



HDFC Life Insurance Company Limited

HDFC
Life
Sar utha ke juyo!

Building for the Future



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About The Report

At HDFC Life ('We', 'Us' or 'the Company'), we continue our relentless efforts to create sustainable value by ingraining integrated thinking in our policies, processes and decision making. We are committed to disclosing relevant non-financial information, with the highest standards of transparency and integrity enabling all our stakeholders to take well-informed decisions. We embarked upon our ESG Reporting journey in 2020-21 with the publication of our first ESG Report. Continuing the journey, we are delighted to present our third ESG Report for the financial year 2022-23. This report contains our ESG performance and explains our holistic value creation model, our material matters determined through engagement with stakeholders, our ESG pillars, and corporate governance structure along with robust risk management framework that is the backbone of our business.

Reporting Boundary

This report discloses the non-financial information, on a standalone basis and performance of the Company for the year from April 1, 2022 to March 31, 2023.

Materiality Determination

This report includes information which is material to all stakeholders of the Company and provides an overview of its business and related activities. In FY 2022-23, we have reassessed our material matters through undertaking a materiality assessment aligned with GRI 2021. While evaluating the material concerns, we have considered our operational surroundings, including legal and regulatory compliance, industry trends, and risk framework.

Responsibility Statement

This Report is a concerted effort of the Senior Management of the Company and the ESG team along with various cross-functional teams. The senior management collaborated to prepare, present, and validate the information in this Report.

ESG Management Committee Approval

The Committee acknowledges that it has exercised its collective efforts in the preparation and presentation of this Report and assumes responsibility for upholding its integrity. According to the Committee, this Report addresses material concerns pertaining to us and provides a fair and balanced view of the Company's ESG performance.

Assurance

Price Waterhouse Chartered Accountants LLP has provided limited assurance on agreed / identified sustainability indicators, in line with the International Standards on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". Refer to the following link for the detailed Assurance Report: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/financial-information/annual-reports/Signed-Assurance.pdf>



Corporate Information

Board of Directors

Mr. Deepak S. Parekh
Chairman

Mr. Keki M. Mistry

Ms. Renu Sud Karnad

Mr. VK Viswanathan

Mr. Prasad Chandran

Mr. Sumit Bose

Mr. Ketan Dalal

Ms. Bharti Gupta Ramola

Dr. Bhaskar Ghosh

(Appointed w.e.f. April 26, 2023)

Ms. Vibha Padalkar
*Managing Director and
Chief Executive Officer*

Mr. Suresh Badami
Deputy Managing Director

Mr. Niraj Shah
*Executive Director and
Chief Financial Officer*
(Appointed w.e.f. April 26, 2023)

Executive Committee

Ms. Vibha Padalkar

Mr. Suresh Badami

Mr. Niraj Shah

Mr. Prasun Gajri

Mr. Narendra Gangan

Mr. Vibhash Naik

Mr. Vineet Arora

Mr. Rangarajan BN

Ms. Eshwari Murugan

General Counsel, Chief Compliance Officer and Company Secretary

Mr. Narendra Gangan

Corporate Social Responsibility and ESG Committee

Mr. Deepak Parekh

Mr. Prasad Chandran

Ms. Vibha Padalkar

Mr. Suresh Badami

ESG Management Committee

Mr. Niraj Shah

Mr. Narendra Gangan

Mr. Prasun Gajri

Mr. Vibhash Naik

Mr. Vishal Subharwal

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CIN: L65110MH2000PLC128245



The World of HDFC Life

HDFC Life Insurance Company Limited ('HDFC Life') is a listed Life Insurance Company promoted by Housing Development Finance Corporation Limited (HDFC Ltd.), India's leading housing finance institution and Abrdn (Mauritius Holdings) 2006 Limited, a global investment company. Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health.

As on March 31, 2023, the Company had more than 60 products (including individual and group products) and optional riders in its portfolio, catering to a diverse range of customer needs. HDFC Life continues to benefit from its presence across the country having a wide reach with 498 branches and additional distribution touchpoints through several new tie-ups and partnerships. The count of our partnerships is greater than 300, comprising traditional partners such as Non-Banking Financial Companies (NBFCs), Micro Finance Institutions (MFIs) and Small Finance Banks (SFBs) and including new-ecosystem partners. The Company has a strong base of financial consultants. As on March 31, 2022, the promoters - HDFC Ltd. and Abrdn (Mauritius Holdings) 2006 Limited - hold 48.7% and 1.7% respectively in HDFC Life. The balance equity is held by public shareholders.

Our Vision

To be the most successful and admired Life Insurance company, which means that we are the most trusted Company, the easiest to deal with, offer the best value for money and set the standards in the industry.

'The most obvious choice for all'.





The World of HDFC Life



Our Values

Our organisational values characterise the following behaviours

- Excel in every action with an aspiration to be the best in the industry
- Respect your colleagues and contribute towards an engaged work environment
- Conduct in a manner that is consistent with the Company's code of conduct and demonstrate accountability for all professional actions
- Keep policyholders' interest at the core and deliver on all commitments
- Proactively align all actions towards achieving organisational goals

Our Parentage and Subsidiaries

Our Parentage

HDFC Ltd. was promoted in October 1977 as a public limited Company specialising in providing housing finance to individual households and corporates for the purchase and construction of residential housing. HDFC Ltd. is India's first retail housing finance company and is currently one of the largest originators of housing loans in the country. HDFC Ltd. had mortgage loan assets under management of ₹ 7.2 lakh crore as on March 31, 2023. Since inception, HDFC Ltd. has financed 1.02 crore housing units.

About 66% of shareholders in HDFC Ltd. are foreign investors. HDFC Ltd.'s market capitalisation as on March 31, 2023 stood at approximately \$ 59 billion. Over the years, the HDFC Group has emerged as a leading financial conglomerate in India with a presence in banking, life and general insurance, asset management, venture capital and education finance segments.

Abrdn (Mauritius Holdings) 2006 Limited (formerly Standard Life (Mauritius Holdings) 2006 Limited) is a wholly-owned subsidiary of Abrdn plc

(formerly Standard Life Aberdeen plc). Abrdn's purpose is to enable clients to be better investors. The business is structured around three distinct vectors - Investments, Adviser and Personal - focussed on clients' changing needs. Abrdn manages and administers £500 billion of assets for clients*. Abrdn also has significant holdings in Phoenix in the UK, HDFC Asset Management and HDFC Life in India, and Heng An Standard Life in China.

