

## 7.1 GREEN DELTA INSURANCE AND SUSTAINABILITY REPORTING

WHILE A THRIVING ECONOMY HAS BROUGHT PROSPERITY AND OPPORTUNITY TO A RISING PROPORTION OF BANGLADESH'S POPULATION, THE CARBON-INTENSIVE NATURE OF DEVELOPMENT IS A CAUSE OF CONCERN. THUS, AT GREEN DELTA INSURANCE, WE ARE FOCUSED ON RESPONSIBLE AND SUSTAINABLE INSURANCE GOVERNANCE.

### Overview

The COP21 "Paris Agreement" binds governments to contain global warming well-below 2°C, and explicitly calls for active investor and institutional support to meet this objective.

The IPCC (Intergovernmental Panel on Climate Change) predicts that effects will include further melting ice and rising seas, resulting in flooding and erosion of coastal and low-lying areas. Some developing countries will be most affected, as local populations depend significantly on their natural environment and have less resources to cope with a degraded climate. Heat-related deaths and water-borne illnesses may increase. Many plants and terrestrial, freshwater and marine species are struggling to cope with a fast-changing climate and face an increased risk of extinction. Finally, local economies may suffer from increased damage to property and infrastructure, and certain industries that rely most on environmental factors, such as agriculture, forestry, energy and tourism, may face declining revenues. Hence, in December 2015, 195 countries gathered in Paris to negotiate and adopt the Paris Agreement. Countries that ratified the agreement legally bound themselves to collectively hold warming to "well below 2°C compared to pre-industrial levels" and pursue best efforts to limit warming to 1.5°C by 2100. These thresholds were chosen based on the level of destruction they entail. Indeed, the risks associated with warming are substantially lower at 1.5° C than 2° C. Bangladesh is one of the countries that is a signatory of the Paris Agreement.

More recently, the European Commission (EC) also laid emphasis on the key role that investors and corporate institutions alike are expected to play on several sustainability-related issues, not least with regards to climate change. Further, supporting relevant industry

coalitions, such as the Taskforce on Climate-Related Financial Disclosures (TCFD) or Climate Action 100+, is also gaining traction. Yet, the Paris Agreement's wider call for making finance flows consistent with a low-carbon economy also requires deeper understanding of the climate dynamics of investments. This concept- striving to align investments with the "2°C" trajectory that science and the Paris Agreement are calling for- forms the heart of the TCFD guidelines.

Yet, most investors operate in a business environment which is not fully "Paris-aligned", and where conventional or mainstream investment strategies can only lead to a world which is far above the 2°C-mark. Even though "climate-conscious" investors can proactively reorient some capital flows to make marginal improvements, they remain largely constrained by the broader industrial context trapping economies into carbon-intensive pathways. It is worthwhile to note that this is not a negative conclusion; rather, it is a measurable outlook for action.

Notably, the COVID-19 pandemic has brought forward the anxiety of the potential disruption to humanity caused by man-nature conflicts and even climate change, and hence there is an increased awareness among the general public of the need for greater environmental and sustainability consciousness.

At Green Delta Insurance, we believe that our experience- both with climate-related ("green insurance") and with the adoption of forward-looking risk metrics- provides us with a legitimate voice in the climate change control dialogue. Our conviction is that tackling climate change requires a broad transition effort that investors alone cannot achieve. All sectors and companies have a responsibility to evolve while factoring social and business impacts, and it is the responsibility of investors to identify and support

through engagement the relevant transition strategies while factoring in the financial risk. It is heartening to note that the very essence of this focus was articulated in our “SDG Report”, which is Bangladesh’s first such exclusive report that is a call to action for companies, institutions, investors and the public at large towards embracing the SDGs, launched in March 2020. We will continue to embrace all initiatives and take every action that delivers sustainability, while also giving a voice to our efforts in the realm of business continuity and sustainability.

At our Company, we recognise that climate change presents long-term risks to the sustainability of our business, as well as a range of opportunities associated with the transition to a low-carbon economy. We review the recommendations of the TCFD, which reflects both the growing expectations of our external stakeholders, and our ambition to foster capabilities to pursue the development of products and services that address the impacts of climate change. Moreover, in the face

of technological advancements and evolving customer needs, we actively embrace technology and have started to embed digital capabilities in our business model. We also continually focus towards increasing the automation of our operations in order to improve both business efficiency and customer satisfaction. This process was accelerated during the pandemic and will continue to gain traction as we look at overhauling our legacy systems and upgrade our technological platforms.

