman Non-executive, Independent Director	B. Com Chartered Accountant Cost and Work Accountant PGDM-IIM Ahmedabad	Finance, Management, Strategy and Marketing	AC (M) PPC (M) CSRC (M)	2	8/8

Fortifying Good Governance

Director	Qualification	Field of Specialisation/ Existing skills/ expertise / competence	Committee Memberships	Number of Other Directorships*	Details of Board Meetings attended/ entitled to attend
Vishakha Mulye Non-executive, Non-independent Director	B. Com Chartered Accountant	Banking, Investments and Finance	RMC (M) SC (M)	2	8/8
Sandeep Batra Non-executive, Non-independent Director	B. Com Fellow Chartered Accountant Associate Company Secretary	Finance, Banking, Insurance, Law & Governance and Risk Management	AC (M) IC (M) Board NRC (M)	6	8/8
Bhargav Dasgupta Managing Director & CEO	BE (Mechanical), PGDBA-IIM Bangalore	Banking, Corporate Planning, Strategy, Consumer Insights, and Insurance	IC (M) RMC (M) PPC (M) CSRC (M) SRC (M) SC (M)	-	8/8
Alok Kumar Agarwal Executive Director – Wholesale	BE (Chemical) PGDM-IIM Calcutta	Banking, Insurance, Corporate Planning, Strategy, Consumer Insights and Marketing	-	-	7/8
Sanjeev Mantri Executive Director – Retail	Chartered Accountant Cost and Work Accountant	Banking, Finance, Corporate Planning, Strategy, Insurance, Consumer Insights and Marketing	SRC (M)	-	7/8

Note: All Board Members were present in the last AGM held on August 13, 2020

(C) - Chairperson of the Committee

(M) - Member of the Committee

*comprises of Indian companies and foreign companies but excludes Section 8 companies and not for profit foreign companies.

▶ *The Brief Profile of Directors is hosted on the website of the Company and can be viewed at* https://www.icicilombard.com/investor-relations

POLICY ON APPOINTMENT AND COMPENSATION OF EMPLOYEES AND FRAMEWORK FOR REMUNERATION TO NON-EXECUTIVE DIRECTORS

We have a Board-approved policy on appointment and compensation of Employees and Framework for remuneration to Non-executive Directors which specifies criteria for determining qualifications, positive attributes and independence of a Director, and Board Diversity policy.

The Board Nomination and Remuneration Committee (NRC) assesses the performance of the Company and the Whole-Time Directors (WTDs). It thereafter recommends to the Board about compensation (remuneration and performance bonus) for WTDs and employees (including senior management and KMPs). The Non-executive, Independent Directors are paid profit-related commission and sitting fees, decided by the Board within the limits prescribed by IRDAI and the Companies Act, 2013. They are also entitled to reimbursement of expenses for attending Board/Committee meetings and official visits. Non-executive, Non-independent Directors were not eligible for any sitting fees and profit related commission during FY2021.

> More on remuneration for non-executive directors can be read at: https:// www.icicilombard.com/docs/default-source/policies-of-the-company/ policy-on-appointment-and-compensation-of-employees-and-framework-for- remuneration-to-non-executive-directors.pdf

BOARD PERFORMANCE EVALUATION

Our evaluation framework lays down the guidelines for annual performance evaluation of the Board, its Committees, Chairperson, and Individual Directors.

Some of the key factors against which the Board's performance is assessed:

- Discharge of responsibilities and obligations
- Effectiveness in overseeing the material issues
- Providing strategic supervision
- Quality and timeliness of information flow between the management and the Board for decision-making

With the approval of Board NRC, we have put in place a framework for evaluation of the Board, its Committees, Chairperson and individual Directors. It is carried out through circulation of different questionnaires for each group.

The performance of the Board is assessed basis its roles, responsibilities and obligations, relevance of Board discussions, attention to strategic issues, performance on key areas, providing feedback to executive management, and assessing the quality, quantity and timeliness of flow of information between the management and the Board to effectively and reasonably perform their duties.

The evaluation of Directors is assessed basis their participation, contribution and guidance to Board and understanding of areas in their capacity as its members.

The evaluation criteria for the Chairperson of the Board besides the criteria for assessment of all Directors, focusses incrementally on leadership abilities, effective management of meetings, preservation of interest of stakeholders, ability to guide the Company in key matters and knowledge & understanding of relevant areas.

The evaluation of the Committees is based on assessment of the clarity with which their mandate is defined, effective discharge of terms of reference and assessing effectiveness of contribution of their deliberation/ recommendations to the functioning/decisions of the Board.