Our Subsidiaries

HDFC Pension Management Company Limited ("HDFC Pension")

HDFC Pension Management Company Limited ("HDFC Pension"), a wholly-owned subsidiary of HDFC Life Insurance Company Limited, started its operations in August 2013. The Company has nearly 15.2 lakh customers as on March 31, 2023.

It is the fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 60% in AUM) with an AUM of ₹ 45,397 crore as on March 31, 2023. In FY 2019-20, HDFC Pension started its operation as a Point of Presence (POP) in both retail

and corporate NPS segments. We open National Pension Scheme (NPS) accounts through our Point of Presence (POP) channel. The Company closed FY 2022-23 with over 2,000 Corporates and over 2.4 lakh NPS customers.

HDFC International Life and Re Company Limited ("HDFC International")

HDFC International Life and Re, has successfully completed seven years of operations and is steadily building experience in GCC and the broader MENA region.

HDFC International has been working with ceding insurers to provide reinsurance support for individual and group reinsurance programs.

During FY 2022-23, HDFC International generated Gross Written Premiums (GWP) of \$ 17 million, registering a 10% growth. For the period under review, HDFC International reported a Net Profit of \$ 0.4 million. Further, S&P Global Ratings assigned its "BBB" insurer public financial strength rating on HDFC International for fifth consecutive year during the year.

HDFC International has received approval from the concerned regulatory authority to establish a branch in GIFT City which will enable the company expand its global presence.

* Figure as at December 31, 2022



The World of HDFC Life

FY 2022-23 at a glance

16.5%

Private market share based on individual WRP; Ranked amongst the top 3 life insurers across individual and group businesses

₹ 57,533 crore

Total premium

₹ 3,674 crore

Value of New Business (VNB)

27.6%

New Business Margin (NBM)

₹ 1,360 crore

Profit After Tax

₹ 39,527 crore

Indian Embedded Value

19.7%

Return on Embedded Value

203%

Solvency margin

₹ 2.4 lakh crore

AUM
(as on March 31, 2023)

₹ 11 lakh crore

New Business Sum assured

10.5 lakh

Number of individual policies issued

87%

13M Persistency*

99.7%

Overall claim settlement ratio

> 6.8 crore

Lives insured

> 60

Products

32,448

Employees

11.45 lakh

Lives being touched through CSR initiatives
14 out of 17 UN SDGs covered

* For individual business; Excluding single premium and fully paid up policies



Building for the Future

The year gone by, has put the world to test, from geopolitical conflict to soaring inflation to COVID-19 resurgence to climate change.

Uncertainty became a new constant in our daily lives, underlining the need to look beyond today and take steps towards **building for the future**. At HDFC Life, we believe that to stay ahead of the curve, we must continue to reinvent ourselves, adapt to changing realities and turn uncertainties into opportunities.

We achieved this by leveraging our strengths to offer best-in-class customer experience (CX). We spotted new growth opportunities, built a robust and diversified distribution network, and tweaked our systems and processes to create a sustainable, agile, and future-proof architecture that will further drive growth.

In today's fast-paced world, customers' needs and their interactions with brands have transformed exponentially. With multiple choices and an unpredictable economic environment, we strongly believe that a good customer experience goes beyond product or service touchpoints. It is about understanding and valuing what motivates customers, their perception of a brand, and their life goals. Our goal is to adopt a customer-first approach and simplify our product communication, providing frictionless journeys, and designing products backed by consumer research. Such an approach requires an organisation to be dynamic, agile, and nimble.

Over the years, HDFC Life has moved away from a traditional organisational structure, by focussing on co-creating business solutions with our business units, technology functions and partners. We have also expanded and diversified our distribution footprint, organically and inorganically and increased collaboration with partners, with the common intent of tapping multiple growth opportunities.

Our dynamic distribution machinery is backed by a resilient risk-management framework and data-driven decision-making process, enabling us to deliver sustained growth while maintaining business quality. Over time, we have built our operating model on two pillars - cutting-edge tech architecture and empowered human capital.

We learnt early that the ability to adapt is the key to survival and sustained growth. HDFC Life has therefore embarked on a journey to reimagine tech architecture powered by automation, analytics, AI/ML, and cloud. These initiatives will further improve efficiencies, enabling optimum utilisation of data and assets and ensuring quicker response time to enhance customer experience.

We understand that our organisational culture needs to evolve in tandem, to fully leverage these developments. At HDFC Life, we promote a culture of excellence and collaboration through capability development programmes, and career growth opportunities through cross-functional experiences, all aimed at creating a future-ready organisation.

As we move forward, we will continue to build a robust business model by capitalising on market opportunities and addressing customer needs in real time. Led by a tech-enabled transformation and product innovation, we will continue to diversify our business and adapt to changing times - thus, building for the future.





From the desk of MD and CEO



We closed the year FY 2022-23 on a strong note. The Company recorded 27% growth* year-on-year, with a market share of 16.5% and 10.8% in the private and overall sector respectively, clocking expansion of 40 and 70 basis points respectively. We continue to grow faster than the private industry and be ranked amongst the top three life insurers across individual and group businesses, consistently demonstrating market leadership through profitable growth. We are also delighted to be ranked¹ 10th amongst India's Best Companies to Work for 2023 (Top 100) by Great Place to Work.



Dear Shareholders,

The year gone by was a challenging one, both at a global macro level as well as at an operating level. However, as we step into the new financial year, I am as enthused about the opportunities that lie ahead as I was ever before. We have a long runway for growth ahead and an unfinished agenda of ensuring every Indian has adequate life insurance coverage.

*based on Individual WRP

¹Awarded in June 2023



Reflections

FY 2022-23 was a year where many unforeseen scenarios played out. The world witnessed many headwinds from geopolitical conflicts to unprecedented interest rate increases by central banks to tame inflation. Despite these challenges, the Indian economy demonstrated resilience and remains poised to be one of the fastest growing economies in the world for the foreseeable future.

Last year, the Indian life insurance sector witnessed multiple changes on the regulatory front; but the growth story ahead remains intact. Factors such as lower insurance coverage, favourable demographics, increasing life expectancy and increasing awareness amongst consumers regarding financial protection augur well for the industry. Further, higher life expectancy also implies higher need for retirement planning and thus along with life insurance, the retirement space also continues to be a large opportunity in India. Our objective is to tap these opportunities through innovative product offerings and widen our reach through a diversified distribution network.