## Responsible insurance governance

Green Delta Insurance has developed a multifaceted governance mechanism covering ESG, UN SDG and climate issues, which is at the core of our operations, defining our responsible and climate-responsive insurance underwriting framework. Helping us steward and meet our objectives under our responsible insurance governance focus, we have voluntarily created a TCFD-compatible agenda, as articulated in the table below.

TCFD		Corresponding sections
<b>Governance</b>	<ul style="list-style-type: none"> <li>The Board’s oversight of climate-related risks and opportunities</li> <li>The management’s role in assessing and managing climate-related risks</li> </ul>	Governance
<b>Strategy</b>	<ul style="list-style-type: none"> <li>The climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term</li> <li>The impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning</li> </ul>	Climate-related protection through products and solutions
<b>Risk management</b>	<ul style="list-style-type: none"> <li>The organisation’s process for identifying and assessing climate-related risks</li> <li>The organisation’s process for managing climate-related risks</li> </ul>	Internal control and risk modelling
<b>Metrics and targets</b>	<ul style="list-style-type: none"> <li>Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process</li> </ul>	Deeper assessments

Source: [fab-tcfid.org](http://fab-tcfid.org)

## Meeting our socio-economic obligations

At Green Delta Insurance, we are of the firm opinion that insurance is a major catalyst for economic development and progress in society. It also plays a key role in the allocation of economic resources and the resilience of businesses and individuals in the face of risks. Our aim is to extend the scope of insurance action to reinforce its positive role in society.

Today, we continue to be driven by our enduring philosophy of safeguarding the public and public/private assets from various inherent or exigent risks through our wide range of all-encompassing insurance products and solutions. Further, we identify key shifts and trends with respect to evolving customer needs, aspirations and requirements and transform these into marketable,

affordable and accessible insurance products and solutions that find a best-fit with the broader society. Further, we also engage in identifying the wider socio-economic landscape and through our robust grassroots presence and customer intimacy we are able to develop products and services that help our policyholders protect their livelihood from adverse and uncertain events.

As a Company that is focused on sustainable insurance, we are the first non-life insurance enterprise of Bangladesh to introduce retail insurance. Leveraging our pan-Bangladesh reach through our 43 branches located in different districts of the country and strong capabilities in commercialising personalised products at scale, we achieve our imperatives in sustainable insurance, while also taking insurance at the doorstep of the masses. Some of our key retail customer-facing products include

the following:

- ✓ **Nibedita-** Comprehensive insurance scheme for women
- ✓ **Niramoy-** Micro-insurance for the rural/hinterland populations
- ✓ **Shudin-** Micro-insurance for workers in the RMG segment
- ✓ **Agricultural insurance-** Weather index-based crop insurance
- ✓ **Probashi-** Comprehensive insurance scheme for migrant workers

Further, with a view to support vulnerable communities, the Company regularly launches new products/schemes that serve this population base through insurance. For example, it launched a “Shobar Jonno Bima” campaign that issued PPA insurance to 1,000 rickshaw-pullers in Dhaka city, thus providing them with a much-needed formal protection cover in partnership with IDRA, our regulatory body.

As a Company committed to stand shoulder-to-shoulder with its customer-policyholders, it has one of the lowest settlement durations of about 5-7 days. Such a feature has enabled Green Delta Insurance to carve out a unique edge and stay ahead of the competitive curve, giving it a leadership share of the general insurance industry of the country.

Digital adoption gained rapid acceptance in Bangladesh, driven by the COVID-19 induced shutdowns that locked millions of people in their homes. Thus, the country witnessed the benefits of digital shopping, digital learning, and even conducting work digitally, comprising secular trends that are widely expected to be permanent. Identifying this shift early, we focused on enhancing our presence in the digital world and launched an app InsuMama that enables smart-phone users in the country to easily purchase an insurance policy from the comfort of their homes. Launched in December 2020, the app has witnessed an encouraging number of downloads, something that we see will gain rapid momentum once the public recognises how easy and simple it is to purchase an insurance policy online. One of the other major reasons for launching the app comprised the need to ensure that insurance is available to the maximum public in all the corners of the country.