The Board NRC evaluated performance of Board as a whole and individual directors including chairperson of the Board. In a separate meeting of Independent Directors, performance of Non-independent Directors and of the Board as a whole was evaluated. Performance of the Chairperson was evaluated taking into account the views of Executive Directors and Non-executive Directors.

Fortifying Good Governance

At the Board meeting that followed the meetings of Board NRC and Independent Directors, the overall performance evaluation process for FY2021 was discussed and the Board determined that the performance evaluation of Board, its Committees, Chairperson and individual Directors was satisfactory.

WHISTLE-BLOWER POLICY

Our Whistle-Blower Policy provides for a mechanism that enables employees to report instances of breach of any law, statute or regulation of the Company, issues related to accounting policies and procedures, acts resulting in financial or reputation loss, misuse of office, suspected / actual fraud, and leak of unpublished price sensitive information in an appropriate manner without risk of victimisation, discrimination, or disadvantage. The mechanism entails reporting all such concerns to the Chairman of the Audit Committee or the Principal Compliance Officer for appropriate handling. The mechanism is regularly reviewed by the Audit Committee.

More details on the Whistle-Blower Policy is available on the website and can be accessed with this link: https://www.icicilombard.com/docs/default-source/policies-of-the-company/whistle-blower-policy.pdf

PREVENTING BRIBERY AND CORRUPTION

We have in place an Anti-Bribery and Anti-Corruption Policy to ensure responsible practices, high ethical standards, and proactiveness in managing risks. The Policy is covered in the Code and lays down strict guidelines that restrain employees from offering, accepting, or authorising any form of bribes or corruption in any business interaction. We have a zero-tolerance approach to bribery and corruption. All our employees are required to familiarise themselves and abide by the Policy. Any violation of these policies or clauses of the Code of Conduct is duly reported on the Fraud Control Unit (FCU) portal and investigated by the Investigation Team. As a proactive and preventive measure, there is regular communication through mailers and posters to all employees.

ANTI-MONEY LAUNDERING AND COUNTER-FINANCING OF TERRORISM (AML-CFT)

The Code includes an Anti-Money Laundering and Counter-Financing of Terrorism (AML-CFT) policy in accordance with IRDAI guidelines. The policy lays down guidelines to prohibit the use of the Company's assets, products, and services for money laundering or terror financing purposes. All the employees must adhere to the guidelines defined in the policy framework.

PROTECTING RIGHTS OF POLICYHOLDERS AND SHAREHOLDERS

We have a Policyholders Protection Committee (PPC), which lays down guidelines for protecting rights of policyholders. It specifies a detailed escalation mechanism (available on the Company's website) along with contact details through which the policyholders can raise their grievances. The PPC is updated on a quarterly basis on the complaint received and resolved through various modes. In accordance with Guidelines for Corporate Governance for insurers in India issued by IRDAI, we have appointed P J Joseph as a representative of customers who is invited in every PPC meeting.

For the shareholders, there are various ways in which they can register their grievances, including through SEBI, Stock Exchanges, etc. for which we have a set timeline for resolution. The shareholders can also raise a grievance through investors' e-mail ID i.e. investors@icicilombard.com or through our registrar and share transfer agent's e-mail ID i.e. einward.ris@kfintech.com.

We are taking various measures for reducing unclaimed dividend amount including periodical communications to shareholders and updating the details of unclaimed dividend on the Company's website. Status of unclaimed dividend can be viewed at https://www.icicilombard.com/investor-relations. We also send communications to the shareholders after each dividend payment.

We disseminate information on operations and initiatives on a regular basis. Our website (www.icicilombard.com) serves as a key awareness facility for all our stakeholders, allowing them to access information at their convenience. It provides comprehensive information on our strategy, financial performance, operational performance and the latest press releases.

As a part of green initiative of Ministry of Corporate Affairs, we are continuously encouraging our shareholders via communications to register their e-mail IDs with their depository participant(s) (DPs). Facility for registering email ids was provided for the benefit of those shareholders who have not registered their email ids with their respective DPs so that they can receive copy of Annual Report and General Meeting notice of the Company.

Further to resolve the queries of shareholders relating to securities, dividend, annual report and other aspects relating to them, we have hosted Investor's Frequently Asked Questions (Investor FAQs). It can be viewed at https://www.icicilombard.com/investor-relations.

PREVENTION OF SEXUAL HARASSMENT (POSH)

We have a strict guideline for preventing sexual harassment. POSH trainings are conducted on a regular basis and all employees have to compulsorily undertake it. New joiners are required to undertake a mandatory session on POSH.