One of the key developments is that the RBI has permitted HDFC Bank or HDFC Ltd. to increase their shareholding in HDFC Life to more than 50% prior to the effective date of the merger, thus clearing any uncertainty around HDFC Bank's eventual shareholding in us. HDFC Limited has ably supported our growth journey so far and we look forward to continued promoter support from the HDFC Group as we

deepen collaboration with our parent to be, with the objective of creating value for all stakeholders.

Business review

We closed the year FY 2022-23 on a strong note. The Company recorded 27% growth* year-on-year based on Individual WRP, with a market share of 16.5% and 10.8% in the private and overall sector respectively, clocking expansion of 40 and 70 basis points respectively. We continue to grow faster than the private industry and be ranked amongst the top three life insurers across individual and group businesses, consistently demonstrating market leadership through profitable growth.

We deepened customer outreach by covering over 6.8 crore lives in FY 2022-23 with our 13th month persistency for limited and regular pay policies standing at 87%. Individual claims ratio was at 99.3%, a testament of our commitment to customers.

Our product mix remains balanced. Amongst the savings products, non-par savings was at 45%, participating products at 27% and ULIPs at 19% of individual APE. Within the non-par segment, our shorter tenure product Sanchay FMP comprised about 15%. Our overall protection APE grew by around 20% in FY 2022-23. This was led by our market leadership in credit life, delivering strong growth of 46%, across over 300 partnerships. On a new business premium basis, there has been an increase in protection share from 24% in FY 2021-22 to 29% in FY 2022-23. Our FY 2023-24 outlook for retail protection is positive on the back of the growth

16.5%

Private industry market share based on individual Weighted Received Premium (WRP)

27%

Individual WRP growth* year-on-year

27.6%

New Business Margin

trends experienced over the last 3 quarters across distribution channels. On the retirement front, we have steadily gained market share in the annuity business on the back of 18% growth on received premium basis as compared with a 2% growth for the industry. Annuity APE growth stood at 59% due to a pickup in our regular premium annuity product - Systematic Retirement Plan during the year.

Profitable growth

Our new business margin for the year was 27.6% thereby delivering value of new business of ₹ 3,674 crore at a growth of 37%. We expect to continue our VNB expansion in FY 2023-24, through faster than industry APE growth, whilst maintaining margins. Our embedded value stood at ₹ 39,527 crore as on March 31, 2023, with an operating return on embedded value of 19.7% for FY 2022-23. Profit after tax for FY 2022-23 stood at ₹ 1,360 crore, a YoY increase of 13%. The profit emergence continues

*FY 2022-23 growth numbers have been computed after factoring in erstwhile Exide Life WRP in previous year.



From the desk of MD and CEO

to be aided by strong growth of 27% in our back book surplus. Our solvency ratio was healthy at 203% as on March 31, 2023 with our AUM of ₹ 2.4 lakh crore. The Board has recommended a final dividend of ₹ 1.90 per share, translating to a payout of ~30% of our PAT, in line with our dividend payout ratio since FY 2016-17.

Diversified distribution mix

We continue to invest in diversifying our distribution and signing up new partnerships with traditional as well new-age partners. Our bancassurance channel grew by over 25% in FY 2022-23 based on individual APE. We are witnessing robust growth across our partnerships. Our collaboration with HDFC Bank remains strong as we strive to enhance insurance accessibility to the Bank's customer base.

Our agency channel witnessed strong growth, surpassing Company level growth by more than 1.5 times in terms of individual APE. It has grown at a 5-year CAGR of 34%, almost doubling its share from 11% in FY 2017-18 to 20% in FY 2022-23, aided partly by inorganic growth emanating from the recent erstwhile Exide Life merger. Our focus remains on enhancing activation and productivity of our financial consultants and we aim to drive growth by expanding our presence in new territories and reaching out to a wider range of customers.

Our subsidiaries

HDFC Pension Management Company doubled its AUM in a year and a half to exceed ₹ 45,000 crore as of March 31, 2023. It is the largest and fastest growing pension fund manager in both Retail and Corporate NPS AUM

segments. Our market share, in the private space, has increased from 36.9% to 41.2% over the last year with 60% growth in AUM.

HDFC International Life and Re has received the final approval from the concerned regulatory authority enabling us to establish a branch in GIFT City. We are excited about the new opportunities it presents for us to serve the needs of global Indians.

Customer-first approach

We stay committed to delivering best-in-class service and value proposition to our customers. Our innovative solutions cater to varied needs of a diverse customer base. We have products in various categories - Protection, Savings, Market Linked, Pension, Annuity, Credit Life, Health, amongst others.

In our quest to deliver superior customer experience, we undertook various initiatives to increase accessibility and simplify the buying journey. Use of Cardiac risk assessment at home for simplifying medical underwriting process was one such initiative. In an industry-first initiative, we have now launched home medicals for our customers overseas in 21 countries. Another initiative was to expand our capabilities on payment collection avenues; this has resulted in collecting over 97% renewal premiums through digital platforms. We are also working on continuously improving our online platform - we have enabled Digital Life Certificate for availing annuity benefits. Further, we continue to deploy data analytics for better decision-making, personalised communication and better service. We have introduced an automated underwriting engine,

₹ 3,674 crore
Value of New Business

87%
13th month persistency

99.3%
Individual claim
settlement ratio

which has helped us reduce manual interventions and increase objectivity in decision-making. Over 70% of our savings applications are now auto underwritten. Moreover, we have also partnered with various data governing bodies for consent based customer information fetching, thereby simplifying the customer onboarding and service processes.

Committed to be a responsible insurer

A sound governance policy is the foundation of a successful business. HDFC Life has formulated a robust governance framework based on core principles of integrity, transparency and accountability. Led by the Board of Directors and supported by various committees, HDFC Life is committed to following the highest ethical standards in conducting business while adhering to all applicable laws and regulations. We have a diverse Board consisting of 12 Directors, including 6 Independent Directors, 3 Non-Executive Directors and 3 Executive Directors. Further, the Board comprises 3 women Directors, of which, one is an Independent Director.



