

Star Health and Allied Insurance Company Limited

ESG FACTBOOK

Preamble

As part of Star Health's ongoing dedication to openness and thorough sustainability reporting, the Company primarily utilizes the Business Responsibility and Sustainability Reporting (BRSR) framework for disclosing sustainability information, as required by India's capital market regulator. Additionally, this ESG Factbook brings to light further sustainability aspects not covered within the BRSR. Both these resources collectively encapsulate Star Health's initiatives as consolidated in our financial reports.

GOVERNANCE

Board Effectiveness

Board Performance

In compliance with provisions of the Act, Insurance Regulatory and Development Authority of India (IRDAI) Act Corporate Governance Guidelines and Listing Regulations, an annual performance evaluation was conducted for the Board as a whole, including Board sub-Committees, individual Directors both Executive and Non-Executive including Independent Directors and Chairman of the Board. The Company has a Board approved performance evaluation framework which lays down Guidelines for annual performance evaluation of the Board and its Committee(s), Chairman and individual Directors.

Board Election

As per the requirements of the Companies Act 2013, Regulations of Securities and Exchange Board of India (SEBI) and Guidelines issued by IRDAI, Independent Directors can hold directorship in a particular organization for five consecutive years and for two terms, post which there is a requirement of a minimum hiatus of three years before their next term. Star Health and Allied Insurance Company Limited strictly adheres to these requirements.

Risk Management

Promoting Unwavering Independence in Risk Management at Star Health

At Star Health, we have a watertight commitment towards the integrity and independence of our Risk Management function. In fact, Star Health's Risk team operates with complete structural independence from our business functions.

The Company's dedication in this regard is reflected in our robust and credible reporting arrangement. The Company has meticulously designed the Risk Management framework to ensure that it operates independently and impartially, thereby safeguarding the best interests of our organization and stakeholders. Furthermore, whenever deemed necessary, the Company proactively review and implement stringent controls to fortify the autonomy of the Risk Management function.

The Company believes that the proactive approach towards fostering the independence of the risk management team plays a significant role in securing the trust and confidence of Star Health's valued clients and stakeholders.

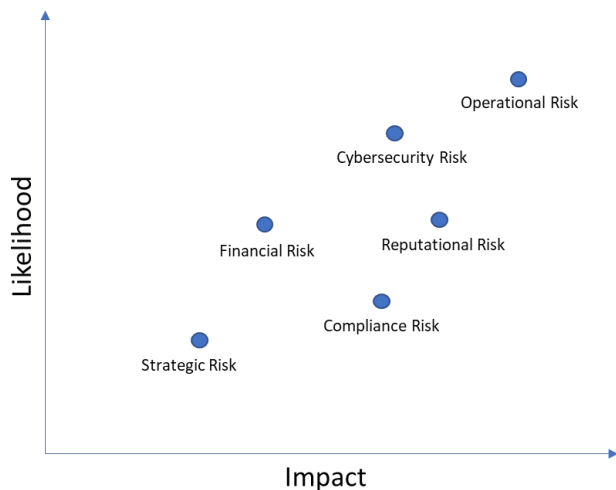
Strategic Prioritization: Safeguarding Our Future

Star Health believes in adopting an action-oriented approach towards identifying and assessing risks of the business. Comprehensive discussions with Star Health's internal stakeholders drive the risk prioritisation process, resulting in a holistic view of potential risks / threats.

In addition to these collaborative efforts, we also engage in an assessment of risks based on two critical factors: likelihood and potential impact. This results in optimal allocation of resources and attention to the most significant risks that may harm the interest of the Company. Beyond considering these approaches as routine procedures to follow, we believe in systematically identifying, prioritising, and addressing risks with the ultimate goal of resilience in a constantly evolving business landscape.

Not only does such an approach safeguard our position; it also underlines our commitment towards achieving long-term sustainability, shareholder value, and client security & trust.

The graph below shows how we position our risks based on their likelihood and impact (considering the nature of our business and other contextual factors).



Principle Risks

Liquidity Risk

Description: This refers to the risk of not having enough low-price sensitive liquid assets to meet financial obligations in timely manner. IRDAI requires insurance companies to maintain a minimum solvency of 1.5 times which is calculated in a manner as specified in the IRDAI (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2016. The solvency position of the Company as at March 31, 2023 was 2.14 times as compared to 1.67 times as at March 31, 2022.

Mitigation: We maintain sufficient short-maturity liquid assets to meet our 30-day projected net pay-out obligations. Portfolio also carries sufficient long-term liquid assets that can be sold to generate funds.

Compliance Risk

Description: In the complex landscape of modern business, compliance with regulatory and statutory frameworks is not just a legal obligation; it's a moral imperative. At Star Health, we uphold the highest standards of compliance, leaving no room for any compromise.

Our approach begins with a comprehensive understanding of compliance risk. This encompasses changes in applicable regulatory or statutory frameworks, government policy actions, and reform measures that impact our operations. We also recognize the importance of strict adherence to various regulations or provisions issued by authorities such as IRDAI, SEBI, MCA, and more.

Star Health has a zero-tolerance policy for non-compliance or delays in filing regulatory returns or submissions to IRDAI. We view compliance as a fundamental obligation and a critical part of our ethical foundation.