### Working towards our socio-environmental goals

Environmental sustainability has always remained at the forefront at Green Delta Insurance, and we strive to minimise the impact of our activities on the environment and develop products that contribute to

a more environmentally-conscious world. Importantly, our long-standing environmental policy enshrines our commitment to the environment. It outlines our strategy and commitment to optimising our use of natural resources, reducing waste and emissions, and preventing pollution, while complying with all applicable regulatory guidelines. Further, with a view to prevent environmental degradation, we take a precautionary approach when assessing the impacts of new products and services, in line with our environmental policy and our broader commitment to the environment.

As part of our sustained initiatives in addressing challenges in a collaborative way, we actively participate in industry associations and other symposiums with the goal of facilitating the long-term, sustainable growth of the insurance industry across Bangladesh, as well as fostering awareness of the crucial role of insurance in public life. Further, we also extend our expertise to coordinate with several working groups and other associations on harmonising resource conservation, optimising carbon emissions and maximising health and safety towards sharing best practices and also learning from the best practices of others. We also focus on strategically hiring talent with the knowledge, skills, aptitude and behaviour that identifies with our environmental management strategy and systems, as a part of our green recruitment initiatives. Such recruitment practices lend credibility to our efforts on environmental management by also ensuring that new recruits are sensitised to our environmental culture and are capable of upholding our ethos and values.

Some of our major and impactful environmental best practices include the following:

- ✓ Promoting use of both sides of the paper, especially while photocopying documents
- ✓ Augmenting recycling through paper shredding and reuse of waste paper
- ✓ Reusing corrugated boxes to ensure minimum waste sent to the landfill
- ✓ Limiting the use of colour printing
- ✓ Printing in draft mode that enables lower ink consumption
- ✓ Use of recycled toner and ink to lower our metal and plastic waste to landfills
- ✓ Distribution of office memos via email
- ✓ Online storage and archival of manuals, policies and other documents
- ✓ Reduced paper margins that lessen the overall use of paper

- ✓ Changes in thermostat temperatures as per the season to ensure optimal electricity consumption
- ✓ Turning-off the lights when not in use
- ✓ Unplugging vending machines when not in use, thus enabling electricity conservation
- ✓ Unplugging computers and other electronic devices when not in use
- ✓ Increased preference for laptops over desktops, as these are generally more energy-efficient

Driven by the pandemic, digitalisation of our approval processes has had a remarkable impact on paper consumption and this furthers our objectives in fostering a less-paper and eventually paper-less office environment. Moreover, with a view to mobilise our employees to support our green and environmental objectives, we have focused on embedding green practices as a part

of our corporate culture. Thus, we align employee KPIs with the organisation's green goals, which has also raised environmental consciousness among our people.

### Green Delta Insurance and the SDGs: Our manifesto for a better world

At Green Delta Insurance, our community investment strategy is closely aligned with our business purpose and with our stakeholders' concerns and interests, and is focused around the principal themes of social inclusion, education and skills development, disaster preparedness and employee engagement. Further, we also take an active approach in helping tackle environmental and social challenges, while also equipping vulnerable communities with resources that enable them to overcome their challenges. Our strong ongoing contribution, harnessing the commitment of our people, continues to foster improvement in lives and building communities, wherever we work.

## Identifying our material social issues



## The impact we create through the SDGs



### People

We empower our teams to achieve excellence in an inspiring diverse and empowering environment.

- Employee development through offering knowledge and opportunity
- Respects for human rights
- Focus on diversity, inclusion and well-being



### Community

We strive to usher positive change and make a difference to our communities, every day.

- Health and education
- Community investment
- Resource distribution and disaster relief



### Environment

We work to achieve a positive environmental impact through our products, our culture and our grassroots awareness programs.

- Less-paper environment
- Water and energy conservation
- Carbon footprint contra



### Integrity

We are guided by our ethical frameworks and have zero tolerance to deviations.

- Ethics and compliance
- Whistle-blower mechanism
- Anti-corruption



### Innovation

We are driven by intelligent ideas that further causes that support.