Fortifying Good Governance

RISK MANAGEMENT FRAMEWORK

Our Risk Management Framework facilitates identification, measurement and mitigation of risks along with establishing policies, procedures, and standards for systemic response to risks and adherence. The Framework has a structure for risk management and oversight, and a mechanism for monitoring and reporting. It is overseen by the RMC and the Chief Risk Officer is responsible for its implementation and monitoring.

> **ICICI Lombard was the first Indian company to be certified by the British Standard Institution (BSI) for its ERM Framework being compliant with ISO 31000:2018 standard.**

As part of the Enterprise Risk Management (ERM) exercise, detailed critical risk mitigation plans are carried out and presented to the RMC on a quarterly basis. These plans are monitored regularly to ensure timely and appropriate execution.

We practice measuring risk items against a set of predefined tolerance levels classified as high, medium, and low risk. The risks are monitored on a quarterly basis using a heatmap based on probability of occurrence and severity. All risks, their mitigation and corrective action plans are maintained in a Risk Register and their progress is updated to the RMC on a quarterly basis.

The ERM function undertakes a comprehensive Risk and Control Self-Assessment (R&CSA) activity for all units forming part of the Company's risk universe, to manage the existing and emerging risk areas. The central ERM team effectively communicates every actionable element relating to various risk management areas to the respective stakeholders. A proper governance mechanism is in place for updating the compliance of those risks.

The senior management periodically reviews the risk management process to ensure that the process initiatives are aligned with the desired objectives. We further have internal governance committees comprising various functional heads to monitor risk levels and their effective management in different focussed areas of ERM. These include an Operational Risk Management Committee (ORMC), a Market Risk Management Committee (MRMC), an Outsourcing Committee and an ESG Committee.

The risk management function conducts the MRMC meeting. Several lead key risk indicators are presented to the MRMC, which has key stakeholders like CFO & CRO, Appointed Actuary, CIO, Chief of Service, Operations and Technology, among others. These indicators provide a guide on the direction in which the risk is moving and helps taking in early actions.

The Internal Audit Department reviews the adherence with various risk management processes and self-assessments of risk management activities. Further, compliance testing is done on a periodic basis and the Audit Committee is kept apprised of the outcome of the same.

ENSURING EFFECTIVE RISK MANAGEMENT

We have undertaken multiple initiatives to ensure that the overall risk of the organisation remain under control. These include:

- Reinsurance Programme, based on the philosophy of having defined product-wise retention limits on a per-risk and per-event basis

- Underwriting Policy, with defined product-wise approval limits for various underwriters

- Investment Policy, with an asset allocation strategy to ensure financial liquidity, security and diversification

- Capital Adequacy and Liquidity Management Framework and an Asset Liability Management Policy to maintain adequate level of capital for meeting diverse market and operational risks

- Annual activity to look into the internal capital adequacy assessment process (ICAAP) by conducting stress testing to identify and quantify the overall impact of different stress scenarios on the financial position. Its findings are presented to the RMC and Board for review

- Information and Cyber-Security Policy, in line with the Group Information Security Policy and IRDAI guidelines on Information & Cyber-Security. An internal Information Security Committee has also been established to review the key risks and mitigation plans relating to information security

- Robust new product Roll out mechanism involving undertaking a detailed 3-year profit evaluation study, sign-offs from internal control groups like enterprise risk management, legal and compliance, and underwriting followed by approval from Product Management Committee

- Use of AI-based and ML-based fraud detection models to predict and highlight probable fraudulent claims in real-time

Fortifying Good Governance

DATA AND CYBER-SECURITY

Information security governance model and framework

Data privacy is considered a fundamental right as per international norms established by the United Nations. We have a robust Board-approved Information and Cyber-Security (ICS) policy in line with the IRDAI cyber-security guidelines. Our systems and processes are compliant with ISO 27001 Information Security Management System. The triad of Confidentiality, Integrity and Availability (CIA) forms the core of our information security framework.

We ensure governance, implementation and effectiveness of these policies through an independent internal audit team. The adequacy of cyber-security is determined annually through an Independent Assurance Audit by qualified third-party as mandated by regulatory authorities.

The ICS function is headed by the Chief Information Security Officer (CISO). The Information Security Committee, comprising Executive Directors and senior leaders, further oversees the function. Risk Committee are updated on a quarterly basis.

We also have an Internal Control and Loss Minimisation (IC&LM) team to prevent fraud and strengthen cyber-security. Its key objectives include information leakage prevention during claim processing; prevention, detection, and correction of internal irregularities and fraud; and supporting the claims team in minimising losses.