As a responsible corporate citizen, we continue to invest for the betterment of society, environment and our employees. Our CSR initiative, Swabhimaan, focuses on holistic living under key development areas - education and livelihood, healthcare and sanitation, and environmental sustainability. Under these initiatives, we are involved in 36 projects with 33 implementation partners touching 11.45 lakh beneficiaries across the nation. Further, we actively promote DEI within our organisation and our gender ratio stands at 26%. We are also delighted to be ranked¹ 10th amongst India's Best Companies to Work for 2023 (Top 100) by Great Place to Work.

Future-ready organisation

In a dynamic environment, it is crucial to not only cater to the needs of today but also build for the future. Keeping this in mind, we have initiated a technology transformation exercise with the objective of building INtelligent Systems and Platforms for Insurance REimagination, christened INSPIRE. A new-age enterprise and data architecture will be built to enhance our go-to-market capabilities and further improve overall customer experience. We will continue to increase our investments in technology and distribution, including our proprietary channels to take advantage of digital opportunities and achieve our growth objective. We anticipate investments over the next two years i.e. in FY 2023-24 and FY 2024-25 towards Project Inspire to make us agile and future-ready, by providing a 360 degree view of our customers, seamless integration with new partners, resulting in an improved customer experience and higher productivity across channels.

On regulatory and government front

IRDAI is proposing several changes that would enhance insurance penetration, facilitate sustainable growth and ease the operating environment. There are several draft regulations under discussion from the conceptualisation of online marketplace - Bima Sugam to launching Bima Vistaar; initiative aimed at increasing penetration in rural areas through Bima Vahaks. The regulator also expanded open architecture, introduced use and file regime for faster product launches. Recently, IRDAI also revised the Expenses of Management (EoM) and Commission guidelines. These regulations will provide greater flexibility for cost management, encourage development of longer-term products, and improve persistency by offering higher allowances on renewals thereby creating value for the end customers. Through these reforms, the regulator aims to achieve the vision of insurance for all by 2047.

The government, in its Finance Bill 2023, removed exemption of tax relief on maturity proceeds of policies with more than ₹ 5 lakh annual premium. We believe that we shall be able to swiftly adapt to this change based on our track record of delivering sustained performance through multiple changes in the past - change in ULIP guidelines in FY 2010-11, open architecture in FY 2017-18, amendment in taxation on ULIPs in FY 2020-21. Further, the long-term guaranteed savings product proposition offered by the life insurance sector is unique and the proposition offered is best-in-class, even after the tax changes. Moreover, protection and annuity

continue to remain areas that are exclusive to life insurers.

In conclusion

Our focus remains to provide innovative insurance solutions that cater to the diverse needs of our customers, thereby ensuring their financial security. Furthermore, we are dedicated to leveraging technology and digital advancements to create a smooth and convenient customer experience.

As we usher in the new year, I would like to take this opportunity to express my gratitude to our customers, partners and shareholders for their faith in us and our Board of Directors for their valuable guidance. I would also like to thank our regulator, IRDAI for introducing multiple reforms aimed at enabling insurers to achieve the vision of insurance for all by 2047.

We are optimistic about the growth prospects of the industry and are committed to increasing insurance penetration and creating value for all stakeholders.

Vibha Padalkar

MD & CEO

¹Awarded in June 2023



From the desk of ED and CFO



Our focus on social responsibility extends to our employees, customers, and the communities in which we operate. We have taken steps to ensure a safe and inclusive work environment, fostering diversity and equal opportunities for all. Our efforts to reduce gender bias have resulted in increased women representation across levels and currently stand at 26%.

Dear Stakeholders,

Our commitment to ESG is integral to our long term sustainability strategy. Our focus reflects in improved scores and ratings: We scored 49 in the 2022 S&P Global Corporate Sustainability Assessment reflecting an improvement of 35 points over the last 3 years; our Sustainalytics rating was 19.5 indicating low risk of experiencing material financial impact arising from ESG factors; we have maintained our MSCI rating at 'BBB'.

We understand the importance of environmental stewardship and have implemented initiatives such as procurement and installation of energy efficient appliances (e.g. LEDs, star-rated appliances, etc.), sensor-based water taps, renewable energy sourcing, and waste recycling to minimize our ecological footprint. We have conducted a detailed assessment of our greenhouse gas emission (GHG) inventory and have articulated our Scope 1, 2 and limited Scope 3 emissions. We have also disclosed our climate-related performance in accordance with the TCFD recommendations.

Our focus on social responsibility extends to our employees, customers, and the communities in which we operate. We have taken steps to ensure a safe and inclusive work environment, fostering diversity and equal opportunities for all. Our efforts to reduce gender bias have resulted in increased women representation across levels and currently stand at 26%. Furthermore, we actively engage with local communities through various CSR initiatives, including employee volunteering programs and partnerships that address their specific needs.

High standards of corporate governance are a fundamental building block of our business. We are committed to transparency, accountability, and ethical conduct at all levels. Our Board of Directors comprises individuals with diverse expertise and experience, ensuring a balanced approach to decision making. We have implemented robust risk management frameworks, compliance procedures, and internal controls to safeguard the interests of our stakeholders. We have also conducted Materiality Assessment as per the GRI Universal Standards during the financial year.

Looking Ahead

We remain committed to the ongoing integration of ESG considerations into our business operations, decision-making processes, and long-term strategy. By focusing on innovation, collaboration, and stakeholder engagement, we are confident that we will continue to make meaningful contributions to a sustainable future. We are grateful for the continued support and trust of our stakeholders as we navigate these ESG challenges. Your partnership enables us to pursue our vision of responsible and impactful business practices. We look forward to updating you on our progress.

