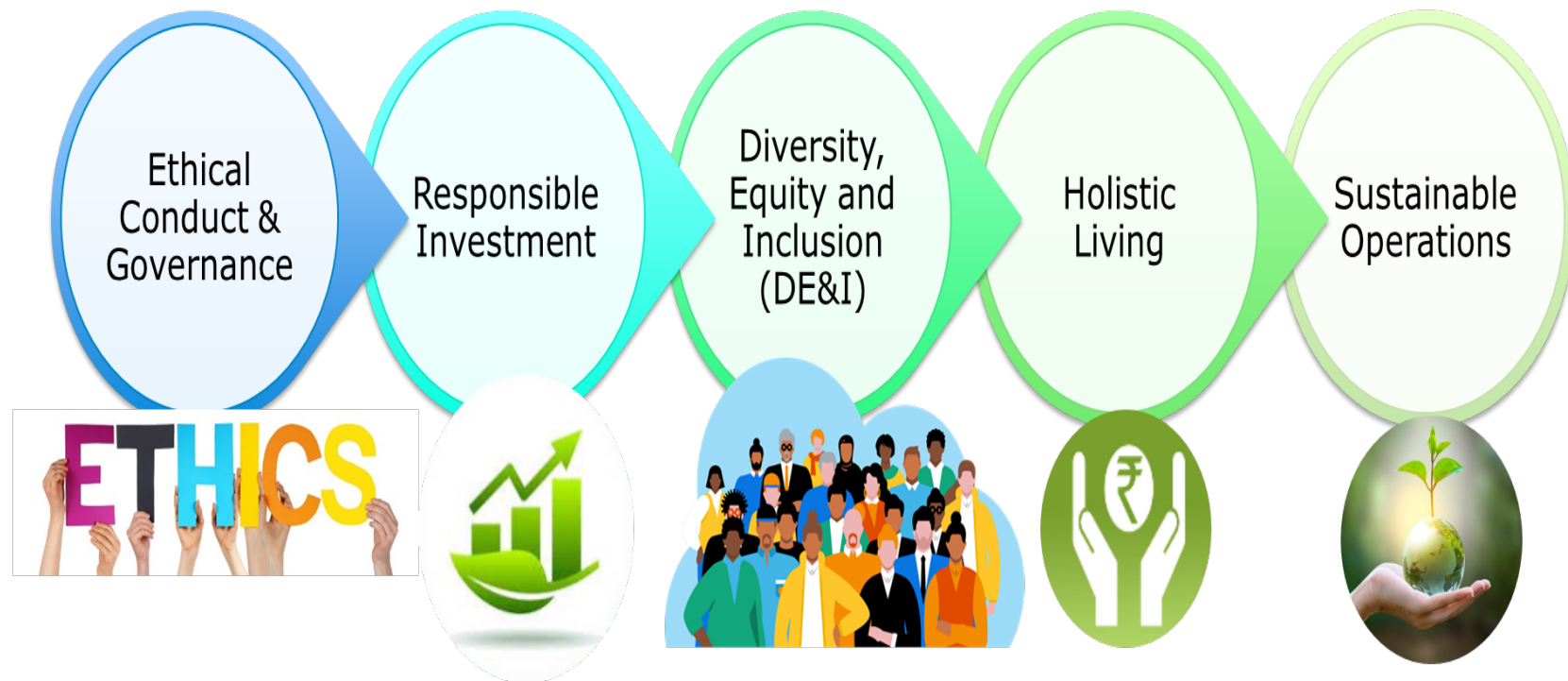


ESG at a Glance

5 Pillars of ESG



ESG Score Highlight: HDFC Life scored **39** in the **2023 S&P Global Corporate Sustainability Assessment** reflecting an improvement of **25 points** over the last 4 years

Ethical Conduct & Governance

Leadership Oversight on ESG

- ESG governed by the Board **CSR & ESG Committee** and driven by the **ESG Management Committee** and cross functional teams
- Performance Management based on the principles of **Balanced Scorecard**; covers the Organization's performance on financial, market / customer, people, **sustainability** and operational aspects.

Governance Structure

Board Composition

- **Six** Independent Directors
- **Two** Non-Executive Non-Independent Directors

Board Diversity

- **Two** women directors on Board

Remuneration Policy

- Seeks to balance the fixed and incentive pay
- **ESOPs** based on the recommendations of NRC
- **Clawback & Malus provision**

Risk Management

- Risk oversight by Senior Management & Board of Directors vide **Risk Management Council** and **Risk Management Committee** respectively
- Modes of Risk Awareness - Trainings, E-mailers, Seminars, Conferences, Quizzes and Special awareness Drives
- Business Continuity Management (**BCM**)-Recovery plan for critical business activities in place
- Enterprise Risk Management (**ERM**) framework
 - 'Three Lines of Defense approach'
 - Reviewed and approved by the Board
- ESG risks including Climate change, etc. included under **Emerging risks** category of the ERM Framework
- **Materiality Assessment** conducted as per GRI Universal Standards 2021

Ethical Conduct & Governance (contd.)