Mitigation: To ensure unwavering compliance, we have established a robust compliance structure. This structure serves as the backbone of our commitment to ethical operations. It effectively monitors key compliance risks, communicates applicable regulatory requirements to our business functions, and provides the necessary training to guarantee compliance with all relevant laws.

Furthermore, our proactive approach to compliance risk mitigation is not just about meeting legal obligations. It also encompasses factors such as upholding our values, maintaining trust with our stakeholders, and safeguarding the integrity of our organization. Every action we take in this realm reflects our dedication to responsible and ethical business practices that set the standard for others to follow.

Emerging Risks

At Star Health, we pride ourselves on our ability to not just navigate the present but also anticipate and prepare for the future. As part of this forward-thinking approach, we have identified a series of emerging risks that have the potential to significantly impact our operations and bottom line in the coming years.

Climate Change Risk

Description: Climate change presents a multifaceted risk to health and life insurance companies. It encompasses both physical risks, such as heightened occurrences of extreme weather events impacting health, and transition risks, including evolving regulations and market shifts influenced by climate concerns. These risks could disrupt the company's operations, client relationships, and investments.

Impact: The company faces the potential for increased insurance claims due to climate-related health issues and medical emergencies during extreme weather events. Regulatory changes could necessitate adjustments to insurance products, and market fluctuations tied to climate awareness might impact investment performance. Failure to address climate change could lead to reputational harm and financial strain from substantial post-disaster payouts.

Mitigating Actions: Our response to this complex challenge is characterized by a proactive and comprehensive approach. We have established a robust governance framework that actively engages our leadership in assessing these risks and implementing mitigation measures. Our impact assessments span various dimensions, including regulatory, technological, legal, market, and reputational aspects. We've woven climate risk evaluation into the very fabric of our organization, integrating it throughout our value chain, from operations to client interactions, encompassing both short and long-term considerations.

Incorporating climate risk into our underwriting parameters allows us to adopt sophisticated approaches, while our pricing strategies are designed to account for the real-world impacts of climate change. We acknowledge the intricate nature of quantifying climate risk's influence on our pricing and investment strategy, which drives our ongoing commitment to refinement.

In essence, facing Climate Change Risk is not just a matter of compliance; it's a demonstration of our commitment to responsible leadership and sustainability. We're not merely reacting to change; we're shaping our future by addressing these emerging risks head-on. At Star Health, we're dedicated to protecting our clients, our investments, and our planet.

Cybersecurity Risk

Description: The cybersecurity vulnerability risk poses a significant threat to the health and life insurance company's digital infrastructure and data. As technology dependency increases, so does the risk of cyberattacks, data breaches, and unauthorized access. This risk encompasses both external threats from hackers and internal risks from human error or malicious intent.

Impact: The company faces potential disruptions to its operations due to cyberattacks, leading to data breaches, compromised customer information, and financial losses. A breach could result in reputational

damage and legal liabilities, particularly if sensitive health and personal data is exposed. Regulatory fines and loss of customer trust could compound the impacts.

Mitigating Actions: The company has established a robust cybersecurity framework that involves proactive measures to identify and address vulnerabilities. Regular security assessments, penetration testing, and employee training are key components. The company uses advanced security technologies and encryption to protect sensitive data. Incident response plans are in place to minimize the impact of potential breaches, ensuring swift containment and recovery. By integrating cybersecurity risk assessment into the overall risk management strategy, the company seeks to prevent and mitigate potential cyber threats effectively. Additionally, the company is ISO 27001 certified.

Stress Testing

Star Health conducts stress testing as per IRDAI requirements and the circular No: IRDA/ACT/CIR/MISC/081/05/2010 submitted on May 13, 2010. As per the circular, non-life insurers are mandated to conduct stress testing and provide the details in Chapter 14 of the Financial Condition Report (FCR). The specifics include:

- Fall of 30% in Equity values, 100 basis points fall in yield available on various fixed interest securities, adverse deviation of 50% in mortality/morbidity/claim rates, expenses, cancellation rates, renewal rates and 50% (increase and decrease) in new business volumes independently.
- Fall of 30% p.a. in Equity values, 100 basis points p.a. fall in yield available on various fixed interest securities Annual adverse deviation of 25% p.a. in mortality/morbidity/claim rates, expenses, withdrawal/lapse rates and 25% (increase and decrease) in new business, during three years from the report date independently.

Sensitivity Analysis

Star Health complies with IRDAI Regulations in performing comprehensive sensitivity analyses. These analyses are grounded in financial projections and consider various alternative scenarios. Sensitivity analysis takes into account multiple variables, including but not limited to: duration of portfolios, liquidity factors, and yield fluctuations. For instance, Star Health conducts sensitivity assessments by examining the impacts of changes in duration, ranging from +1 to +2 and from -1 to -2. Additionally, the company diligently monitors its liquidity positions, evaluating sensitivity across a spectrum of factors to ensure robust risk management practices.

Risk Education for Independent Directors

Star Health has a familiarization policy for its Independent Directors through which these Directors are updated on key issues of the company on a quarterly basis. During these familiarization programs, the Directors are updated with specific developments in enterprise risk management, risk profile of the company, and initiatives taken to manage risks.

Additionally, Independent Directors are mandated to complete a self-assessment prescribed by Ministry of Corporate Affairs, in which they are required to develop their competency in the areas of financial analysis, laws and regulations, risk management, information technology and other areas.