Niraj Shah

ED and CFO



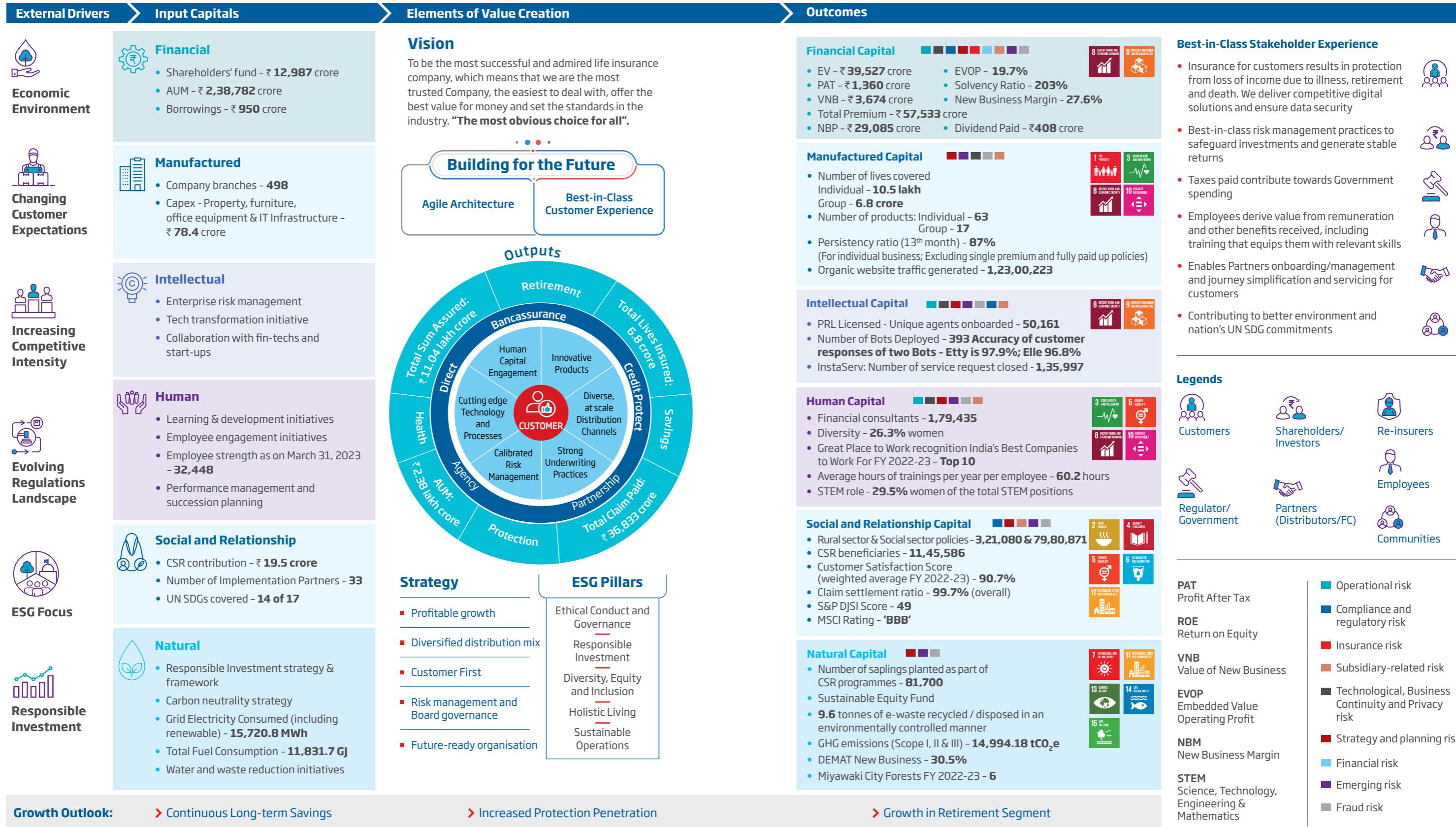
Value Creation Approach

Our commitment to creating value extends beyond providing financial protection. HDFC Life's value creation model is designed to deliver long-term sustained value for all stakeholders based on the foundation of our values framework - EPICC.

Our value creation is based on the six capitals outlined by the International Integrated Reporting Council (IIRC), and includes financial, intellectual, human, manufactured, natural, and social and relationship capital. We evaluate our value creation capabilities and performance based on these six capitals.



Our Value Creation Model





Stakeholder Engagement

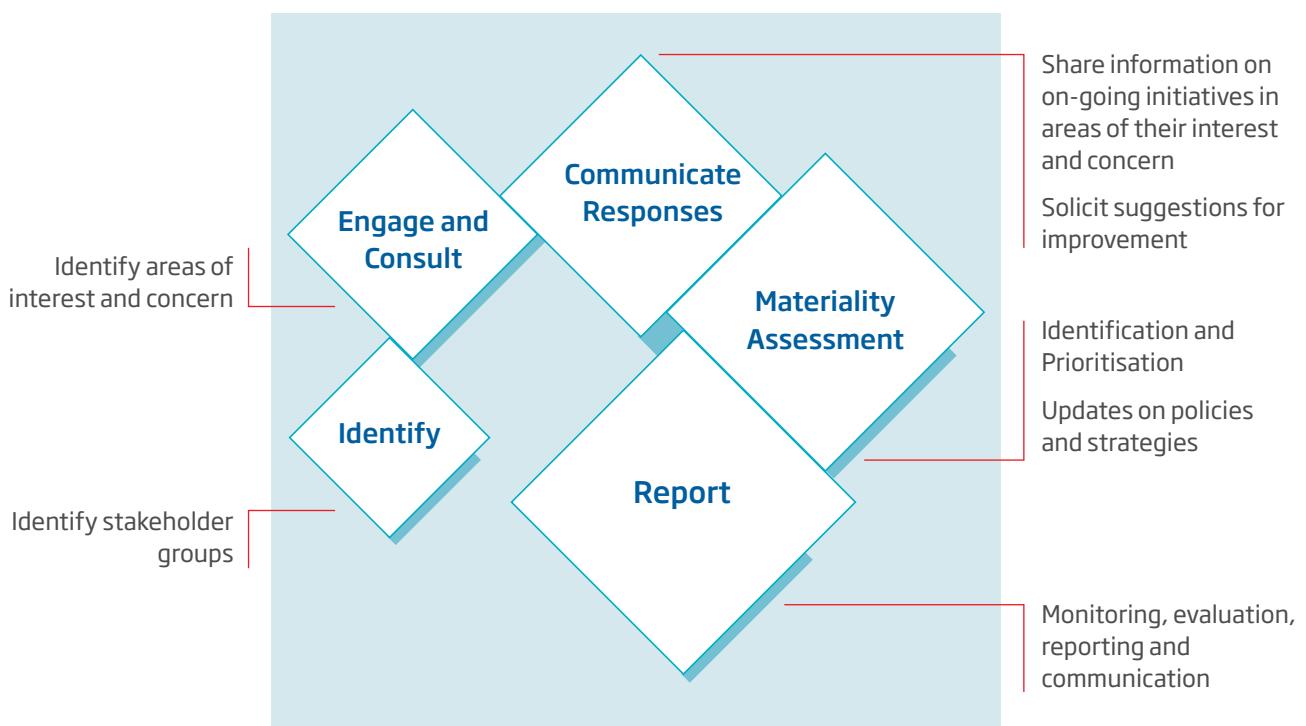
As we continue to grow and build for the future, our primary focus is to create sustained value for all our stakeholders. We have identified our stakeholder group through extensive consultations with our senior management, experts, and business partners.

