

Caringly yours

BAJAJ | Allianz

BEING RESPONSIVE BEING RESPONSIBLE



ENVIRONMENT SOCIAL AND GOVERNANCE REPORT

FY2022

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PREFACE

Bajaj Finserv Limited, the holding company, along with its subsidiaries ('BFS Group' or 'the Group'), has voluntarily early adopted 'National Guidelines for Responsible Business Conduct' ('NGRBC') and 'Business Responsibility & Sustainability Report ('BRSR') requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

This report is required to be in line with the 'NGRBC' as released by the Ministry of Corporate Affairs in 2019 and is an expression of Bajaj Allianz General Insurance Company Limited's ('the Company') committed participation in creating an employee-friendly workplace, a positive environmental and social outcomes through its business in a responsible, ethical and inclusive manner and is a commitment towards enhancing customer value. Through this report, we are presenting details on various initiatives undertaken to realise the Environmental, Social, and Governance goals for our organization.

The Company has a Board approved "Business Responsibility & Sustainability Policy" for sustainable development and the management continues its efforts to strike a balance between the economic, social, and environmental performance in dealing with various stakeholders of the Company, namely investors, customers, government, regulators, value chain partners, employees and the society as a whole.

ABOUT BAJAJ ALLIANZ GENERAL INSURANCE CO LTD

Bajaj Allianz General Insurance Company Limited (BAGIC), a joint venture between Bajaj Finserv Limited and Allianz SE, was incorporated on 19 September 2000 as a company under the Companies Act, 1956 ('the Act'). The Company obtained a license from the Insurance Regulatory and Development Authority of India ("IRDAI") for carrying on the business of Non-Life insurance on 2 May 2001. The Company distributes these products through all channels of distribution such as individual agents, corporate agents, banks, brokers, and motor dealers, online through the Company website, web aggregators, and through the Company's direct sales channels across the country.

On May 2nd, 2021 we completed 20 years of care. In our two-decade-long journeys, we rose from a humble start-up to an industry leader. We have gained the trust of over 12 crore customers with the help of over 9000 employees, a robust distribution network of more than 100,000 agents and POS, almost 9,000 motor dealer partners, and around 240 bank partners. We are also associated with most brokers, web aggregators, and major e-commerce platforms. We have formed meaningful relationships with our partners, customers, and employees in the course of our journey so far.



MESSAGE FROM THE MD & CEO



MESSAGE FROM THE MD & CEO

We have always believed that we are in the business of doing good and being there for people in their direst hour of need. Our primary intention remains to make a difference to the citizens of our country and society. We firmly believe that our organisation cannot exist in isolation. Our people, our customers, our partners, and the communities we operate in define us with the trust that they place in us. We are duty-bound to honour this trust by running our organisation ethically, transparently, and responsibly while making a real difference in society through our philanthropic initiatives.

Customer centricity has been our driving force for innovation, which has been a primary catalyst for revolutionising our digital capabilities to augment customer experience. Our flagship digital assets, like our website, is available in 7 languages and serves over 24 lakh customers every month. In addition, our i-Mitra portal and app, curated for agents, hosts more than 90 products, whereas Ezeetab, curated for agents of our Virtual Sales Offices (VSO), has over 87 products. With these platforms, digital issuance has moved up, clocking close to two crore policies per annum.

Customer education is fundamental to increasing insurance penetration in our country. We frequently execute customer awareness campaigns and engage through digital assets, social media channels, blogs, radio, on-ground activities, print, and online media. As an organisation, we believe that the time to act towards a cleaner and greener planet is now, for which we have various initiatives designed to preserve and protect the environment. We have established eco-friendly business practices like going as paperless as possible, installation of solar power generation units at our head office, and installation of EV charging stations for our employees. To ensure the safety and security of our systems and our customer's information, we have set up dedicated information security, cyber risk, and fraud control units along with well-defined data loss prevention solutions. Our data security and information security systems are compliant with ISO 27001:2013, in addition to the IT process compliance of ISO 27001:2015.

Our employees are our biggest strength, and it has been our constant endeavour to give them a safe space where they can realise their ambitions. A total of 6,337 of our employees underwent more than 60,548 hours of digital trainings to upskill themselves in FY 21-22. We offer equal opportunities for everyone and recognition for performers to build a culture based on equity and meritocracy. To promote the gig work culture, we launched 'Project economy 2.0' for all employees, introducing nine new projects intending to

attain substantial business impact.

During the challenging COVID-19 pandemic, we proactively arranged for vaccination camps pan India for all our employees and their dependents. We provided financial aid of Rs. 2.48 Crore for employees, offered free doctor consultations, and tied up with professional counsellors to address mental health and well-being matters of employees. We also participated in the Bajaj group – Mega Vaccination drive to administer over 10 Lakh doses of the COVID -19 vaccine to the beneficiaries in Pune and Aurangabad districts. As a part of the Company's Saving Lives initiative, we collaborated with Jankidevi Bajaj Gram Vikas Sanstha to distribute 17 advanced life support ambulances.

We continued to make a difference through cleft reconstructive surgeries, along with our project partner Smile Train, impacting the lives of 19,680 children who have had this surgery since 2014. We participated in the Certification programme in Banking, Finance and Insurance (CPBFI), a group initiative to spread financial literacy. The total spent of Bajaj Allianz General Insurance Company for the CSR has been Rs. 28.65 Crore for the year 2022. Being a part of the BFS Group, the Company's commitment to the highest standards of corporate governance practices predates IRDAI's Corporate Governance guidelines for insurance companies. We have maintained one of the highest business information disclosure and governance standards.

In this journey towards making a sustainable change, we are adopting the ESG- Environment, Social, and Governance approach, which will help us to evaluate and define the extent to which we are working towards our social goals, which go beyond our role to maximize profit to create a wholesome future for all our stakeholders. Though we have just embarked on the journey of capturing our ESG initiatives, it is already clear that ESG is the way forward for businesses to do the right things in the right way. After all, we want to be an organisation that wants to make a difference in society and the world with prudence, responsibility, empathy, and care.

Tapan Singhel

Managing Director & Chief Executive Officer

HIGHLIGHTS OF THE YEAR

During FY2022, the Company carried out/participated at the BFS Group level in the following initiatives:

01

Early voluntary adoption and independent assurance of SEBI's BRSR reporting

02

Adoption of a consistent Code of Ethics and Personal Conduct across the BFS Group

03

Adoption of Responsible Investment principles

04

ESG Risk Assessment - Mapping Top risks with ESG risks

05

Conducted Campaigns like Fasal Bima Pathshala, Crop Insurance Week, Meri Policy Mere Hath for Insurance Awareness

06

Installation of solar generation plants and EV Charging stations for employees

07

Accounting of GHG emissions and independent assurance thereon for FY 21 and FY22

08

Mega Vaccination drive to administer over 10 Lakh doses of the COVID-19 vaccine to the beneficiaries in Pune and Aurangabad districts

OUR FOCUS AREAS

The ambit of ESG is wide and evolving. The Company firmly believes that to achieve the ESG objectives and have a greater impact, it needs to focus on identified areas. Accordingly, in its Responsible and Sustainable Business conduct policy, the Company has identified the following areas of focus:

Governance - Conduct and govern business with integrity in a manner that is ethical, transparent, and accountable.