Review of Risk Exposure

At Star Health, the bedrock of operational resilience lies in our comprehensive risk management system and framework. Star Health take great pride in our proactive approach to risk, ensuring that potential threats are identified and addressed in a timely and robust manner.

Star Health's commitment to risk management extends across the organization, involving various internal stakeholders responsible for monitoring distinct risk facets. This collaborative effort ensures that we leave no stone unturned when it comes to safeguarding the Company's operations and bottom line.

Central to risk management ethos is the quarterly review process. This rigorous assessment is conducted by the Risk Management Committee, a collective of members concerned from the Board of Directors, the Chief Risk Officer, and other key stakeholders. This high-level committee is tasked with overseeing all pivotal elements of risk management, including identification, analysis, mitigation, and adaptation.

By fostering an environment where risk is actively identified and proactively managed, Star Health remains agile and well-prepared to navigate the complexities of the business landscape.

Star Health's commitment to robust risk management is unwavering. It's a commitment to clients, shareholders, and every individual who relies on Star Health. Star Health recognizes that it's not enough to excel when times are good; true strength is demonstrated while facing challenges. The Company is dedicated to safeguarding its future and ensuring that the risks we face today do not jeopardize the promise of tomorrow.

In essence, the vigilant approach to risk management is not just a process; it's a reflection of the Company's values and promise to protect what matters most. Star Health stands resolute in its mission to secure the future and uphold the trust of those it serves.

External Audit of Risk Management

Star Health places significant emphasis on external audit as an integral part of its risk management framework. In its commitment to ensuring the highest standards of risk management, Star Health has established a partnership with a renowned, globally recognized audit and consulting firm who plays a pivotal role in conducting comprehensive assessments of Star Health's risk management processes, bringing in their wealth of expertise and experience to evaluate the effectiveness and efficiency of the company's risk mitigation strategies. This external audit covers a comprehensive scope of Star Health's operations and the potential risk associated to the operations.

Additional emphasis given to solidify the risk management process is by the proactive pursuit of ISO 22301 and ISO 27001 certifications, which necessitate rigorous external audits. The ISO 22301 certification necessitates the presence of a robust business continuity management system, verified through systematic audits to assess the company's readiness to maintain essential operations during disruptions. Similarly, the ISO 27001 certification underscores Star Health's commitment to information security, validated through comprehensive external audits that evaluate its adherence to stringent data protection standards. These certifications not only signify Star Health's dedication to top-tier risk management, but also reflect our willingness to subject ourselves to external scrutiny - ultimately enhancing trust and confidence among key stakeholders.

Incorporating Risk in Product Development

Incorporating risk considerations in product development is a vital mandate for insurance companies in India, as stipulated by the Insurance Regulatory and Development Authority of India (IRDAI). This requirement is a fundamental aspect of ensuring the financial soundness and sustainability of insurance offerings. By integrating risk assessment and management practices into product development processes, insurers aim to create products that are not only competitive but also aligned with their risk appetite and regulatory requirements.

IRDAI's mandate necessitates that insurance companies such as Star Health thoroughly evaluate and quantify the risks associated with new insurance products. This involves conducting risk assessments to identify potential liabilities, pricing the products to adequately cover these risks, and ensuring compliance

with regulatory solvency requirements. Moreover, insurers must consider factors such as policyholder behaviour, claims frequency and severity, and market volatility when designing and pricing their insurance offerings.

Considering risk being a crucial element in the development process of new products, members from the risk team at Star Health are also actively involved in the discussions with regard to product design.

Compliance to the Code of Conduct

Compliance to the Code of Conduct (CoC) is an integral part of the Risk and Compliance function and compliance to the CoC is considered as a risk key performance indicator while the evaluation of employees' performance during the appraisal cycle.

Our Sustainability Strategy (Materiality Assessment)

At Star Health, our commitment to sustainability is driven by a comprehensive and structured approach to understanding the most relevant issues that impact our stakeholders and our business.

We have always believed in a collaborative approach towards business growth, wherein we seek to elevate the standard of living our employees, communities, investors, and other key stakeholders simultaneously. As a company working in the health insurance space, consciousness about the general community's needs is inherently interlaced into our decision-making process. This is reflected in the fact that we are a company focused specifically on health, accident, and travel insurance - all characterized by quick turnaround times, high frequency, and high value claims. Our employee count also reflects our commitment towards job creation, livelihood creation, and customer satisfaction.

In addition to the above, the formal inclusion of ESG / sustainability as an additional lens through which we can review our business goals has helped us introspect and identify new ways to integrate sustainability as a way of life into our everyday functioning. In a nutshell, while we have already been implementing sustainability initiatives wherever possible since our inception, this year's materiality assessment and ESG roadmap will help us assign a comprehensive structure to them.

Our materiality assessment process for the year 2022-23 aided us in identifying key material topics on sustainability through engagement with both internal and external stakeholders. We undertook a Materiality Assessment in consultation with a third-party organization for the first time this year, and seek to review progress on ESG initiatives under each material topic on a yearly basis.