- Sustainable product design
- Scalable and sustainable solutions



### Vendor-Partners

We are building capabilities of our vendor-partners, contributing to their sustainable growth and expansion.

- Knowledge sessions
- Training and development
- Exposure to best practices



## SDG #1: No Poverty

Green Delta Insurance directly contributes to realising the vision of “No Poverty”, given that employment creation and employee compensation and benefits comprise the Company’s core objective in human resource management.

The Company works hard to foster employment generation every year and improve compensation and benefits packages for its employees. Further, despite the economic impact of the pandemic, we continued to honour the sanctity of the “social contract” we share with our employees by ensuring no loss of jobs and also no reductions or cuts in remuneration. We also disbursed bonus due to our employees for 2020. We have embraced a long-term view on employment and believe that our people will be central to the recovery of business in 2021 and beyond, and extending support in their hour of need is not only about showing solidarity with them, but also about good and credible business practices. Beyond direct employment, the company also looks to open up indirect job opportunities, most notably through its agents and other small companies associated with it.

## SDG #3: Good Health and Well Being

Green Delta Insurance places unparalleled importance to assure the good health and well-being of its employees. Aligned with this aim, the Company provides a clean, hygienic, spacious, temperature-controlled workplace environment. Further, the Company extended full institutional support to employees during the challenging times of the lockdown, especially frontline workers who had to be on office premises. We not only ensured adherence to all safety and hygiene protocols as stipulated by regulatory guidelines, but also went a step ahead through close monitoring and grievance redress directly by our top management. Further, we also equipped our members with the tools and insights to ensure smooth remote operations, while also organising many virtual events, including yoga, meditation and wellness sessions, as also learning modules, that not only ensured positive productivity but also gave them comfort that they are a part of an extended family.

Also, with a direct grassroots network, we extended community outreach by distributing safety kits, including masks, sanitisers, etc., while also raising awareness about precautionary measures needed to be adopted against the virus. Thus, we humbly fulfilled our role in public safety and well-being.

In terms of our health insurance products, we are the largest health insurance company in the private sector in Bangladesh. Further, under our SSK (Shasthyo Suroksha Karmasuchi) platform in partnership with the government, we also offer micro health insurance to those living below the poverty line, covering a few major hinterland districts of the country. Also, as a Company that stands with its customers in the “moment of truth”, we fulfil our commitment through settlement of health claims with speed and sensitivity. Further, under the Company’s group health insurance policy, it also settles claims arising out of meeting the health expenditure of its employees.

## SDG #4: Quality Education

The insurance industry requires knowledge specialisation since it deals with the qualitative and quantitative appraisal of a diverse variety of risk. The Company provides a number of learning, skills development and capacity-building opportunities both through online and offline means. Especially during the pandemic, the Company exposed its people to several online knowledge sessions for them to keep abreast of global developments in the insurance industry and also the impact of COVID-19 on the sector. Learning opportunities were also provided for our people to understand the shifts in the insurance sector and how we could adjust and adapt to the new normal.

As a public-facing Company, we understand that insurance generates specialist employment which could be useful for the youth of our country. Hence, the Company established Professional Advancement Bangladesh Ltd. (PABL), which was established as a strong educational institution that would provide cutting-edge education on insurance to students so that they become industry-ready and find gainful employment. Today, PABL has emerged as a force for good, providing extensive insurance training and capacity-building services and workshops. PABL has also collaborated with such international bodies as the Chartered Insurance Institute (UK), Insurance Institute of India, etc., which are globally-recognised bodies. These collaborations have enabled PABL to develop a modern academic curriculum and educational pedagogy that is not only current but also compatible with global standards.

As a measure of corporate philanthropy, the Company also provides scholarships to meritorious students so that they can continue with their learning journey.

## SDG #5: Gender Equality

Green Delta Insurance is focused on meeting the overarching agenda of female empowerment and building a fair, equal and equitable society. The Company envisages a future where women can participate in, contribute to and gain from the mainstream economy. The Company recognises the shifts in the aspirations of women and is focused on catalysing this trend.

The Company achieves gender equality through its holistic insurance platform- Nibedita- that fulfills the needs of women customers. In fact, the Company is perhaps the only in the insurance industry to offer an exclusive insurance platform to its women customers.