Financial inclusion - Provide access to relevant and affordable general and health insurance products and services that meet the needs of the larger society.



Preserving and protecting environment - Strive to adopt environmental practices and processes that minimize/eliminate the adverse impact of company operations on the environment.



Empowering society - Promote social welfare activities for inclusive growth, equitable development, and well-being of society.



Customer centricity - Innovate/invest in products, technologies, and processes that enhance customer experience and promote professional, fair, and transparent dealings.



Employee wellbeing - Create a thriving, safe and inclusive workplace for its employees and provide merit-based opportunities for professional development and growth.



Cyber security - Adopt robust information security, cyber security, and fraud controls.



SUMMARY OF MAJOR ESG INITIATIVES FY 2022

In line with its sustained focus on furthering its ESG goals, the Company continues to take targeted initiatives with deep-rooted responsibility and accountability towards its stakeholders. The summary of major initiatives is narrated below:



Governance

- Board approved the 'Responsible Business Conduct and Sustainability Policy' of the Company consisting of the essence of ESG
- Approval of Responsible Investment principles by the Board as part of investment policy
- Solvency is maintained at a far higher level than the statutory requirement
- Maintained credit rating of [ICRA] AAA (Stable) awarded by ICRA, signifying our highest claims-paying ability



Reaching financial services to millions of Indians

- Operates over 200 branches across the country, with the endeavor to open more branches in tier III and below locations
- Insured crop in over 1.45 Crore hectares covering about 66 Lakh farmers in 12 states in last 4 years
- Insured over 5.11 Crore beneficiaries / 1.23 Crore families through participation in Government's health insurance schemes, in last 3 years
- Significantly higher contribution of rural and social sector business as compared to Insurance Regulatory and Development Authority of India (IRDAI) norms



Preserving and protecting environment

- Established eco-friendly offices and practices
- Continuous focus on reducing consumption of paper through digital initiatives
- Installation of rooftop solar power generation units at the Head Office
- Installed EV charging stations at Head Office.

SUMMARY OF MAJOR ESG INITIATIVES FY 2022



Empowering society

- Spent Rs. 28.65 crores towards CSR in FY2022
- Participated in the Bajaj Group - Mega Vaccination drive to administer over 10 Lakh doses of the COVID-19 vaccine to the beneficiaries in Pune and Aurangabad districts
- 'Cleft Reconstructive Surgeries' for more than 19,680 children since 2014
- Sponsored Certification program in Banking, Finance, and Insurance (CPBFI) to spread financial literacy.



Customer centricity

- Policies, Procedures and practices to protect interest of policyholders
- Use of technology to enhance customer experience
- Customer education and insurance awareness campaigns



Human capital management

- More than 6,337 employees underwent 60,548 hours of training to upskill / multi-skill themselves in FY 2022
- Encouraging young talent employment as over 26% of employees are below 30 years of age
- Offered equal growth opportunities through auto promotions / internal job posting mechanism — more than 1,019 employees moved to new roles FY 2022
- COVID-19 initiatives for employees and their families:
 - a) Financial aid of Rs. 2.48 crore to 16 deceased employee families impacted due to the pandemic
 - b) Professional counselors to discuss mental health and wellbeing matters — availed by than 200 employees in FY2022

SUMMARY OF MAJOR ESG INITIATIVES FY 2022



**Information and
cyber security**

- Well-established information security framework, cyber security policy, and business continuity plan
- Dedicated information security, cyber risk, and fraud control units
- Data Loss Prevention solutions in place
- IT Security & Policy Administration system-related projects under the stewardship of the Audit Committee
- Data security and information technology security systems compliant with ISO 27001:2013



**Stakeholder
engagement**

- Maintained one of the highest standards of business information disclosures
- Continuous engagement with value chain partners
- Various offline and online engagement channels for employees and customers.
- Actively participated in public and regulatory policy development



ENVIRONMENT

A. Preserving and protecting the environment

Belonging to an insurance segment of BFSI, the Company does not have a sizable consumption of any raw material, nor does it produce any tangible goods or waste. Yet, culture of conservation and reduced dependence on natural resources is passionately nurtured.

Major focus areas in the preservation and protection of the environment are

- i) Off-setting environmental impact
- ii) Eco-friendly offices and practices
- iii) Reducing paper consumption and
- iv) Practices that preserve and protect the environment.

B. Off-setting environmental impact

Following initiatives assist in offsetting the impact of businesses on the environment:

i. Renewable energy:

There are solar panels installed with the capacity to generate energy of 40 KWH. Additionally, 25KWH has also been in the pipeline for future development.

ii. Waste Management:

The Company ensures the safe disposal of e-waste generated by adopting e-waste policies and practices involving the safe disposal of waste to registered vendors. It also endeavors to dispatch the waste only through registered waste dealers certified by the State/ Central Government. During the year, e-waste of 15 Metric Tonnes was disposed off in a scientific and eco-friendly manner.

C. Sustainable Design Practices

- Installed EV charging points for two-wheeler and four-wheeler vehicles at the Head Office, encouraging the employees to adopt green fuel vehicles
- Selected and designed offices to facilitate maximum natural light.
- Use of LED light fittings in 133 offices
- Installed more than 84 ozone-friendly air conditioners manufactured with R32 refrigerant – resulting in lower carbon emission
- Implemented e-waste policy encompassing safe disposal and handling
- Segregation of dry and wet waste
- Using cloud-based virtual servers to increase energy efficiency and data security
- Meeting and training through digital mediums – reducing the impact of travel on environment

D. Reducing paper consumption

The Company has implemented various environment protection measures aimed to reduce paper consumption across all its business operations. We have been increasingly focused on the integration of digital applications in our processes; improving efficiencies, lowering costs, and enhancing the customer experience while helping protect the environment. Some of these initiatives include:

Customer processes

- e-agreements and OTP-based agreements across low-ticket and high-volume businesses
- End-to-end web-based onboarding of customers, intermediaries, agents, etc.
- Insurance policy issuance through electronic means
- Video survey facility for motor insurance claims
- Processing of insurance claims based on scanned documents and images
- Migrating all mandatory and voluntary customer

communications over email, messaging apps, etc.