The procedure that we followed to conduct the materiality assessment is outlined below:

Step 1: Stakeholder Identification and Engagement

We initiated the materiality assessment by identifying our key internal and external stakeholders. These stakeholders represent a diverse spectrum, including employees, investors, investment analysts, vendors, rating agencies, distributors, and agents. Engaging these stakeholders is crucial to capturing a comprehensive range of perspectives on sustainability issues that matter most to them and to our business.

Step 2: Questionnaire Creation and Dissemination

To ensure a systematic approach to data collection, we designed a detailed questionnaire that covered various environmental, social, and governance dimensions. This survey was carefully crafted to elicit insights on potential material topics, the significance of these topics to different stakeholder groups, and suggestions on how we can improve the implementation of ESG initiatives in the coming years.

Step 3: Stakeholder Engagement and Data Collection

Through targeted outreach and open communication channels, we reached out to our internal and external stakeholders such as employees, investors, investment analysts, vendors, rating agencies, distributors, and agents with the aforementioned questionnaire. Their responses provided valuable insights into their perceptions, concerns, and expectations regarding our sustainability initiatives. In total, we received 98 responses from these stakeholders.

Step 4: Weighted Analysis of Stakeholder Responses

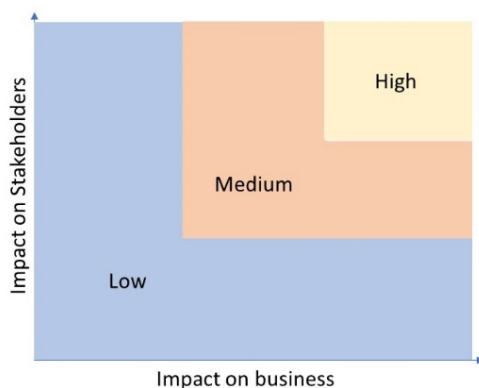
Recognizing that some stakeholders' opinions carry greater weight based on their role and influence in the ecosystem in which we operate, we assigned weightage to each stakeholder group's responses. This approach allowed us to prioritize the perspectives of stakeholders who hold a significant interest in our operations and outcomes.

Step 5: Ranking Material Topics

Using the inputs and weighted responses from our stakeholders, we ranked the material topics based on a high-medium-low score system. This ranking was driven by an assessment of both the potential impact of each material topic on our stakeholders and on our business performance. The materiality matrix that emerged from this process serves as a valuable tool for identifying material topics that warrant our attention in the short, medium, and long term. By involving our stakeholders directly in this materiality assessment process, we have aligned our sustainability efforts with the expectations and concerns of the communities we serve.

A focused approach on sustainability spearheaded by the materiality assessment could also help us explore every avenue possible to fortify our commitment towards conducting a responsible and impactful business. The final results of the Materiality Assessment were reviewed by the members of the Executive Management.

Materiality Matrix



*Note: The scale for Low to High is from 0 to 30, where the range for Low is 0 to 10, Medium is 11 to 20, and High is 21 to 30.

High	Medium	Low
Ethics and Compliance	Energy Efficiency	Supplier Diversity
Risk Management	Water Usage	
Data Privacy and Security	Waste Management	

Cybersecurity and IT infrastructure	Renewable Energy	
Innovation and Technology Adoption	Responsible Investment	
Human Rights	Green Building	
Employee Well-being	Employee Development and Training	
Employee diversity and inclusion	Customer satisfaction and engagement	
Employee Health and Safety	Community Engagement and outreach	
Carbon Footprint	Corporate Social Responsibility	
Board Composition and Independence		
Board and executive compensation		
Transparency Disclosure		

Material Issues for Enterprise Value Creation

Material Issue 1		
Material	Risk or Opportunity	Employee Wellbeing, Health, and Safety
Business Case		A safe working environment reduces incident rate, promotes productivity, and improve health and wellbeing of employees. All offices need to be facilitated with adequate safety requirements.
Business Impact		Risk
Business Strategy		• Conducting comprehensive safety audits, establishing standardized protocols, and investing in advanced technologies in line with the group safety policy. • Monitoring safety performance by way of assigning a dedicated role and team for overseeing safety related matters • Regular training and continuous improvement to foster a culture of safety • Prioritizing employee and client well-being while maintaining operational efficiency
Target/Metric		Star Health has set a target to ensure all its 835 branches meet the minimum safety requirements. Minimum safety requirements include having functional fire extinguishers, first-aid box, and fire and safety training.
Target Year		FY2023-24
Progress		Progress on this metric has been mentioned in the Social section of the ESG Databook under “Health and Safety Measures at Star Health Branch Offices”.
Material Issue 2		
Material	Risk or Opportunity	Employee Wellbeing, Health, and Safety

Opportunity	
Business Case	Employee well-being directly impacts productivity, job satisfaction, and retention rates, which can influence the overall efficiency of the organization.
Business Impact	Cost
Business Strategy	At Star Health, our core strategy for enhancing employee wellbeing and satisfaction is fostering a culture of continuous engagement and communication. We prioritize our employees' holistic wellness by organizing informative and interactive webinars that empower them with knowledge and skills. Additionally, our wellness sessions aim to promote physical and mental health, while stress management initiatives ensure a balanced work-life dynamic. By consistently engaging with our workforce in these ways, we not only support their personal growth, but also cultivate a happier and more fulfilled team that ultimately drives the success of our company.
Target/Metric	Star Health seeks to achieve a 70% score on the annual employee satisfaction survey.
Target Year	FY2023-24
Progress	Progress on this metric has been mentioned in the social section of the ESG Databook under Employee Satisfaction Score in the Social section.