Information / Cybersecurity

- Risk oversight by Board **Risk Management Committee** and risks reporting done on a quarterly basis
- Modes of Risk Awareness –
 - Annual mandatory training for all employees
 - Security workshops and case study discussions
 - Specially curated programs and sessions for senior leadership
 - Monthly awareness mailers
 - Security posters and leaflets
 - Phishing Simulation Campaigns
- Dedicated helpdesk and email id's for reporting on the breaches
- Information security controls modelled in line with –
 - **ISO 27001** standards
 - IRDAI mandated cyber security guideines

Policies and Frameworks

- Anti-bribery & Anti-corruption Policy
 - Anti Money Laundering (AML) Policy
 - Board Diversity Policy
 - Code of Conduct
 - Corporate Governance Policy
 - Data Privacy Policy
 - Investor Grievance Policy
 - Responsible Investment (RI) Policy
 - Stewardship Policy
 - Tax Policy
 - Whistleblower Policy
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- Corporate Social Responsibility (CSR) Policy
 - Diversity, Equity and Inclusion (DEI) Policy
 - Human Rights Policy
 - Policy for Prevention and Redressal of Sexual Harassment (PRSH)
 - Supplier Code of Conduct
 - Health & Safety Policy
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- Environment and Climate Change Policy
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Responsible Investment

Responsible Investment Policy



Objective

To generate optimal risk adjusted returns over the long term



RI framework

- **RI and stewardship policy** in place
- Applicable to all **major asset classes**
- **Head of Research** ensures that ESG is incorporated into overall Research and Investment process
- ESG issues covered **in voting process**

Asset classes covered under RI

- Equity and equity related securities
- Alternate Investment Funds (AIFs)
- Investment Trusts
- Corporate Bonds
- Government Securities

Responsible Investment Governance

A **ESG Governance Committee** at the investment team level comprises of Chief Investment Officer, Head of Fixed Income, Head of Research, Fund Manager of ESG Fund and dedicated ESG research analyst

Sustainable Equity Fund

What is Sustainable Equity fund & why invest in it?

This fund shall seek to generate returns from investing in companies with high ESG standards and commensurate score, create value for all stakeholders with lower risks & generate sustainable long-term returns.

Exclusion criteria included in the RI Policy

Companies engaged in the business of tobacco, alcohol, controversial weapons and gambling shall be excluded from the Sustainable Equity Fund

Exclusion criteria aligned with the exclusion policy followed by Nifty 100 ESG Index

Became signatory to **United Nations – supported Principles for Responsible Investment (UN-PRI)**

Prepared and Submitted **1st UN-PRI report** (voluntary) for **CY-2022**



Diversity, Equity and Inclusion (DEI) & Employee Engagement

Special Recognition



- **Great Place to Work recognitions:**
 1. Asia's Best Workplaces 2023
 2. India's Best Companies to Work for 2023 (10th rank)
 3. India's Best Workplaces for Millennials 2023
 4. Best workplaces for Women 2023
- **Top 100 Best Companies for Women 2023** and **Exemplar of Inclusion 2023** by Avtar & Seramount

- **Brandon Hall Excellence Awards 2023** – Gold award for 'Best Blended Learning Program'

Attracting talent

- **Hybrid work model** and flexi hours to attract gig workers
- Robust **employee referral schemes**
- **Hire–train–deploy** model through tie-up with reputed learning institutions
- **HR tech:** in-house application tracking system

Training & development

- **Career coaching** and development interventions; woman mentoring
- **Mobile learning** app for self-paced learning
- **Training for all** including employees, contractors, channel partners / **Virtual product training**
- **Skill Up Microsite** – A curated online training programs from reputed universities
- Average hours of training per year per employee: **60.2 hours**



Employee engagement

- **Emotional and well being assistance** program for employees and their families
- **Doctor on Call:** Unlimited free consultation
- **E-Sparsh:** Online query & grievance platform
- Family integration programs; launched Academic & Special Excellence Award for children
- Platform for employee engagement: CEO Speaks, HDFC Life Got Talent, e-appreciation cards
- Leaders and expert sessions to create awareness on various topics of inclusion

Talent management/retention

- Launched Leadership Edge for mid-management
- **Special programs for campus hires**
- **Career microsite, job portal**
- **Leadership pathways** for senior management
- **STRIDE** for HI-PO employees
- **Managers Transformation League** – Leadership development program for middle management
- **New Manager Boot Camp** – Leadership development program for First Time Managers
- Long term incentive plans in the form of **ESOPs¹** and cash to attract, retain and motivate good talent
- Elaborate **succession planning** for Key Managerial Personnel, critical senior roles