Employee processes

- Paperless hiring of over 1,633 employees saving document submissions and ensuring a superior experience
- Adoption of payroll services portal and applications for employee communication
- Final settlements and claim management of employees through clearance portals

Other processes

- Shifting from issuance of physical purchase orders to electronic purchase orders

- End-to-end digital claim settlement
- Access controlled printing system which enables reducing paper wastage
- As a step towards further reducing paper consumption across the Group, documents for i) Board and its Committee meetings and ii) internal review meetings are all transmitted electronically, using a secured web-based application, for the past many years.

The Company has participated in the accounting of GHG emissions of BFS Group for FY2021 and FY2022 and independent assurance has been obtained on the same.



Environment protection and Sustainability Awareness Campaigns

We believe that to achieve desired results, sustainable practices are a collective effort of mankind and cannot be achieved by an individual or an organisation. Keeping this virtue in mind, we initiated awareness campaigns on sustainable practices for our employees and the world at large leveraging our social media presence. Various creatives were used to promote the message of SaveEarth, SaveWater, SaveElectricity, SaveTrees, SaveWater, StopPollution, ReducePlastics, etc. under the campaign- #Live Sustainably across the Bajaj Group companies through the use of social media, internal employee device screen savers, displays across office spaces, etc. The campaign also promoted the members to take a pledge at the end for the above agenda messages.

SOCIAL



A. CSR

Founder of the Bajaj Group, Shri Jamnalalji Bajaj had advised that all business activities should look for opportunities for philanthropy in all business activities, without considering the business motive. It articulates Bajaj Group's philanthropic philosophy.

BAGIC addresses the needs of communities, taking sustainable initiatives in the areas of health, education, environment, women empowerment, infrastructure, rural development, community development, and response to natural calamities. The Company's Corporate Social Responsibility (CSR) Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for taking activities for the welfare and sustainable development of the community at large including health care, education, etc. The CSR Policy of the

Company outlines the approach and direction given by the Board of Directors of the Company taking into account the recommendations of its CSR Committee and guiding principles for selection, implementation, and monitoring of CSR activities as well as formulation of the annual action plan. The Company carries out its CSR activities with the objective of overall National and Community Development taking into account the legal provisions contained in Section 135 and Schedule VII of the Companies Act, 2013 and the rules made thereunder. Focus is also placed on lives, living, and livelihood.

The process for implementation of CSR programs involves the identification of programs based on proposals received through various channels, assessment of the project in terms of funding required, overall scope and area of implementation, due diligence of implementation agency,

and recommendation to the CSR Committee. If found appropriate, the CSR Committee approves the proposal and the amount of expenditure to be incurred on the same within the overall limit approved by the Board.

BAGIC along with the group uses social sector experts and other independent professionals to conduct social and financial assessments of the projects. These assessments help in the early identification and mitigation of risks to the concerned projects. The various initiatives undertaken by BAGIC for the implementation of CSR programs are as follows:



Healthcare



The Company has directed its focus towards projects that would help in i) healthcare infrastructure creation and augmentation, ii) reduction in malnourishment, infant and maternal mortality rates, iii) communicable & non-communicable diseases, and iv) specialized surgeries & treatment programs. Some of the notable impacts of these initiatives are as under:

- In Continuation of Bajaj Health Initiative provided financial support for various surgeries of more than 515 underprivileged children in Pune region.
- Strive to improve the health and nutrition of women and children, living in the most vulnerable urban informal settlements.
- Provided preventive health awareness programs to more than 7,804 adolescent's girls and 4,267 Parents.
- Provided Mental Health treatment program to 510 patient out of which 55 patient from Mental Health Hospital have been rehabilitated.



Saving Lives Project



BAGIC has procured 17 advanced life support Ambulances during the pandemic. These ambulances are being used to transit impacted patients including employees, their dependents, and other personnel forming part of the BAGIC ecosystem including outsourced staff, agents, intermediaries, group Company staff, etc. The ambulances are being operationalized and maintained by network hospitals at respective locations. 40 Oxygen Concentrators had also been deployed to address the immediate Oxygen needs of BAGIC staff, outsourced staff, agents, intermediaries, etc.

Supporting Free Cleft Reconstructive Surgeries of Underprivileged Cleft Patients:



BAGIC along with other group companies has partnered with the NGO Partner Smile Train India to support Free Cleft Reconstructive Surgeries for Underprivileged Cleft Patients.

4000 lifesaving and life-transforming cleft surgeries supported for underprivileged patients born with cleft lip and palate. Providing children born with clefts the opportunity to live full and productive lives. Many girls born with clefts are often abandoned at birth. Treatment in the early years of life will reduce disability-affected life years. 51% of the supported surgeries are for beneficiaries aged 18 months and below, hereby reducing disability-affected life years and helping the children integrate into society at the earliest possible age. 41% of the surgeries supported are for female beneficiaries.

Since 2014, BAGIC has supported 61,796 Cleft Reconstructive Surgeries of Underprivileged Cleft Patients.



Livelihood and Others



- Under Skill Building and Enterprise Development for Tribal community and Rural Poor, 925 families have been covered in the initiative of goat farming and, 30 families under the dairy initiative.
- Work for Women Empowerment, Livelihood, Agriculture, Training and Capacity building of community institutions, and National Resource Management.
- Rescue runaway children, providing them with short-term shelter care, counseling and motivation, and reunification with their families.





Education



- In Maharashtra, the Company is sponsoring the education of 50 meritorious and financially needy medical students for 5 years.
- More than 1,100 students, 195 children, and 245 parents benefitted from the mental health awareness program.
- Ensuring education and protection for more than 900 children from vulnerable communities.

One Thousand Hockey Legs



BAGIC has partnered with 1000 Hockey Legs founded by Mr. K Arumugam. This is one of the largest independently initiated grass-root level sports development efforts, which is being recognized country-wide. It's a New Delhi-based organization running for the last 10 years for developing hockey at the very grassroots level in India. Presently the organization has an outreach with hockey teams in 80 schools across 5 cities. To date, 200 students were supported through this initiative.



B. Striving for Women empowerment

Women's empowerment is one of the key priorities for the sustainable and inclusive development of society. Our initiatives for the empowerment of women within the Company and ohasde, steer the women empowerment agenda.

- To support women colleagues, BAGIC has policies such as women's safety, cab facility, women's travel policy, flexible working hours, (especially post maternity), preferential transfers, and so on.
- Female participation in the workforce has increased above 14% in last two years.
- The female hiring mix is ~16% in the last two years.
- To focus on women's empowerment and diversity BAGIC will be focusing on below points:
 - a) Mentoring for women employees (with active sponsorship from business leaders)
 - b) Accelerated capability building programs for women employees
 - c) Robust IIP Policy to encourage women leaders to take up higher roles and cross-functional roles.
 - d) The company provides significant entrepreneurship opportunities to women — 12,060 women insurance agents represent 25.41% of our total insurance agents as on 31 March 2022.