Our stakeholders include our customers, shareholders/investors, employees, regulators, business partners, vendors, reinsurers, and the communities around us. We have reviewed our internal documents, conducted thorough assessment of the impact to various groups and individuals.

At HDFC Life, we have created a structured framework for engaging with stakeholders to ensure lasting

relationships. Through stakeholder engagement, we identify how our business operations and offerings impact the economy, the environment, and people. It is a valuable source of feedback on our products, service delivery, community outreach and other activities that impact them. The outcomes of these engagements feed into our materiality assessment and help us devise preventive and mitigation measures. We use different channels of communication and

alter the frequency of engagement, depending on the availability of different stakeholder groups and the intensity with which our business could impact them. Through regular engagement, we gain insights to ensure that our business is aligned with stakeholder needs and realities. This synergy helps us build for the future in a seamless and mutually beneficial manner.





Customers

We serve our esteemed 10 crore+ customers through our 498 physical and 48 digital branches to provide a seamless experience. We have appointed 1,79,435 agents to address our customers' needs.

Our customer satisfaction score stands at 90.7%

Modes of Engagement

- Corporate website
 - Online communication via E-mails and social media platforms
- Retail**
- Feedback through surveys
 - Customer service touchpoints such as physical branches, call centres and others
 - Partner touchpoints
- Corporate**
- One-on-one meetings
 - Video calls and conferences

Key Expectations

- Need-based and innovative products
- Data security
- Simplified service and best-in-class customer experience
- Easy and quick settlement of claims and maturity pay-outs
- Sustainable finance products/products with an ESG impact
- Ethical business practices

How do we deliver value

- Creating innovative and customer-centric products based on feedback
- Nudging customers towards self-service avenues
- Increase operational efficiencies through quicker service, shorter delivery cycles enabled by automation and robust security measures
- Augmenting physical and virtual touchpoints to improve availability and reach
- Reinforcing a customer centric culture and building an empowered and knowledgeable workforce
- Holding ourselves to high ethical standards and incentivisation of ethical behaviour

Frequency

Continuous



Employees

Our organisation ensures equal opportunities for all employees, with women comprising 26.3% of our workforce. For the 13th consecutive year, we have been recognised as one of the "Top 100 Companies to Work For"

Modes of Engagement

- Annual employee engagement survey
- Daily pulse check through our in-house tool - SENTImeter
- Opportunities to learn and grow through robust L&D and career processes
- Continuous feedback through performance management processes
- Employee engagement, care and well-being initiatives
- Two-way communication through townhalls, emails, connect sessions with managers
- Values reinforcement sessions

Key Expectations

- Opportunities to grow
- Fair compensation and promotion
- Regular training and development
- Psychological and physical safety
- Engaging workplace
- Equity and inclusion for all

How do we deliver value

- Meeting employee aspirations through fair, transparent and timely performance appraisals
- Leveraging new-age tech to improve employee experience; e.g., personalised learning app, employee self-service app
- Adopting a holistic approach towards wellness, physical and mental health
- Building a talent pipeline for specific roles through succession planning
- Focussed programmes and policies to foster an inclusive culture
- Increasing awareness of ESG goals

Frequency

Continuous/
Periodic
review
of the
modes of
engagement



Stakeholder Engagement



Shareholders and Investors

We are relentlessly working towards creating value for our 10 lakh + valued shareholders. Our innovative strategies have generated strong financial results, benefiting our shareholders. Our EPS increased to 6.83 (Basic)

Modes of Engagement

- Annual General Meeting (AGM)
- Quarterly analyst call
- Annual reports, public disclosures and investor presentations
- Investor conferences and meetings
- Newspaper/Notices/ Press releases
- Stock exchange announcements
- Designated e-mail ID for shareholders

Key Expectations

- Value creation
- Risk management
- Adoption of sustainable business practices
- Response to climate change issues
- Management of Environment, Social and Governance (ESG) related issues
- Financial performance
- Growth and expansion

How do we deliver value

- Consistent growth and profitability
- Differentiated business model with multiple sources of value generation
- Diversification of distribution and product mix and strong analytical tools to mitigate risks
- Enhanced integration of ESG within the organisational strategy
- Transparent disclosures on environment-related attainments

Frequency

Continuous



Business Partners, Vendors and Reinsurers

We work closely with our suppliers encouraging them to create value beyond economic considerations. Our Code of Conduct extends to our value chain and aims to make sure that our suppliers and vendors comply with labour laws and ensure a safe working environment without any discrimination and violation of human rights

Modes of Engagement

- Annual reviews
- Contracts, e-mails, calls, in-person & virtual interactions
- Periodic surveys

Key Expectations

- Long-term partnership
- Favourable product and value proposition
- Ease of doing business and data security
- Timely payment as per terms of the contract

How do we deliver value

- Offering a compelling value proposition
- Market-leading digital capabilities for easy integration of partners and vendors
- Well-defined information and cyber security policy
- Timely payment for services

Frequency

Continuous/
Periodic
performance
review



Government / Regulators	Modes of Engagement	Key Expectations	How do we deliver value	Frequency
We ensure that we operate in a lawful and ethical manner and maintain the trust of our stakeholders	<ul style="list-style-type: none">Periodic submissions, regulatory visits/ interactions and correspondenceRegular meetings, seminars, and participation in industry forumsCompliance with regulatory requirements, notifications, circulars and guidelinesCorporate announcements	<ul style="list-style-type: none">Sound corporate governance - fair dealings, conduct and transparency, timely disclosuresRegulatory and legal complianceVoluntary as well as mandatory ESG/ Sustainability disclosuresContribution to the development of insurance industry	<ul style="list-style-type: none">Complying with applicable regulationsStrong governance framework, policies, and processesESG disclosures in the Business Responsibility Sustainability Reporting (BRSR)Engagement with regulatory bodies on an ongoing basisStriving towards developing a governance and risk management structure that aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)Playing a proactive role in creating awareness about the need for insurance	Continuous