Employee diversity, equity & inclusion

- 'Celebrate You' programme ingrains DEI philosophy across policies, communication, leadership development and workforce culture
- 26.3% **women** employees
- Employee Resource Groups (**ERGs**) – Women in Insurance, Life of Pride, Happiness at work and Wellness & Wellbeing to create a more inclusive workplace
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled) – Punaragaman & #MyJobMyRules, Shakti – Acid attack survivors hiring initiative
- Official DEI page on our website highlighting various initiatives
- **Gender transition surgery** covered under mediclaim policy
- Launched **Emotional and Mental Well-being Policy**



Gender neutral

- **Dress code policy**
- **Adoption policy** – Use of terms like primary and secondary caregiver instead of using terms like parents, mother/father, man/woman
- **Mediclaim policy**



Employee Satisfaction Score (ESAT) – 86%

1. ESOPs: Employee Stock Options

Holistic Living: Delivering superior customer experience

Customer Centricity

Journey simplification – frictionless sales and service



Simplifying buying journeys through **platforms** like LifeEasy (online term purchase)



Online claim processing for eligible customers via EasyClaims platform

Document simplification & elimination



OCR: Enabling digital document submission and verification



Straight through processing of maturity payouts for verified accounts

Leveraging advanced technologies for personalization and better customer experience (CX)



Cognitive bots – policy queries answered within 2-3 clicks



Personalization – Pre-approved sum assured for customers based on risk profile

Contactless services- new normal



Digital Life Certificate for collecting survival proof from senior citizens



Contactless branches by leveraging face recognition technology

Enhancing Customer Experience through our CX Program, based on 5 focus areas:

1. Enabling a customer centric culture within the Organisation
2. Creating new and simple Product propositions
3. Seamless Customer Journeys
4. Simplified Communication
5. Use of Technology and Analytics

Customer Satisfaction Score (weighted average of FY 22-23) – **90.7%**

Ranked no. 1 in the industry wide Customer Experience NPS study by Kantar

1. OCR: Optical Character Recognition

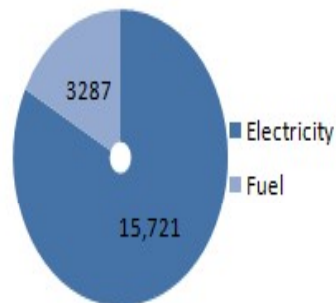
Sustainable Operations

Policies & Frameworks

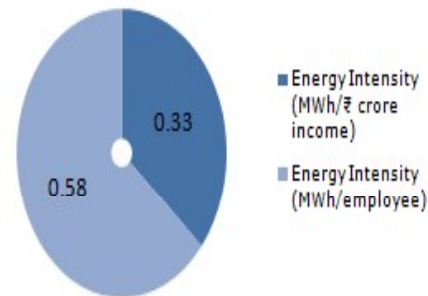
- Boar approved [Environment & Climate Change Policy](#), serving as a guideline for understanding and managing our environmental and climate risks, impacts and opportunities
- Climate-related performance disclosed in accordance with the **TCFD** (Taskforce on Climate-related Financial Disclosures) framework
- GHG inventorization conducted as per **Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard** (revised edition)

Climate Impact

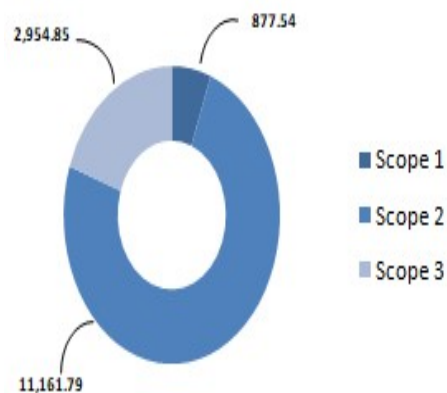
Total Energy Consumption (MWh)



Energy Intensity Ratios



GHG emissions (t CO₂ e)



Performance Overview

• Reducing Carbon Footprint

- Planted **81,700** saplings and developed **6** Miyawaki city forests (home to over 52 species) under various CSR initiatives
- Installed **80.9 kWp** solar panels in 2 schools and 11 government hospitals, capable of generating over **one lakh** units annually and off-setting **89.9 MTCO₂e** as part of CSR initiative
- Procured **FSC** (Forest Stewardship Council) certified eco-friendly paper made from wheat straw (agro waste) to reduce consumption of virgin paper

• Waste Management & Circularity

- Recycled / Disposed **9.6** tonnes of E-waste, **7.1** tonnes of Paper waste and **1.1** tonnes of Plastic waste

• Energy and Water

- Purchased **530.8 MWh** of electricity produced from renewable sources (wind energy)
- Installed **28** new water purifiers till date (31st Mar'23) to replace bottled drinking water
- **Water Body Rejuvenation:** Restored 4 water bodies in Maharashtra and Delhi-NCR covering 34 acres of area as part of CSR initiative, which will to increase in water holding capacity, groundwater recharge and improvement in the ecology

• Digitization

- Issued dematerialised (Demat) accounts for 30.5% new insurance policies; encouraging policyholders to opt for Demat or online copies of their policy documents

1. All the numbers are as of 31st March, 2023 unless mentioned otherwise