C. Customer centricity

i. Enhancing customer experience

- Leveraging machine learning and robotic process automation, the Company enabled quick response to customer requests in an automated manner through service chatbot support for customers over eCare Bot, which clocked 90,000 queries within last the 8 months helping Hospitals, Intermediaries (IMDs) and Regional Managers (RM) to check the status of cashless claims 24X7 instantaneously.
- The website is available in 7 different regional languages.
- The new core policy administration system has accelerated the growth of the travel business. During the year, the retail health insurance module has also been launched.
- Digitalised Group Medclaim enrolment processes involving policy issuance, endorsement, and claim submissions with a single signoff process for its corporate health clients.
- Launched industry-first completely digital and paperless processes from onboarding, offline screening, and medical check-ups, risk assessment to report, and policy generation. Since inception, over 4 crore policies have been processed digitally.
- The unique application for the Farmer community, Farmitra has witnessed more than 5.4 Lacs downloads, which is one of the highest in the industry.
- Active participation in the Regulatory Sandbox Framework of IRDAI contributing to new and innovative products for its customers.
- Health prime rider was introduced for select retail and group health customers. This rider covers 24x7 unlimited teleconsultations, 90,000+ doctors for teleconsultations, investigation, pathology and radiology expenses, and annual preventive health check-up cover.
- Continued its push towards enhanced digital services with capabilities like AI-enabled BOT (BOING) — which serviced 7.55 lakh unique customers with over 12 lakh conversations.
- Adopted Net Promoter Score (NPS) as a mechanism to gauge customer experience for core services offered. NPS is a comprehensive global methodology to measure customer loyalty. This survey is conducted through an independent third party and its outcome is given due importance in the Company's future planning process. BAGIC has been the NPS care champ for both motor and health LOB's with NPS scores of 70 and 68 respectively.

Farmitra

This app not only provides crop insurance to farmers, but it also empowers them through 'Farmitra' app, a unique offering in the industry, by:

1. Hosting over 907 articles related to farming and insurance in various regional languages
2. Enabling claim intimations through the app - over 245549 claim intimations since the launch
3. Receiving and processing video-based self-survey - 97057 since July 2020
4. Verification of self-submitted land records for discrepant cases - over 55509 cases and more.
5. Hourly Weather forecast for the next 7 days
6. Personalized Crop Advisory for proper crop productivity
7. Visual Crop Diagnosis and suggestion remedies for correction
8. Mandi prices of selected crops across the country
9. The app has more than 5 Lakh unique downloads



ii. Customer grievance redressal

Timely and appropriate customer grievance redressal is imperative. We aim to reduce the grievances by learning from our experiences, through root cause analysis.

Some of the initiatives in this regard are:

1. The Company through its charters, policies, etc. communicates the customer rights, company commitments, grievance redressal mechanism, and ombudsman scheme, as applicable. These emphasize our commitment to fair practices by maintaining transparency in the products and services offered.
2. Customer grievances are also reviewed with a focus on the identification of root causes, corrective action plans, and customer service initiatives.
3. There is a monitoring framework for value chain partners such as insurance agents, etc to review their performance and take suitable action in terms of warning, penalty, and termination for deviations.

BAGIC has one of the lowest grievance ratios in the industry, at 1.06 per 10,000 new policies.

▪ Customer education and awareness

Some of the initiatives taken in this regard are:

- Video series called 'School of Insurance' with over 80 videos to educate on insurance in multiple regional languages.
- Campaigns like 'Savdhaan Rahein. Safe Rahein', 'Be Cyber Safe' and 'Fraud Awareness week' across customer portals and social media channels for creating awareness about various consumer frauds that take place in the financial services ecosystem.
- Online initiatives such as Bajaj Allianz Marathon, Bagic4Fitness, and other programs around health awareness and well-being are conducted to promote health and safety.
- Awareness initiatives like webinars, use of offline tools (including print and radio), comprehensive FAQs on websites/apps, communications through email, blogs, etc.
- Educational material on information security, phishing, etc. is provided on our websites.
- Promoting healthy heart initiatives through leadership participation in panel discussions.

▪ Support extended to customers amidst the pandemic

- Renewal extension for health and motor insurance, as per IRDAI guidelines
- Introduced Tele Medical Examination Report in place of physical pre-policy health check-ups — 35,253 cases processed which is 42% of total medicals.

Virtual branch operations and service managers launched, and proactively contacted nearly 25,500 distributors/business partners providing them support for policy issuance and allied services, handling about 23.30 % customer footprint

D. Human capital management

The Company is committed to attracting, engaging, and retaining the right talent that can contribute to delivering superior business performance. An opportunity is provided to employees to maximize their performance-linked earnings. The Company is focused on creating a thriving, safe and inclusive workplace for its employees while keeping them engaged and providing opportunities for professional development and growth.