Ensuring customer data security

We are strong believers in data privacy being a basic human right. With most of our operations getting digitalised, we have laid great emphasis on data privacy for detecting, preventing and mitigating cyber-security issues.

Over the years, we have established strong policy, strategy, infrastructure and controls to safeguard the personal information of our customers, who place a high level of trust in us. We have equipped data centre with robust infrastructure and security controls for timely detection and prevention of cyber-threats. ICS policy lays down the rules and principles for collecting, processing, and disclosing customer and business data. Training and awareness sessions are conducted for employees and channel partners on data handling and cyber-security. Vendors are required to follow guidelines.

Information and Cyber-Security for remote working

While ICICI Lombard always had a robust information and cyber-security mechanism to support remote working, we greatly strengthened vigilance and control during the pandemic, as employees adopted the remote working model. Security controls were implemented to ensure access to critical systems are restricted to corporate devices. Enhanced controls were put in place for accessing applications, internet and information sharing to external devices.

To ensure a high level of awareness and readiness among employees, we have been periodically rolling out remote working best practices and "Do's and Don'ts" through e-mails and corporate collaboration tools. Phishing simulation exercises were randomly carried out to gauge employee response and enhance their awareness. New rules for sharing data to external IDs for personal and official use were introduced. We carried out risk assessment exercise including independent assessments to identify inherent risk of remote working and take adequate provisions.

ICICI Lombard's contribution to the UN SDGs

RESPONSIBLE BUSINESS PRACTICES

We take a responsible approach to insurance for long-term success.

8 DECENT WORK AND ECONOMIC GROWTH

- Business continuity plan
- Robust governance, fraud prevention and cyber-security practices
- Developing future-ready workforce having future-ready skills

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Sustained launch of innovative products such as Pay As You Use (premium decided on vehicle usage), Pay How You Drive (premium decided on safe driving behaviour), COVID-19 and cyber risk insurance
- Use of IoT / Telematics solutions to help customers avoid losses
- Use of advanced technologies, such as Artificial Intelligence, Machine Learning, Bots, Robotic Process Automation, and Natural Language Processing to enhance operational efficiency and deliver complete digital experience across the customer lifecycle
- Establishing the infrastructure to support work from home (WFH)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Responsible underwriting and investment practices

CREATING POSITIVE SOCIAL IMPACT

We endeavour to be a community partner which understands and caters to the needs and shapes long-term relationships.

1 NO POVERTY

- Insurance partner catering to the needs of people and protecting them from adversities

3 GOOD HEALTH AND WELL-BEING

- Health insurance products
- Disease Management Programme and IL TakeCare App
- Awareness campaigns on safe driving practices
- Eye-check camps and spectacle donations for underprivileged children

6 CLEAN WATER AND SANITATION

- Minimising water consumption at urinals and use of efficient water taps
- Rainwater harvesting and groundwater recharging system at Prabhadevi Office
- Awareness of clean drinking water and installation of water purifiers for municipal schools

11 SUSTAINABLE CITIES AND COMMUNITIES

- 10-year rich on geo-tagged accident locations across India

ENVIRONMENT SUSTAINABILITY

We intend to reduce the environmental impact of our business.

7 AFFORDABLE AND CLEAN ENERGY
- Insurance products for renewable energy sector

11 SUSTAINABLE CITIES AND COMMUNITIES
- Motor insurance products that incentivises e-mobility and lower vehicle usage
- Reduction in traffic and pollution due to remote working and virtual risk inspection
- Value-added advisory services to help customers take effective measures against anticipated environmentally hazardous events like fire, spills, etc.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- Focus on repairing motor vehicle parts
- Effective disposal of e-waste
- Use of sustainable materials – glass bottles, and environment-friendly paints for motor vehicle repairs

13 CLIMATE ACTION
- Environment policy headed by CSR Committee
- Digitalisation to reduce paper consumption, travel, and carbon footprint
- Use of recycled parts for repairing vehicles
- Virtual risk inspection, cutting down on travelling and emission
- Use of energy-efficient LEDs and workstations
- Insuring age fit vehicles having PUC certificate
- Motor insurance policies for electric vehicles
- Reduction in plastic usage
- Encouraging employees to be ESG torchbearers

RESPONSIBLE EMPLOYER

The foundation of our Company and the key to our future is our talented and empowered employees.