Material Issue 3		
Material	Risk or Opportunity	Ethics and Compliance
Business Case	Ethics and Compliance are pivotal for Star Health as they foster customer trust due to ethical behavior, enhance the company's reputation through adherence to industry regulations, mitigate legal and operational risks, boost employee morale and retention due to an ethical work environment, and inspire investor confidence through responsible practices. We believe that these elements ultimately contribute to the company's long-term sustainability, competitive edge, and positive customer experience in a competitive insurance landscape.	
Business Impact	Risk	
Business Strategy	Star Health's strategy for regulatory compliance is simple, but uncompromising - meticulous adherence to all applicable laws and regulations governing our industry. We invest in robust compliance programmes, employee training, and regular audits to ensure complete alignment with legal requirements. By prioritizing proactive compliance measures, we mitigate the risk of penalties and fines while safeguarding our financial stability and reputation and upholding the highest ethical standards in our operations. This approach is not only vital for business survival, but also reinforces and displays our commitment to integrity and responsible business practices.	
Target/Metric	Fines and/or penalties regarding any regulation and compliance related concerns should be Rs. 0 (nil)	
Target Year	FY2022-23	
Progress	Progress on this metric has been mentioned in the governance section of the ESG Databook under Fines or Penalties Paid for any breach of Laws and Regulation in the Governance section	

Material Issues for External Stakeholders

Impact 1	
Material Issues for External Stakeholders	Community Impact and Development
Cause of the impact	Products/Services
External stakeholders	Consumers/End Users

Topic relevance on external stakeholders	Assessing the external impact of Star Health's insurance policies on under-represented groups like farmers and underprivileged individuals is material to the society and the environment because it is associated with social and economic inequalities. By providing affordable insurance policies that enable these marginalized groups to save money and maintain financial health, Star Health contributes to poverty alleviation and economic stability. This, in turn, fosters social cohesion and reduces the burden on public welfare systems, ultimately benefiting both the affected communities and the environment through sustainable socioeconomic development.
Output metrics	Number of policies sold to Rural customers. Mentioned in the Social Section under the Financial Inclusion Products and Services – Aarogya Sanjeevni and Star Health Micro Rural Farmers Care
Impact valuation	Increase/Decrease in household-level income Impact is the amount of money the policy holders were able to save due to the provision of the policy, allowing for better financial health.
Impact metric	Gross Savings by subtracting gross premium by gross claims (Gross Claim – Gross Premium) Figures given in the Social Section of the ESG Databook under Gross Savings for Rural Customers

	Impact 2
Material Issues for External Stakeholders	Customer Relationship Management
Cause of the impact	Products/Services
External stakeholders	Consumers/End Users
Topic relevance on external stakeholders	Assessing the relevance of claims turnaround time, number of partners offering cashless claims services, and customer satisfaction score as material issues for external stakeholders are critical in the insurance industry. This matters to stakeholders because it directly impacts the customer experience and, consequently, the company's reputation and profitability. High turnaround time for claims rejection can lead to customer dissatisfaction and potential legal disputes, affecting the company's financial stability and public image. Conversely, a positive customer satisfaction score enhances the company's image, attracts more customers, and fosters trust, benefiting shareholders, policyholders, and the broader community due to the availability of a stable and reputable insurance provider like Star Health.
Output metrics	Claims Turnaround Time and Number of Partners with Cashless Claims Services Mentioned in the Social Section under Claims Turnaround Time and Number of Partners with Cashless Claims Services
Impact valuation	Ease of access and usability of products/services Impact is customer satisfaction due to a low claims rejection rate, thus allowing for easier access and utilization of Star Health's products and services
Impact metric	Customer Satisfaction Score Figures given in the Social Section of the ESG Databook under Customer Satisfaction Score

Fines and Breaches

Fines or Penalties paid for any breach of laws and regulation

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Fine or Penalty paid (Currency INR)	1	2	2	0
Comment	- Delay in allotment of shares, under FEMA: Late fees	- Renewal fee to IRDAI not paid before due date; - Late submission fee for filing Form FC/GPR - Delay in allotment of shares under FEMA	- Late submission of Document for Assessment under Income Tax Act; - Late fees for ESI late contribution	-

Breaches

Type of Breach	Number of Breaches	Comments
Corruption or Bribery	0	
Discrimination or Harassment	1	
Conflict of Interest	0	
Money Laundering/Insider Trading	0	
Customer Privacy Data	0	
Cybersecurity/Information Security	2	Number of affected clients/customers is under investigation

Tax Information

Effective Tax Rate

Financial Reporting	FY 2021-22	FY 2022-23
Earnings before Tax – in Cr	(1,396.64)	826.40
Reported Taxes – in Cr	(355.97)	207.81
Cumulative acceptable adjustments* (see below)		
Effective Tax Rate (in %)	25.49%	25.15%
Cash Taxes Paid (Rs. In cr)	2.56	2.84
Cash Tax Rate (in %)	(0.18%)	0.34%