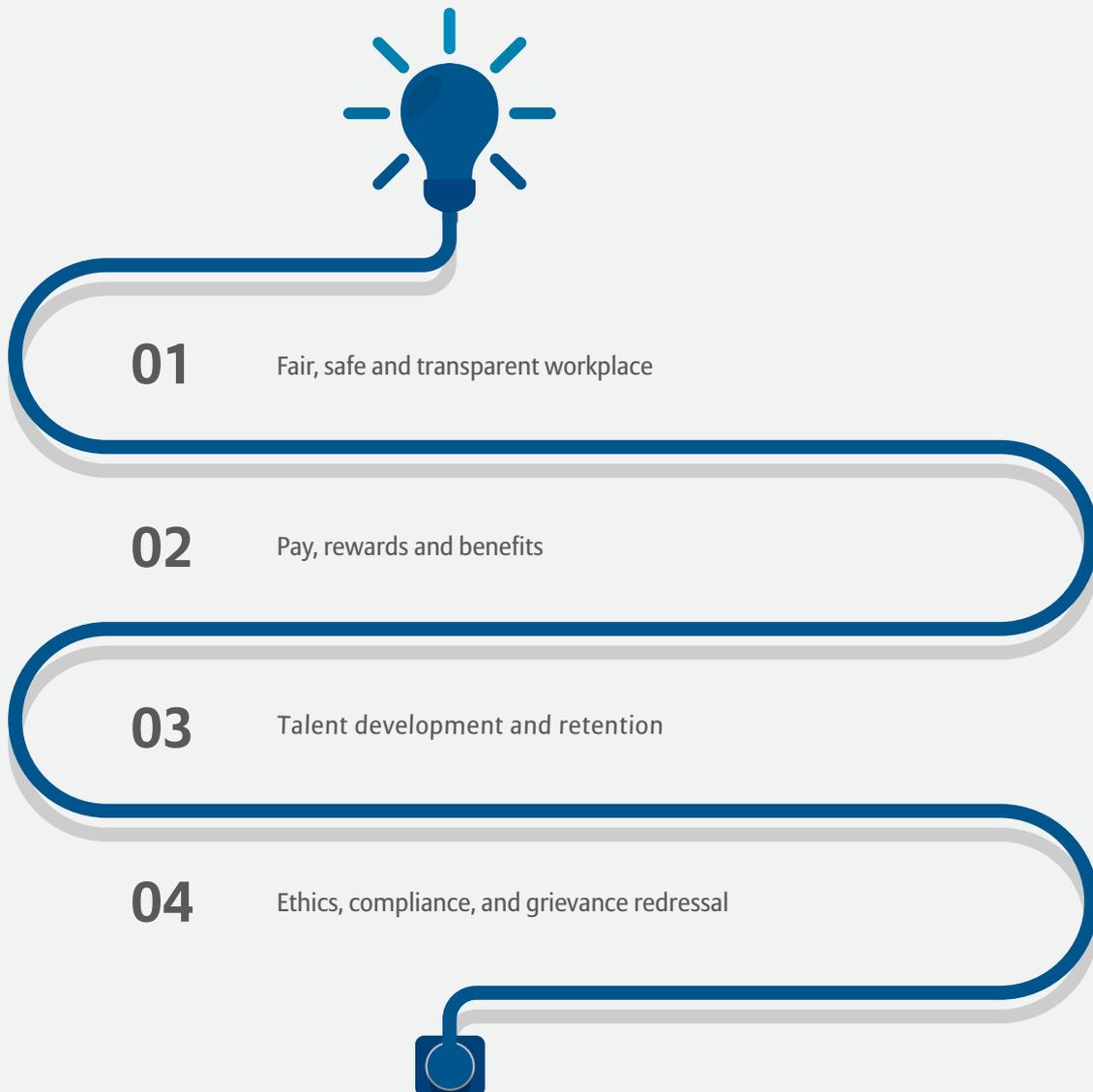
As on 31 March 2022, the Company has 6,843 on-roll employees with a diversified professional background, age brackets, and a multitude of skill sets, building a collaborative work culture and stronger teams. Its 963 female employees represent over 14.1% of the entire workforce. Further, more than 23% of its employees are under the age of 30 and only 17.3% are above 50. The Company also has 11 employees with disabilities.



E. Thoughtful people strategies

The Company is committed to creating an inclusive workplace for employees and taking steps to ensure these are embedded in our policies and practices. Providing opportunities to learn, grow and develop professionally is the hallmark of the Company's HR policy. Digital learning models have been fully adopted with most training being conducted by professional trainers and managers. This has resulted in more relevant and aligned training of employees.

The people strategies are bucketed under four broad categories viz.



F. Information Security, Cyber Security and Fraud Controls

The IT framework of the Company is designed to establish, implement, monitor and constantly improve its information security posture.

- The focus of the IT framework is on privacy of customer information and data security
- The Company is compliant with ISO 27001:2013 Information security management system and ISO 22301:2012 Business Continuity Management
- The Company also complies with the applicable regulatory framework and guidelines (viz. IRDAI's Guidelines on Information and Cyber Security for Insurers)
- Data Loss Prevention (DLP) solutions have been implemented, such as:
 - Endpoint DLP
 - Email DLP
 - Conditional access to Office 365
 - VPN access on corporate laptops
 - Mobile Device Management for corporate mobile apps, etc.
- All data protection controls are enhanced periodically and evaluated at least once in a year



IT Framework and Policies



The Company has defined and implemented policies/frameworks/practices on cyber security and risks related to data privacy. The policies cover and communicate the Company's:

- Commitment to obtain user data through permissible, compliant, and transparent means, with the explicit consent of the data subject where required.
- Clear terms involving the collection, use, sharing, and retention of user data including data transferred to third parties.

- Commitment to notify data subjects promptly in case of policy changes or data breach.
- Commitment to collect and process user data that is limited to the stated purpose.

The Company discloses the mechanisms for data subjects, to raise concerns about data privacy through dedicated cyber cell units/email ids on their respective websites.

Cyber Security



Cyber security policies and practices have been institutionalized to protect information infrastructure on the internet; preventing and responding to cyber threats, reducing vulnerability, and minimizing damage from cyber incidents. A combination of dedicated teams, processes, and technology enables the successful realization of these objectives. Some of the operational measures to monitor and respond to data breaches and cyber-attacks are:

- Security operations center: managed by reputed cyber security service providers,
- Surface Web, and Dark Web monitoring: carried out through service providers, and
- Customer-related fraud events: detected, managed and mitigated through the risk control unit along with the cyber risk team

Privacy of Personal Information



Led by a strong commitment to protecting the privacy of personal data, the Company has put well-structured Privacy policies in place. The Company's Privacy policies apply to entire operations, including the suppliers.

Ensuring personal information privacy



- The Customers' Personally Identifiable Information (PII) is masked in the core systems and customer-facing systems through data encryption.
- Access to customer PII is restricted and access is granted on a need-to-know basis with due approval.
- Data uploaded on the dialler is stored in an encrypted format and no access to the customer's PII is granted to the calling agent.
- Privacy terms are displayed on the website of the Company. It covers the details regarding consent,

collection, use, sharing, processing, and retention of customer data. Any changes to the Privacy Terms are updated on the Company's website, where the customers can also raise their concerns.

The Company has zero tolerance for breach of data confidentiality and privacy. The Company has defined actions, ranging from suspension to termination, penalty, legal action, etc, for noted instances of the data breach.

Audits and Assessments



The Company undertakes regular audits and assessments of the security threats through a comprehensive strategy comprising:

- Regular internal security audits, vulnerability assessments, and penetration testing of systems, products, and practices affecting user data
- Periodic application security assessment, like pre-production, six monthly application security

assessment, and yearly structured exercise at various stages of business enhancements, APIs, Bots, etc

- At least annual audit assessments, by external experts, of systems, products and practices affecting user data
 - > *ISO 27001 Surveillance Audit*
 - > *Audits required as per the applicable regulatory requirements*

Governance structure



The IT security related a committee reviews projects and operations. The committees meet at least on a half-yearly basis. Dedicated teams manage the cyber security program and operations for digital initiatives.

Awareness and Training



The Company uses multiple channels, such as classrooms, emails, posters, chronicles, brochures, etc., to create cyber security awareness across stakeholder communities, including employees, value-channel partners, business partners, etc.