3 GOOD HEALTH AND WELL-BEING
- IL TakeCare App access
- Multiple programmes including specific initiatives during COVID-19 for physical, mental and financial well-being
- Hybrid working policy to give employees flexibility to work from locations other than office to manage their work and lives better
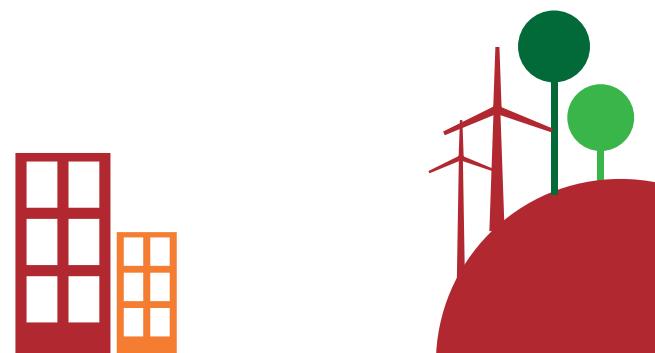
5 GENDER EQUALITY
- Diversity and inclusion at workplace
- Favourable policies for women

4 QUALITY EDUCATION
- Multiple learning and development programmes

Glossary

AC – Audit Committee	**FY** – Financial Year
ADR – Alternative Dispute Resolution	**GPS** – Global Positioning System
AI – Artificial Intelligence	**GRI** – Global Reporting Initiative
AICWA – Cost and Works Accountants	**GWP** – Gross Written Premium
AML-CFT – Anti-Money Laundering and Counter-Financing of Terrorism	**Hons** – Honours
AoG – Act of God	**IoT** – Internet of Things
ASI – Additional Sum Insured	**IC** – Investment Committee
BA – Bachelor of Arts	**IC & LM** – Internal Control and Loss Minimisation
BCom – Bachelor of Commerce	**ICP** – Individual Capability Plans
BE – Bachelor of Economics	**ICS** – Information and Cyber-Security
BMC – Brihanmumbai Municipal Corporation	**ICR/OCR** – Intelligent Character Recognition and Optical Character Recognition
NRC – Nomination and Remuneration Committee	**IIM** – Indian Institute of Management
BSI – British Standards Institution	**IRDAI** – Insurance Regulatory and Development Authority of India
CATI – Computer Assisted Telephonic Interviews	**IVR** – Interactive Voice Response
CEO – Chief Executive Officer	**KMP** – Key Managerial Personnel
CFO – Chief Financial Officer	**KYC -** Know Your Customer
CO$_2$ – Carbon Dioxide	**LC** – Learning Council
CIA – Confidentiality, Integrity, and Availability	**LoB** – Lines of Business
CIO – Chief Investment Officer	**MISP** – Motor Insurance Service Provider
CISO – Chief Information Security Officer	**ML** – Machine Learning
CRM – Customer Relationship Management	**MMS** – Master of Management Studies
CRO – Chief Risk Officer	**MRMC** – Market Risk Management Committee
CSC – Common Services Centres	**MSME** – Micro, Small and Medium Enterprises
CSF – Critical Success Factors	**MSMED -** Micro, Small and Medium Enterprises Development
CSRC – Corporate Social Responsibility Committee	**NAT CAT** – Natural Catastrophes
E-Policy – Electronic Policy	**NCRB** – National Crime Records Bureau
EMS – Environment Management System	**NLP** – Natural Language Processing
ERM – Enterprise Risk Management	**NPS** – Net Promoter Score
ESG – Environment, Social and Governance	
FCU – Fraud Control Unit	

OD – Own Damage	
ODC – Over Dimensional Consignment	
OEM – Original Equipment Manufacturer	
OHSAS – Occupational Health and Safety Management Standard	
ORMC – Operational Risk Management Committee	
OTP – One Time Password	
PGDBA – Post Graduate Diploma in Business Analytics	
PGDM – Post Graduate Diploma in Management	
PMS – Performance Management System	
PMT – Health Provider Management Team	
POSH – Prevention of Sexual Harassment	
PPC – Policyholder Protection Committee	
PUC – Pollution under Control	
PV – Photovoltaic	
QAC – Quarantine Assessment Committee	
QMS – Quality Management System	
RMC – Risk Management Committee	
RPA – Robotic Process Automation	
R&CSA – Risk and Control Self-Assessment	
SASB – Sustainability Accounting Standards Board	
SC – Strategy Committee	
SEBI – Securities and Exchange Board of India	
SIF – Sustainable Insurance Forum	
SRC – Stakeholders Relationship Committee	
The Code – Code of Conduct	
TP – Third-party	
UN SDGs – United Nations Sustainable Development Goals	
WFH – Work from Home	
WTD – Whole-Time Director	

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