

Responsible Investment (RI) Policy

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Approved by	ESG Steering Committee		

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Responsible Investment Policy

1. Background

Max Life Insurance is a leading life insurance company in India that is committed to responsible investing and recognizes the importance of Environmental, Social, and Governance (**ESG**) factors in investment decision-making. Max Life believes that responsible investing can create long-term value for its customers, shareholders, and society as a whole. Demonstrating this, Max Life has taken strides in committing to responsible investment practices in line with the organisation's philosophy of achieving sustainable growth.

The Policy outlines the Company's approach to assessing and managing the ESG aspects across its investment portfolio. The objectives of the Policy are set out below:

- a. To follow the principles of Responsible Investment (**RI**).
- b. It is the fiduciary responsibility of the Company to generate optimal risk-adjusted returns over long term. We believe that this objective can be served by following the responsible investment framework which include core stewardship principles and consideration of ESG factors, in addition to financial parameters and outlook while making investment decisions.
- c. To remain committed to responsible investment as a matter of business strategy for creating short and long-term value.
- d. To continue to be commitment to sustainable and socially responsible investing, in line with the vision to be the most admired life insurance company in India.

2. Scope

The Policy reflects the core objective of the investment strategy of the Company towards RI by integrating the ESG parameters into the decision-making process. This Policy shall serve as a guiding framework for investment analysis and decisions taken by the Investments Team.

3. Responsible Investment Framework

3.1 ESG Integration

- A. In this regard, the Company shall follow the below key principles for RI:

1. Integrated Approach:

The Company shall aim to integrate ESG factors alongside traditional financial metrics to evaluate sustainability and impact of investment decisions, particularly in equity investments. This may involve utilizing proprietary or third-party ESG assessment criteria, external research, use of external consultants, and industry best practices.

2. Incorporating ESG Analysis:

The Company shall invest in equities after carrying out a screening process of the companies on ESG parameters and prioritize investments in those companies that are ESG compliant.

3. Introduction of ESG Fund

The Company shall from time to time endeavor to launch ESG, Ethical or Pure funds, primarily focusing on investing in companies compliant with ESG standards.

B. Max Life has committed to the following targets for RI:

1. 100% ESG Integration

Max Life shall endeavor to integrate ESG considerations into all aspects of equity investment research and decision-making processes.

2. 75% Portfolio Compliance:

Max Life shall aim to ensure that at least 75% of equity holdings in policyholder funds adhere to ESG standards defined by Max Life.

By adhering to the above key principles and targets, the Company is committed to responsible investment practices, aiming to create sustainable value for its stakeholders while upholding ethical standards and social responsibility.

3.2 Engagement and Stewardship

In accordance with the '*Guidelines on Stewardship Code for Insurers in India*' (**Guideline**) issued by the IRDAI, the Company recognizes the importance of actively monitoring and engaging with investee companies to safeguard the interests of the Company's policyholders. The IRDAI Guideline acts as a guiding principle for insurers to exercise their stewardship responsibilities benefiting companies, investors and the economy at large. In line with the above the Company shall follow the below key principles on Engagement and Stewardship:

1. Monitoring and Engagement

Stewardship involves actively monitoring and engaging with investee companies on various matters, including strategy, sustainability, performance, risk, culture, remuneration, capital structure, evolving regulatory frameworks, and corporate governance. In line with the foregoing, the Company shall be committed to engaging in purposeful dialogue with investee companies, addressing not only overarching matters but also issues pertaining to resolutions at general meetings.

2. Encouraging ESG Practices

Recognizing the significance of ESG practices in long-term value creation and risk mitigation, the Company may engage with investee companies to encourage them to adopt and enhance their ESG practices, contributing to sustainable business practices and positive societal impact.

3. Collaborative Initiatives:

Max Life may engage with investee companies to encourage them to adopt and improve their ESG practices. This may involve participating in investor dialogues and collaborating on ESG initiatives, leveraging collective influence to drive positive change.

Through proactive engagement and stewardship, the Company shall aim to not only protect the interests of its policyholders but also promote sustainable business practices and contribute to the long-term prosperity of its investee companies and society as a whole.

4. Governance and Implementation

- Chief Investment Officer shall oversee the implementation of the Policy, monitor progress, and make recommendations for continuous improvement for responsible investment.
- Max Life shall aim to ensure that ESG related considerations are factored into all relevant stages of the investment process and decision making.
- The Max Life aim to engage in the learning and development of relevant personnel in ESG related considerations for responsible investment at regular intervals.

5. Transparency and Reporting

- Max Life shall remain committed to transparent communication about the Policy and its implementation.
- Max Life aims to shall undertake regular reporting and assessment of progress related to responsible investments against established objectives and targets through its fund factsheets, sustainability reports or any other relevant public disclosure concerning responsible investment.

6. Dedicated Team

Max Life has a dedicated in-house investment team with defined roles and responsibilities for making all investment related decisions, including the implementation of this Policy, which is headed by the Chief Investment Officer. The team also engages with external individuals or organizations for availing expert ESG related services.

7. Review

The Policy shall be reviewed, once in two years or earlier, if required. Any exceptions and future modifications to this policy would be subject to approval by the ESG Steering Committee.