- Training is conducted for employees and vendors who use customer-facing application and assets.
- To educate customers/users on privacy, security

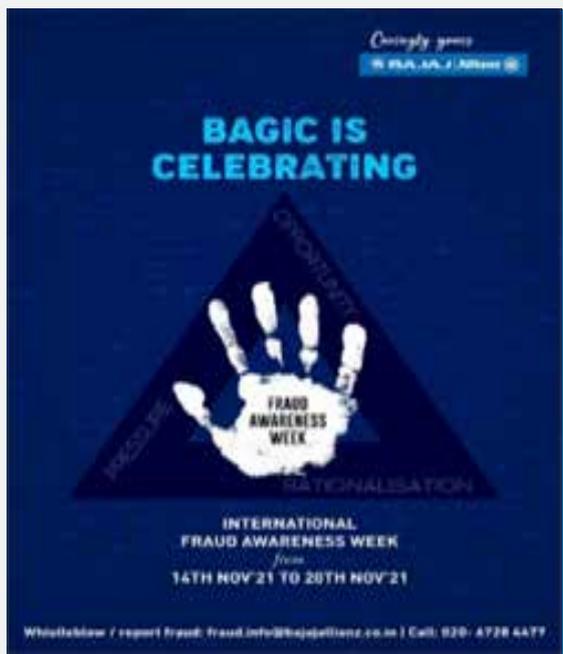
awareness, and confidentiality aspects, the Group companies run campaigns on Fraud alerts, no asking/sharing of personal details on calls, etc.

- Training for law enforcement agencies, such as the Police, on Insurance Frauds, creating awareness among them and an environment of deterrence among fraudsters
- 220 Employees completed training on Cyber security and fraud prevention in FY2022

Fraud Awareness Programme



BAGIC celebrated International Fraud Awareness Week from 14th to 20th November 2021 with the intention of creating an anti-fraud awareness among our distributors and customers alike



Business Continuity Management



The Company has in place a business continuity strategy and framework, which is also compliant with applicable regulatory requirements. BCP envisages the likely disruptive events, as well as their probability and impact on business operations. The impact is assessed through business impact analysis. The process is aimed at eliminating or minimising any potential disruption to critical business operations. The Risk Management Committee of the Board has direct oversight of the activity with compulsory quarterly reporting.

The BCP includes Disaster Recovery procedures to quickly recover from an emergency. Annual BCP drills and reviews are conducted to ensure that the BCP is effective given the current nature of business processes, infrastructure, personnel, etc.

Fraud Risk Management



To check any fraudulent activities across our business operations, the Company closely assesses the various fraud risks to which it is exposed. Our anti-fraud program is crafted to prevent such risks. Fraud risk audits are conducted at least annually. Fraud risk policies and frameworks are also reviewed annually. Fraud risks are monitored at least quarterly and have Board oversight through Audit Committee, Risk Committee, and Whistle Blower Committee.



GOVERNANCE

A. Corporate Governance

Being part of the BFS Group, the Company's commitment to the highest standards of corporate governance practices predates IRDAI's Corporate Governance guidelines for insurance companies. The corporate governance guidelines BAGIC follows are robust and can be given as the following, but not limited to

- Compliance with applicable laws and regulatory framework
- The number of Board meetings is more than the statutory requirement, including meetings dedicated to discussing strategy and operating plans.
- Board is composed of directors from diverse backgrounds and substantial experience, who can provide appropriate guidance to the executive management as required.
- The panel of independent directors with exceptional track records and a wealth of experience in business and public service.
- Pre-Audit Committee meetings of the Audit Committee Chair with Statutory auditors, internal auditor, and members of senior management who are the process owners.
- A separate meeting of independent directors without the presence of non-executive directors or management team.
- Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board, and the Board as a whole.
- Presentations by key senior management team members of the company to familiarize the directors with key elements of each of the businesses.
- Complete and detailed information is provided to Board members in advance to enable them to evaluate matters carefully with meaningful discussions.
- Adoption of key government policies and codes by the Board, which are made available to stakeholders on the Company's website.
- The risk management policy of the Company includes sustainability (particularly, ESG-related risks) assessment and risk minimization procedures.
- On an ongoing basis keeping the Directors abreast on matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities, and major developments and updates on the Company, Industry, etc.



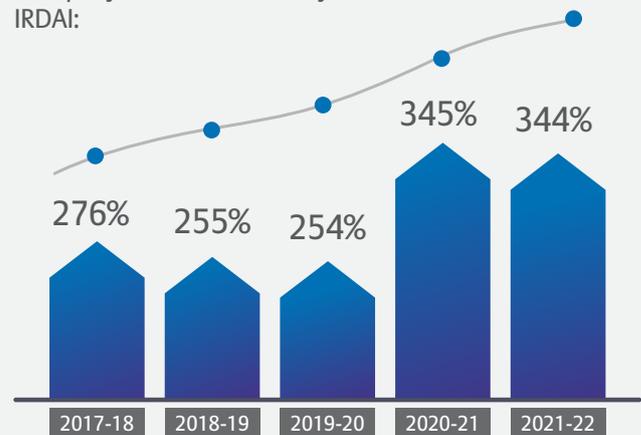
B. Nurturing ethics and integrity

- BFS Group's Code of Ethics and Personal Conduct (CoEPC) covers good working, cultural and integrity norms. It includes 'disciplinary actions & grievance redressal policy' and 'whistleblower policy/vigil mechanism' which allows employees to consult on issues, anonymously report and/or escalate grievances of any nature including harassment, fraud / suspected fraud, unethical behavior, instances of a leak or suspected leak of Unpublished Price Sensitive Information, etc. which are detrimental to the Company's interest or/and is a process/policy violation.
- Policies and processes are in place to safeguard employees who report any unethical behavior, against discrimination, harassment, victimization, or other unfair employment practice, with direct access to the Chairperson of the Audit Committee.
- The Company, through its Chairman, has signed charters of Confederation of Indian Industry ('CII') -
 - Model code of conduct (CoC) for ethical business practices
 - Charter on fair and responsible workplace guidelines for collaborative employee relations, and
 - Charter on fair and responsible workplace guidelines for contract labor.
- Zero tolerance towards unethical business practices and ensures adherence to necessary policies of anti-fraud, anti-bribery, conflict of interest, prevention of insider trading, prevention of money laundering, prevention of sexual harassment, and related party transactions. Depending on the nature of severity of misconduct/non-compliance of CoEPC/CoC/policies, appropriate deterrence action ranges from counseling, warning, suspension, and pay deduction to termination.
- Material outsourcing contracts undergo review from an independent chartered accountant firm for risk assessment, including info-security risk, under the stewardship of the Audit Committee and the Risk Committee.

C. Engaging in prudent and responsible business conduct

The Company is committed to building long-term businesses and providing sustainable growth and returns to its stakeholders. While adopting high standards of governance, following prudent business practices is equally important to ensure that businesses are not exposed to undue risks.