Communities	Modes of Engagement	Key Expectations	How do we deliver value	Frequency
We have over 11,45,586 beneficiaries from our 36 completed projects. We strive to foster sustainable change in the lives of underprivileged segments of society, empowering them and integrating them into the mainstream.	<ul style="list-style-type: none">CSR partnerships and implementation of social development projectsCSR-related disclosuresMonitoring, evaluation and collection of feedback	<ul style="list-style-type: none">Work for causes such as education, health, livelihoods, environmental sustainability, disaster relief etc.Community development and growthEmployee participation/ volunteeringAlignment with UN Sustainable Development Goals (SDGs) 2030	<ul style="list-style-type: none">Adopting sustainable business practicesWorking with communities/weaker sections through targeted initiativesIncreasing insurance coverage in rural areas by increasing sourcing from these areasEngaging with vendors employing less privileged and rural manpowerIntegrating ESG concerns into CSR practicesWell-defined ESG agenda to ensure integration of sustainability practices in businessProviding employees with volunteering opportunitiesEnsuring alignment and contribution to SDGs	Continuous



Materiality Assessment Process

Materiality Assessment entails consideration of impact of our operations, services, product offerings on the economy, environment, and people (including human rights) and determination of material topics. As we continue to build for the future, we conducted materiality assessment afresh in the current year, to identify and evaluate the topics that are most critical to our business and our stakeholders. The assessment was performed as per the requirements in GRI Universal Standards 2021.

The materiality assessment involved an in-depth and methodical exercise involving engagement with internal and external stakeholders through discussions, meetings and surveys. It involved ranking the material topics in terms of priority based on the engagement result and reviews by senior management.

During the initial review phase, in consultation with key internal stakeholders, we identified 33 material topics of significance. This list was then put forward to a broader group of internal and external stakeholders for the assessment process. Following the completion of our materiality exercise, the outcomes were presented to the senior management who made informed decisions to enhance the clarity and relevance of the results by merging material topics with overlapping boundaries, reclassifying certain topics, and incorporating new material topics in line with recent sectoral developments.

Changes in the list of material topics include:

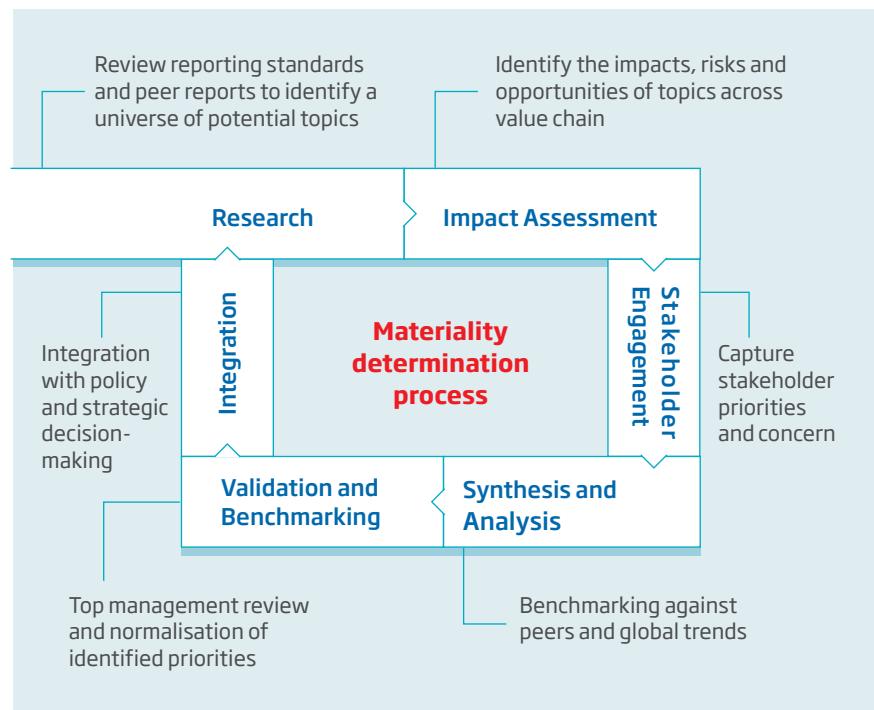
- Combining 'Information & Cyber Security' and 'Business Continuity Planning' into a single topic: 'Information & Cyber Security'
- Combining 'Reducing carbon footprint', 'Climate Risk and Resilience' and 'Climate change' into a single topic: 'Climate change - Risk and Resilience'

- Combining Human Capital Development, Employee Training and Talent Acquisition into a single topic 'Human Capital Development'
- Combining 'Compensation Policy & Practice' and 'Compensation Philosophy' into a single topic: 'Compensation Policy & Practice'
- Reclassification of the 'Tax Policy' topic as 'Regulatory and legislative landscape' and normalising it to 5th ranking
- Addition of new material topic: External Risks and Factors

After the implementation of merging, normalisation, reclassification, and

the introduction of new topics, a final list of 30 topics was established. Among these, the top 18 topics were identified and prioritised as the Company's material issues. These material issues reflect the most significant focus areas for our organisation, aligning with our business operations and addressing the concerns of our stakeholders.

Enumerated below are our prioritised material topics, among which 9 topics are additions over the previous year, reflecting additional areas of focus that align with our evolving priorities, the needs of the future and the changing landscape of sustainability.