Furthermore, Green Delta Insurance encourages diversity and almost 21% of its workforce today comprises women. By prioritising gender-balanced recruitment, the Company has demonstrated the benefits a Company can accrue because of a balanced workforce. Importantly, helmed by an SDG pioneer, Ms. Farzanah Chowdhury (MD & CEO of Green Delta Insurance), she has set a leadership tone that nurtures diversity and inclusivity. Some of the ways by which the Company sustains gender parity includes the following:

- ✓ Equal pay for work of equal or comparable value
- ✓ Removal of barriers and equal participation of women in the workforce
- ✓ Access to all leadership roles, regardless of gender
- ✓ Elimination of discrimination on the basis of gender

### SDG #6: Clean Water and Sanitation

Green Delta Insurance understands that water is a very valuable resource and hence considers its preservation and conservation as a top priority. Across the organisation, the Company tries in every way possible to ensure that employees are sensitised on water use. Further, the Company has also installed modern and easy-to-use faucets across washrooms to ensure no unnecessary water wastages. As a Company conscious of its responsibility in preserving precious resources, it also engages in regular maintenance to fix leakages in water taps, etc.

### SDG #8: Decent Work and Economic Growth

As a Company that focuses on meeting the expectations of employees to realise its ambitions, it offers a fair and decent workplace environment while fostering a culture that is based on collaboration and winning together. The Company also provides a challenging and inspiring work atmosphere where people can thrive and build their careers for the long-term. Further, the Company also offers fair compensation, remuneration and other benefits, which not only sustains human resource productivity but also provides commercially-sound work propositions.

### SDG #9: Industry, Innovation and Infrastructure

By the very intrinsic nature of Green Delta Insurance's business, it contributes to the three major pillars of economic growth, including industry, innovation and infrastructure. The Company provides a holistic range of personalised insurance products and solutions that meet the requirements of the industrial landscape of the country.

Further, the Company considers innovation to be a major thrust in not only staying ahead of the competitive curve, but also to ensure that sustainable value is created for all customers. There is case-after-case of how the Company has created pioneering and innovative insurance products that have met both the stated and unstated needs and expectations of its customers.

### SDG #10: Reduced Inequalities

Green Delta Insurance helps tackle inequalities in two ways. One, by ensuring a fair and meritocratic workplace environment that is beyond gender disparity. Through this way, the Company ensures that work and performance gain precedence over everything else. Second, the Company focuses on raising awareness among the society of the need for a balanced and

equitable community environment when everyone has an equal chance to succeed. Further, by embracing the themes of women empowerment, the Company fulfills its role as a champion for women equality.

### SDG #12: Responsible Consumption

As a Company that is conscious of its role in society, it fosters responsible and sustainable resource practices. Within the office premises itself, the Company engages in a mission to raise awareness among its employees of the need for resource conservation. By inculcating such a culture, we ensure that we draw only as much as we need, while also focusing on reducing our intake as much as possible.

### SDG #16: Peace, Justice and Strong Institutions

The Company emphasises on a business conduct that others can be proud of. Thus, it provides extensive training to its people on adherence to its well-articulated code of conduct. Further, it also ensures that deviations are dealt with swiftly through a zero-tolerance policy.

### Living up to our good governance promise

Green Delta Insurance's Code of Business Conduct details our required Standards of Business Conduct to be used across the extended Group and covers our employees and individuals or organisations acting on our behalf. The Code sets out our values around ownership, partnership and stewardship, and the personal standards we adhere to in the areas of:

- Avoiding conflicts of interest
- Managing information
- Ensuring equality for our people

Further, our anti-bribery and corruption policy covers our values for reputation, ethical behaviour, transparent business conduct and reliability. As an organisation we are focused on financial practices that align to those values and we prohibit corruption or bribery within our working practices. Besides, our customer commitment charter covers our key pledges and obligations to our customers. These include:

- Treating customers fairly, openly and honestly
- Providing and promoting a wide range of products and services that meet customer needs, are easy to understand and deliver real value
- Maintaining the confidentiality of customer information
- Providing high standards of customer service and monitor these standards rigorously, aligned with our "customer first" brand commitment
- Ensuring that our complaints processes provide an effective and fair means of resolution