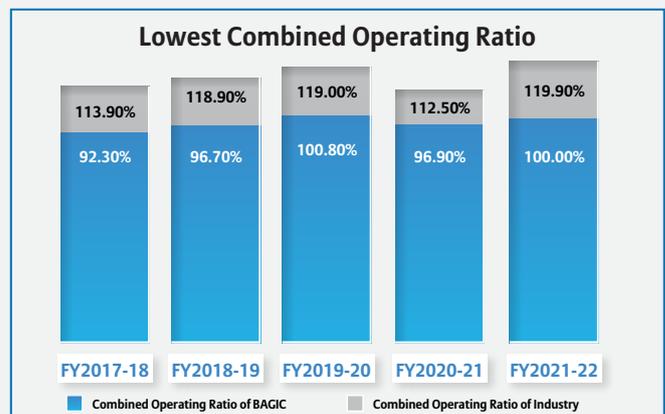
Recognizing the risks that our business carries and keeping the interest of its stakeholders in consideration, the Company maintains solvency above the norms laid down by IRDAI:



The Company has an excellent track record in respect of compliance with EOM Regulations:

Financial year	2017-18	2018-19	2019-20	2020-21	2021-22
EOM as % of max limit	68.51	78.46	81.23	74.62	73.14

The excellence in controlling expenses of management and solvency margins has resulted in the industry's best combined operating ratios for the Company over the past several years.



Long-term sustainable businesses can only be run by empowered professionals. The Company strongly believes in empowerment and accountability to be inexorably linked and has hence identified 'Accountable Empowerment' as one of its core principles. Driven by this principle, the Company is managed by competent professionals, while being overseen by the Board. The remuneration of senior management is benchmarked with appropriate peer groups and it comprises fixed pay, variable pay, and long-term incentive (including stock options).

D. Making Responsible Investment

The Company's primary approach is to set minimum ESG factors that potential investments must meet.

The following approach shall be adopted for considering the ESG issues when building a portfolio and thus improving ESG practices, outcomes, and disclosures (through stewardship).

ESG Integration

- ESG issues to be incorporated into existing portfolio construction practices
- Explicitly and systematically including ESG issues in investment analysis and decision making

Voting

- Exercising voting rights on management/ shareholder resolutions (and submitting resolutions),
- Expressing approval (or disapproval) on relevant matters

Engagement

- Interactions / engagements with stakeholders, current or potential investees/ issuers, policy makers or standard setters in order to:
 - i) improve practice on ESG issues,
 - ii) improve public disclosure.

The Company's emphasis on responsible investing is rooted in the belief that the successful integration of ESG

information in financial research and analysis can reduce investment risks and lead to improved investment outcomes over time.

The Company believes that each of the above approaches used in combination can add value in its own right and may be suitable for different types of investment classes and with different types of investment goals.

In this fiduciary role, the Company believes that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes, and through time). Therefore, where consistent with fiduciary responsibilities, Responsible Investment principles have been adopted. In line with the above, the Board has approved Responsible Investment principles as part of the investment policy, which will be implemented in a phased manner.

Following are the guiding principles while integrating ESG factors in the Company's investment operations:

- Promote acceptance and implementation of this policy within the investment operations.
- Identify sector-level ESG issues and incorporate those into our view of the sector's quality and outlook.
- Ensure that ESG issues are recognized, analysed, and embedded within our investment assessment and decision-making processes within the bounds of our fiduciary responsibilities.
- Seek appropriate disclosure on ESG issues by the entities in which the Company invests.
- Identify opportunities for improvement, which could drive engagement with company management teams.
- The comprehensive Stewardship policy seeks to identify and define the stewardship responsibilities that the insurer wishes to undertake and how it intends to fulfill the same to enhance the wealth of the stakeholders.

Reaching financial services to millions of Indians

IRDAI (Obligations of insurers to Rural and Social sectors) Regulations, 2015 mandates the Company to cover at least 5% of the total business procured in the preceding financial year (in terms of lives) from the social sector and 7% of the total number of policies written in the year from the rural sector.

BAGIC has significantly higher contribution of rural / social sector business as compared to IRDAI norms:

	Rural Sector Obligation	Social Sector Obligation
IRDAI requirement	7%	5%
FY2022	12.59%	8.72%
FY2021	20.51%	22.03%
FY2020	7.92%	20.63%
FY2019	8.09%	28.15%
FY2018	9.69%	45.88%

Further, through its operations in smaller towns and villages, the Company generates opportunities for the local population in the form of employment and addition to value-chain partner network. Such opportunities enhance local capabilities and create a robust economic cycle in the smaller cities/towns and villages.

E. Ethics, compliance and grievance redressal

- The Company is compliant with applicable labour laws.
- Formal grievance mechanism available to all employees to report or raise their concerns anonymously and confidentially, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by the employee Code of Conduct, employee charter, disciplinary action committee reviews, whistle blower and vigil mechanism policies. Disciplinary action committee has Board oversight.
- During FY 2022, the Company did not receive any complaint related to child, forced or involuntary labor, discrimination at workplace, health and safety, wages, working conditions or for human rights related issues. Further, the Company has a gender-neutral policy for prevention of sexual harassment. The Company did not receive any complaint related to sexual harassment during the year.
- Trainings covering topics of acceptable behavior, anti-corruption and bribery, anti-money laundering and facilitation payments, fraud prevention, prevention of sexual harassment, etc are conducted periodically.

Audits and Assessments

The Company undertakes regular audit and assessment of the IT security threats through a comprehensive strategy comprising:

- Regular internal security audits, vulnerability assessments and penetration testing of systems, products and practices affecting user data
- Periodic application security assessment, like pre-production, six monthly application security assessment and yearly structured exercise at various stages of business enhancements, APIs, Bots etc
- At least annual audit assessments, by external experts, of systems, products and practices affecting user data
 - > ISO 27001 Surveillance Audit
 - > Audits required as per the applicable regulatory requirements
 - > Joint Statutory Audits
 - > IFC Audits
 - > Information Security Audits
 - > Peer Review of Actuary
 - > Internal Audits
 - > MISAP Audits
 - > Company Secretarial Audit
 - > Related Party Arms Length Review
 - > Compliance & Risk Reviews
 - > Concurrent Audits (Investments)
 - > Solvency, EOM, Commission Certifications
 - > ETASS & RI Recon Certification
 - > AA's FCR & Reserving Confirmation
 - > Investment Risk Management Audit
 - > Certification of IRDAI BAP Reports
 - > Monitoring actions on peers by IRDAI

G. Stakeholder Engagement

Shareholders/ policyholders and Investors

Leading with integrity, and invoking the trust of stakeholders, the Company maintains one of the highest standards of business information disclosures. The Company communicates with shareholders, policyholders, and investors in various ways including quarterly presentations, press releases, participation in investor conferences, etc.