Reason	Tax Impact FY 2021-22	Tax Impact FY 2022-23	Explanation
Group-wide net operating losses (in FY2021 or FY2022)- Rs. In Cr	(2061.53)	204.61	1. Covid related claims in FY 2021 & FY 2022. 2. Accounting changes – FY 2021
Single jurisdiction tax code (maximum 10% sales abroad and domestic corporate income tax rate below the posted industry group average)	25.17%	25.17%	

Non-recurring (one time) operating losses in own operations (Rs. In Cr)	2085	-	Covid Impact
Net operating losses from prior periods and/or acquired companies – Rs. In Cr.	724.54	1,765.20	Investor PPT on website. starhealth.in/investors/disclosure-under-regulation-30-of-sebi-lodr-1/ Covid Claims DRHP Link MO&A sebi.gov.in/filings/public-issues/jul-2021/star-health-and-allied-insurance-company-limited-drhp_51323.html
Timing - net deferred tax assets/liabilities and major issues outside of the two year period reported (including accounting adjustments for prior reporting periods due to major tax policy changes) – Rs.in Cr.	776.71	568.90	Timing difference due to Insurance Act & Income Tax Act. Also Deferred Tax Asset on carried forward losses. Annual Report on Company website. https://d28c6jni2fmamz.cloudfront.net/Annual_Report_FY_2021_22_4e61f1160e.pdf https://d28c6jni2fmamz.cloudfront.net/Annual_Report_FY_2020_21_f6b0ccff3c.pdf

Zero Tolerance to Privacy Issues

The Privacy Policy at Star Health is all-encompassing, extending its application to every facet of our operations, including our valued suppliers. It is a commitment that reaches beyond our organization, encompassing vendors and stakeholders, both directly and indirectly connected to the data maintained and handled by Star Health.

Within our organizational structure, along with various business functions, a designated risk management team including the Information Security personnel, are entrusted with the pivotal role of overseeing and managing privacy-related matters. This team collectively ensures that the Privacy Policy remains at the forefront of our operations, adhering to industry best practices and regulatory requirements. This approach guarantees that privacy concerns are vigilantly handled and resolved within the ambit of our organization.

Our Privacy Policy is seamlessly integrated into our Enterprise-wide Risk Management Governance Framework, ensuring a robust and cohesive approach. Aligning with regulatory expectations, we diligently supervise the implementation and adherence to the Privacy Policy. This synergy underscores our commitment to compliance, security, and protection of sensitive data in accordance with the regulatory landscape set by Indian authorities.

At Star Health, we are unwavering in our dedication to safeguarding privacy. Our teams are ever-vigilant, ready to address any concerns or inquiries regarding privacy matters. For any queries related to privacy or to report an issue, we encourage you to promptly reach out to us at support@starhealth.in. Privacy and trust are paramount to us, and we strive to maintain the highest standards in upholding them.

ENVIRONMENT

Emissions

Scope	Unit	FY2023
Scope 1	tCO2	-

Scope 2 Location	tCO2	15,318
Scope 2 Market	tCO2	15,318
Scope 3 – Business Travel	tCO2	293.84

Energy Consumption

Energy Consumption	Unit	FY2023
Total Non-renewable Energy Consumption	Kwh	12,407,837
Total Renewable Energy Consumption	-	0
Total Energy Consumption	Kwh	12,407,837

Water

Water Consumption	Unit	FY2023
Total Water Use	Liters	1,094,650

Decarbonization Strategy

Star Health has not invested in any Coal (Coal Mining, Coal Power, Coal Infrastructure) or Oil and Gas (Tar Sands, Shale Oil and Gas, Arctic Oil and Gas, Liquefied Natural Gas, Ultra-Deep-Water Oil and Gas) companies or assets in FY2022-23.

Star Health is in the process of relocating its corporate headquarters to a cutting-edge, environmentally friendly facility that is slated to receive IGBC certification. This strategic move aligns with our broader objectives of reducing carbon emissions, enhancing resource efficiency, and reinforcing our dedication to sustainable practices.

Additionally, the digitization of Star Health's services represents a pivotal aspect of our strategic vision. This initiative empowers both internal and external stakeholders to significantly reduce paper usage, conveniently access our suite of products and services remotely, and seamlessly process claims related to medical and miscellaneous expenses through a cashless system.

Climate Governance

Climate-related matters are increasingly gaining prominence, impacting both customers and the operational landscape of Star Health. Consequently, the Board of Directors and Management have undertaken a comprehensive examination of these issues. The Board of Directors' Risk Committee convenes and discusses on climate-related matters when they assume material significance, conducting evaluations of mitigation and adaptation strategies as necessary.

Meanwhile, at the Management level, the Enterprise Risk Management Committee actively engages in discussions regarding climate-related concerns to proactively align Star Health's operational strategies with the evolving landscape of climate-related risks. Furthermore, an internal committee focused on Environmental, Social, and Governance (ESG) matters has been established, with a strong emphasis on climate-related issues and preparedness as a paramount topic for deliberation.

SOCIAL

Workforce Details

Workforce Breakdown: Gender

Diversity Indicator	Male (%)	Female (%)
Total Workforce	73%	27%
Management Position (Junior, Middle, Senior)	73%	27%
Top Management Positions	92%	8%
Junior Management Positions	72%	28%
Management in revenue - generating functions	73%	27%
STEM functions	52%	48%

Diversity Indicator	Female (%)	Year
Target - Total Workforce	30%	FY2030

Workforce Breakdown: Race/Ethnicity or Nationality

All employees at Star Health are Indian and belong to the South Asian ethnicity. However, we strictly do not discriminate against any race, caste, gender, or religion within India at any stage - recruitment, hiring, during an employee's time at Star Health, or in terms of pay.