Value-chain partners

The Company strives to influence its partners in the value chain to participate in responsible and sustainable business conduct depending upon their means and resources. BAGIC believes that mutual and inclusive growth of its value-chain partners is necessary to foster trust and manage potential risks through interactions with value-chain partners. The Company has various partners such as vendors, business associates, etc., with whom it has an ongoing engagement in the form of in-person/online meetings, emails, performance discussions, training, company policy/process communication, etc. Additionally, the company conducts periodical meets/conferences for some of its value-chain partners

The Company conducts awareness and training programs for its value chain partners (especially agents and other intermediaries), depending upon business needs, stakeholder feedback, and regulatory requirements, relating to code of conduct, anti-money laundering, fraud prevention, health and safety, prevention of sexual harassment, whistle blower mechanism, other functional training, etc.

During the year, it provided specialized training to its agents. These training sessions covered various topics such as code of conduct, ethics, professional conduct, anti-money laundering, functional and skill upgradation training that were knowledge-based.

Customers

Refer "Customer centricity" section on page [21].

Employees

Refer "Human capital management" section on page [25].

Society

Refer "Empowering society" section on page [16].

H. Government and regulators

The Company continually monitors its legal and regulatory compliances. It regularly engages with government agencies and regulators to stay on track and provide timely and accurate information, as required.

BAGIC as an entity participates in the interactive engagement with government authorities and regulators, be it by offering suggestions and recommendations or feedback on draft policies. We also provide our discerning views on setting up of new industry standards or regulatory developments in the financial services industry. These interactions enable us to understand the areas of focus and concerns. When providing our views or feedback, we always attempt to objectively balance the interests of various stakeholders. All interactions with government bodies and regulators like IRDAI are conducted only by authorised senior officials of the company.

BFS Group is one of the financial conglomerates, which is monitored by the Inter-Regulatory Forum (IRF), comprising of representatives from the IRDAI, SEBI, RBI, NHB, and PFRDA. As part of the monitoring process, an annual meeting is held by the IRF with the BFS Group wherein the IRF is updated on the practices at the BFS Group regarding compliance, risk management, capital adequacy, grievance management, business development, etc. From the respective regulators' side, their expectations on any identified issues and challenges, if any, in the conduct of respective companies are discussed, including their expectations from the overall BFS Group of companies. The Company is also a member of various trade and industry chambers, associations, councils and other collective platforms or forums. We proactively participate in the discussions and contribute to the resolutions within the scope of these forums.

For instance, BAGIC is a member of the Confederation of Indian Industry, General Insurance Council, Executive Council of Insurers, and Insurance Information Bureau of India through which it actively engages in policy advocacy. These engagements are overseen by Mr. Sanjiv Bajaj, Chairman of the Company, also, the President of the Confederation of Indian Industry (CII) with effect from May 2022 and Mr. Tapan Singhel, MD & CEO of the Company, also the Chairman of the CII National Committee on Insurance & Pension.

AWARDS AND RECOGNITION

- 'Gold Award in the Non-Life Insurance Provider of the Year' at the 20th edition of the Outlook Money Awards.
- Won UI Path Automation Excellence award for Operations Automation
- Bajaj Allianz General Insurance has won the Gold Award in the Non-Life Insurance Provider of the Year category at the 20th edition of the Outlook Money Awards 2020. The award was conferred to BAGIC at a virtual ceremony on 22nd May 2021, in honor of our overall performance, innovative product offerings, and robust financial metrics.
- Bajaj Allianz General Insurance won notable awards at The Digital Technology Senate 2021, organized by Express Computer, one of India's most respected IT media brands. BAGIC's five projects - Digi-Sampark, RAFTAAR, Digi-Swasth, MAXIMUS & Farmitra-Caringly Yours App have won under Unified Communication, Robotic Process Automation (RPA), Artificial Intelligence, Enterprise Application & Enterprise Mobility categories respectively. The awards were conferred to BAGIC at a virtual conclave on 29-30th June 2021.
- Bajaj Allianz General Insurance wins the Best Innovation in Customer Experience - General Insurance-2021 Award at India's most prestigious BFSI Tech Innovation Web Conference & Awards. The award recognizes initiatives that helped customers during the Covid-19 pandemic through the effective use of technology and implementation of the same.
- Bajaj Allianz General Insurance won four prestigious awards at Quantic's BFSI Excellence Awards, 2021-
 - a) Fraud Intelligence Insurance Company of the Year 2020-21
 - b) Customer Service Provider of the Year 2020-21
 - c) General Insurance Company of the Year 2020-21
 - d) Best Data Management Project 2020 for Project-Saksham (FY 2019-20)
- Bajaj Allianz General Insurance has been awarded the Certificate of Merit at the 33rd CFBP - Jamnalal Bajaj Awards For Fair Business Practices - 2020-21, under the Service Enterprises (Large) category.
- Bajaj Allianz General Insurance won the prestigious Best in Future of Work award for SkillsCity and was announced as the country winner at the first-ever IDC Future Enterprise Awards India, 2021. The award honors the organization that fosters human-machine collaboration, enables new skills and worker experiences, and supports an intelligent and dynamic environment unbounded by time or physical space.
- Bajaj Allianz General Insurance has been announced as the winner in the 'Excellence in Operations Automation' category at the prestigious UiPath Automation Excellence Awards 2021. This award has been bestowed upon us in recognition of BAGIC's forward-thinking approach, by showing resilience and moving to the front line to solve problems in growth, business, and everyday life.
- Bajaj Allianz General Insurance has been felicitated as one of the 50 Most Trusted BFSI Brands in India at an award ceremony organized by Team Marksmen along with its media partner NDTV 24x7 and research partner Allegiant. The recognition has been conferred upon BAGIC honoring our continuous efforts to serve customers, communities, and people during these challenging times. This award is a big win for all the BAGICians. Heartiest congratulations to all!
- Bajaj Allianz General Insurance has been announced as the winner in the Best Risk Management Initiative (for Project Anveshak) and Best Digital Transformation Initiative (for MAXIMUS) categories at the InsureNext Summit & Awards 2022
- Bajaj Allianz General Insurance has won the 'Best Email Strategy Award' at the prestigious For the Love of Emails - Awards 2022. The award embodies winning strategies to acquire customers and cultivate them to be brand's fans.
- Bajaj Allianz General Insurance Co. Ltd. has been announced as the 'General Insurance Company of the Year' at the prestigious India Insurance Summit & Awards 2022. Owing to our overall performance and customer - first approach well reflected in our products and services have made us stand tall among the competitors.
- Bajaj Allianz General Insurance won notable awards in Cloud and Robotic Process Automation categories at The TechOPS Virtual Conference 2022, organized by Express Computer, one of India's most respected IT media brands.
- Bajaj Allianz General Insurance was recognized as one of the Best Organizations for Women – 2022 by The Economic Times.

For more details Refer- BFS BRSR FY22.