Gender Pay Indicators

Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only)	36,40,000	77,82,086
Executive level (base salary + other cash incentives)	42,35,833	1,09,60,648
Management level (base salary only)	14,92,831	17,89,121
Management level (base salary + other cash incentives)	16,82,752	21,39,350
Non-management level (base salary only)	3,90,140	4,54,139

Indicator	Difference between men and women employees (%)
Mean Gender Pay Gap	27.96%
Mean Bonus Gap	41.35%

The primary factor contributing to the mean gender pay gap within our organization can be attributed to the disparities in compensation between women and men at the executive level. Notably, this discrepancy is largely driven by the composition of our executive leadership, where all C-Suite positions are held by men, while the Company Secretary, who is a woman, is considered an executive but not part of the C-Suite.

It is important to emphasize that at all other organizational levels, the gender pay gap is relatively small. This difference in pay can be attributed to the higher proportion of male employees, leading to a longer average tenure among males and consequently resulting in slightly higher pay due to increased experience. It is crucial to note that when considering various factors such as job tenure, performance evaluations, and job designations, Star Health maintains a commitment to being an equal opportunity employer.

In summary, the primary driver of our organization's gender pay gap is the distinct compensation patterns at the executive level. While there is a minor gender pay gap at other levels due to workforce composition, we remain dedicated to ensuring equal opportunities and fair compensation practices across all aspects of employment.

Employee Satisfaction Score

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Employee Satisfaction Score (%)	-	-	-	66%

Long-term incentives for Employees

Long-Term Incentive Program and Description	Time Period after which employees are eligible for the incentive	% of workforce covered under the Senior Management
Employee Stock Options (ESOP) - Chief Manager, Branch Managers, and Assistant Branch Manager	Longer than 3 years	23.75%
Goodwill Gesture Scheme - General Manager, Branch Manager, and Assistant Branch Manager	Longer than 3 years	11.30%

Employee Turnover Rate

	FY2019-20		FY2020-21		FY2021-22		FY2022-23	
	Male	Female	Male	Female	Male	Female	Male	Female
Total employee turnover rate	22.06%	18.95%	21.69%	17.85%	25.88%	21.91%	25.42%	24.05%
Voluntary employee turnover rate	9.53%	8.21%	9.50%	8.42%	12.34%	10.87%	14.75%	13.52%
Data coverage (as % of all FTEs globally)	100%	100%	100%	100%	100%	100%	100%	100%

All our employees are of Indian Nationality

Hiring

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Total number of new employee hires	5564	4954	4378	5649
Percentage of open positions filled by internal candidates (internal hires)	-	-	-	15
Average hiring cost/FTE Currency: INR	Rs. 8482 (INR)	Rs. 4099 (INR)	Rs. 4516 (INR)	Rs. 4713 (INR)

Hiring on Age and Gender

	FY2019-20		FY2020-21		FY2021-22		FY2022-23	
<30 years	1529	578	1575	612	1312	582	1739	778

30 – 50 years	2697	615	2087	570	1842	545	2373	641
>50 years	125	20	80	30	75	20	86	26

Absentee Rate (Calendar Year)

Absentee Rate	Unit	CY2019	CY2020	CY2021	CY2022
Employees	% of Total Days Scheduled	2.26%	1.64%	1.59%	TBA
Data Coverage (as % of employees, operations, revenue)		100%	100%	100%	100%

Freedom of Association

None of the employees are currently affiliated with an independent trade union or encompassed by collective bargaining agreements. Nonetheless, the company has established a formal grievance redressal procedure, affording employees the freedom to voice and address any concerns they may have.

Health and Safety

At Star Health, prioritizing Health and Safety within our Risk Management framework is not just a commitment but a core ethos. Our Occupational Health and Safety (OHS) framework serves as a meticulously charted roadmap that guides us in the identification, continuous monitoring, and effective mitigation of potential Health and Safety risks. Every month, the Chief Risk Officer receives a comprehensive report detailing the status of workplace incidents. This regular reporting mechanism ensures that we maintain a proactive stance in addressing any emerging concerns and making data-driven decisions to enhance our Health and Safety protocols.

In line with our unwavering dedication to excellence, Star Health's Occupational Health and Safety system adheres to ISO 22301 standards. This designation allows us to subject our OHS system and framework to external consultant audits, ensuring that we consistently meet and exceed industry benchmarks in Health and Safety. By seamlessly integrating ISO 22301 standards into our OHS framework, we not only underscore our commitment to maintaining the highest standards of safety but also demonstrate our willingness to be held to the most rigorous standards by external experts. At Star Health, Health and Safety aren't just priorities; they are woven into the fabric of our operations, ensuring the well-being of our employees and stakeholders. We have established Health and Safety targets such as 'Health and Safety Measures at Star Health Branch Offices' and will undertake further ambitious targets going forward.

Health and Safety Measures at Star Health Branch Offices

	% of Star Health Branch Offices that meet minimum safety requirements	
	FY2022-23	FY2023-24 (Target)
%	45.5%	54.5%
Number of Branches	380	455

Training and Development

Training and Development Inputs

	FY2023
Average hours per FTE of training and development	12.16 Hours
Average amount spent per FTE on training and development	Rs. 5106 (INR)

	Male	Female
Average hours per FTE of training and development	13 Hours	10 Hours
Average amount spent per FTE on training and development	Rs. 5436 (INR)	Rs. 4215 (INR)

	Senior Management	Middle Management	Junior Management
Average hours per FTE of training and development	5 Hours	14 Hours	12 Hours
Average amount spent per FTE on training and development	Rs. 29,000 (INR)	Rs. 9,500 (INR)	Rs. 4,100 (INR)

Employee Development Programs

	Program 1
Name & Description of the Program	Branch Manager Induction & Refresher
Description of program objective/business benefits	The objective of the program is to enable the Branch Heads with the required skills to meet business objectives through Sales force and to monitor agents' recruitment & SM/ Agents' productivity - thereby achieving branch targets and ensure it is a profit making centre.
Quantitative impact of business benefits (monetary or non-monetary)	1. Productivity improvement of the branch 2. Reduction in grievances 3. Increased customer satisfaction
% of FTEs participating in the program	7.4%

	Program 2
Name & Description of the Program	Sales Manager Induction & Refresher
Description of program objective/business benefits	The objective of the program is to provide the Sales Manager with right skills to meet business objectives by recruiting agents & building business, thereby contributing to his/ her branch in making it a profit-making centre.
Quantitative impact of business benefits (monetary or non-monetary)	1. Team building (Agents) 2. Service to customers
% of FTEs participating in the program	49.7%

Human Capital Return on Investment (In Crores)

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
a) Total Revenue, as specified in the "Denominator" question Currency:	4,978	5,051	10,610	12,102
b) Total Operating Expenses	4,572	6,496	12,007	11,276

Currency:				
c) Total employee related expenses (salaries + benefits) Currency: INR	856	1,245	1,428	1,615
Resulting HC ROI (a - (b-c)) / c	147%	(16%)	2%	151%
Total Employees, as specified in the "Denominator" question.	13,042	14,273	14,034	14,750

Financial Inclusion

Financial Inclusion Products & Services

Products & Services	Description	Targeted Clients	Number of Clients reached	Number of Transactions/ Contracts
Arogya Sanjeevani Policy Microinsurance	Arogya Sanjeevani Policy, provides regular hospitalization cover. This allows a discount of 20% in premium for rural customers (rural pincode)	-Individuals in rural or hard-to-reach areas -Poor and/or low income individuals	386,824	170,762
Star Women Care Insurance Policy Microinsurance	Star Women Care is specially designed for Women and her family, it provides regular hospitalization and comprehensive maternity related benefits.	-Women	79,335	53,576
Star Micro Rural Farmers Care Microinsurance	Star Micro Rural Farmers Care provides regular hospitalization cover for rural population	-Individuals in rural or hard-to-reach areas	59,955	23,226
Star Special Care Microinsurance	Star Special Care is an indemnity-oriented health policy which provides medical insurance cover for children diagnosed with Autism Spectrum Disorder. Entry age eligibility is from 3 years to 25 years.	-Other underserved groups (Individuals with health condition or impairments)	655	655

Gross Savings for Rural Customers as of FY2022-23

Insurance Product	Average Gross Premium (A)	Average Gross Claim (B)	Average Savings (B - A)
Star Health Arogya Sanjeevani Policy	Rs. 6,124	Rs. 36,541	Rs. 30,416
Star Health Micro Rural Farmers Care	Rs. 2,833	Rs. 34,058	Rs. 31,224

Non-financial Support to under-deserved groups

Non-financial Support	Targeted Clients	Quantitative Social Impact (KPI)
Technical Assistance	Young People	Our partner, Rotary Club of west madras, sponsored educational tools for students at the Madras Medical

		College to aid their learning. 250 students have benefited from this program
Technical Assistance	Individuals with health conditions or impairments	Financial and technical aid is provided for young adults who are diagnosed with an autism spectrum disorder. They will be provided with essential life skills to participate in the labor force and sustain a life for themselves. 10 individuals have benefited from this program
Business Management Tools or Training	Young People	Technical training for young adults from low socio-economic background to enable them for job opportunities. 70 individuals have benefited from this program

Customer Satisfaction

Customer Satisfaction

	Unit	FY2019-20	FY2020-21	FY2021-22	FY2022-23	Your target for FY2023
Satisfaction Measurement	% of satisfied customers	92%	88%	84%	95%	-
Data Coverage	% of customers	34%	29.8%	10.76%	11.44%	-

Retail Health Renewal Ratio (by premium)

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Retail Health Renewal Ratio (by premium)	94.5%	97.9%	94.0%	95.0%

Claims Turnaround Time

	Unit	FY2019-20		FY2020-21		FY2021-22		FY2022-23	
		<2hrs	>2hrs	<2hrs	>2hrs	<2hrs	>2hrs	<2hrs	>2hrs
Average Claim Turnaround Time	Minutes	73%	27%	86%	14%	89%	11%	90%	10%

Partners providing cashless claims for Star Health's policies

	Unit	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Partners providing cashless claim	Number of Partners	9964	10871	12820	14400