Material Topic	Description	Capitals impacted	ESG Pillar	GRI aspects
Brand and Reputation Management	<p>As an industry leader, safeguarding and augmenting our brand value is paramount to ensure sustained success in the future. We have long-term relationships with our customers and we bear the responsibility of settling claims, even years after policy purchase. Consequently, it becomes imperative for us to establish and cultivate a reputation that deeply resonates with our customers. Therefore, our brand and reputation hold unparalleled significance within our organisation, guiding our strategic endeavours and shaping our commitment to excellence.</p>			GRI 2: General Disclosures GRI 417: Marketing and Labelling
Information & Cyber Security	<p>We have a well-defined information security policy (including areas of cyber security) that ensures that all information assets are safeguarded by establishing comprehensive management processes throughout the organisation. In alignment with Insurance Regulatory and Development Authority of India's (IRDAI) suggestions, we have merged Business Continuity Planning (BCP) with Information & Cyber Security. BCP undertakes business impact analysis (BIA) activity while evaluating processes, and regulatory impact is assessed based on the disruption of services - customer, financial/non-financial.</p>			GRI 201: Economic Performance GRI 418: Customer Privacy
Business Ethics & Policies	<p>The ethical conduct of business is of paramount importance to us, and we strive to effectively manage both the risks and opportunities associated with it. This includes addressing concerns such as fraud, corruption, bribery, facilitation payments, fiduciary responsibilities, and any other behaviours that may involve an ethical component. Our Code of Ethics and Conduct, which serves as an extension of our company's core values, is a testament to our unwavering dedication to upholding ethical business practices in all aspects of our operations.</p>			GRI 204: Procurement Practices GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour GRI 207: Tax GRI 415: Public Policy
Risk Management	<p>We are in the business of risk management and our objective is to proactively identify, assess, and mitigate the risks faced by our Company. We maintain a vigilant approach by continuously monitoring both existing and emerging risks. Through rigorous evaluation of their potential impact, we ensure that we are well-prepared to safeguard against any losses or operational disruptions. As part of our forward-thinking risk management approach, we actively uncover and leverage opportunities arising from risks, driving positive outcomes for our organisation.</p>			GRI 2: General Disclosures GRI 201: Economic Performance
Regulatory and legislative landscape	<p>As a regulated business entity, our Company recognises the utmost importance of complying with regulatory norms and staying attuned to evolving regulations. We understand that any adverse changes in the corporate tax regime have the potential to impact our organisation's net profits and overall valuation. Additionally, we acknowledge that unfavourable alterations in the personal tax regime can directly influence consumer demand for insurance and savings products, thereby impacting our revenues and profitability. By closely monitoring and adapting to these regulatory dynamics, we strive to ensure compliance, mitigate potential risks, and sustain our financial strength in an ever-changing business landscape.</p>			GRI 2: General Disclosures GRI 205: Anti-corruption GRI 207: Tax GRI 415: Public Policy



Materiality Assessment Process

Material Topic	Description	Capitals impacted	ESG Pillar	GRI aspects
Safe and Healthy Workplace	We are committed to creating a work environment that fosters a culture of safety and emphasises the protection of our employees from potential hazards. We prioritise the adoption of the highest safety standards within our offices and branches. We strive to minimise risks and promote the physical and mental well-being of our valued employees by implementing robust safety protocols, conducting regular risk assessments, and providing comprehensive training.			GRI 2: General Disclosures GRI 403: Occupational Health and Safety
Stability of Systems and Processes*	We strive to ensure reliability and consistency of the underlying systems, infrastructure, and operational processes in order to maintain a stable environment that minimises any kind of disruptions in business operations.	 		GRI 2: General Disclosures GRI 201: Economic Performance GRI 203: Indirect Economic Impacts
Product Pricing	Product pricing directly affects an organisation's financial sustainability, customer affordability, and policyholder obligations. Appropriate pricing considers various factors and ensures fair and transparent practices to mitigate potential financial and reputational risks. Our endeavour is to ensure fair and transparent pricing to protect customer interests, prevent adverse financial consequences, and maintain a trustworthy image.	 		GRI 203: Indirect Economic Impacts
Climate change - Risk and Resilience*	Ensuring business sustainability and minimising environmental impact are critical considerations for organisations. Addressing environmental risks, including those associated with climate change, is key to promoting long-term sustainability and to mitigating reputational risks. A comprehensive framework is implemented and regularly reviewed to effectively manage the risks and leverage the opportunities posed by climate change. This approach reduces resource consumption, limits carbon footprint, and enables continuous improvement of environmental performance, contributing to a more sustainable future.	 		GRI 201: Economic Performance GRI 305: Emissions
Human Capital Development*	The topic entails having a strategic focus on nurturing and developing the skills, knowledge, capabilities, and well-being of a company's workforce. It includes initiatives and practices aimed at attracting, retaining, and engaging employees, fostering a culture of continuous learning, and promoting diversity, equity, and inclusion. Recognising that human capital is a valuable asset, the Company invests in employee training to enhance job performance, professional growth, and employee well-being programmes. These comprehensive training programs equip employees with the necessary skills and knowledge to meet customer needs, adapt to industry changes, and contribute to our strategic goals while also aligning job opportunities with strategic business objectives through continuous learning, performance management processes, and talent transformation programmes.	 		GRI 2: General Disclosures GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 410: Security Practices

*Newly identified material topics in the current Financial Year



Material Topic	Description	Capitals impacted	ESG Pillar	GRI aspects	
Promoting Responsible Behaviour / Human Rights / Code of Conduct*	Respect for human rights is a minimum standard for a responsible business within and beyond our direct operations. This is an expectation that is reflected by expanding legislation and applied across our operations. We have a dedicated grievance redressal mechanism in place for mitigating human rights risks and empowering our workforce.				GRI 205: Anti-corruption GRI 204: Procurement Practices GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 410: Security Practices GRI 411: Rights of Indigenous Peoples GRI 413: Local Communities
Customer Centricity	Our strategic focus is on placing the customer at the core of business decisions, processes, and offerings. It entails understanding customer needs, preferences, and expectations, and aligning products, services, and experiences accordingly. Our customer-centric approach involves actively listening to customer feedback, providing need-based solutions, delivering high quality service, and building long-term relationships. By prioritising customer centricity, we aim to enhance customer satisfaction, loyalty, and retention.				GRI 206: Anti-competitive behaviour GRI 416: Customer Health and Safety GRI 417: Marketing and Labelling GRI 418: Customer Privacy
Governance Structure & Philosophy*	Our Corporate Governance philosophy is based on the principles of integrity, transparency, accountability, and responsible corporate conduct with an intention to enhance investor confidence and create enduring value for all our stakeholders. It also helps the Company in reinforcing its core values and principles in all its business conduct.				GRI 2: General Disclosures GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour GRI 207: Tax GRI 415: Public Policy
Energy, Emissions and Water Conservation*	As a material topic, this refers to our strategic focus on reducing greenhouse gas emissions, conserving energy, and optimising water usage within our business operations. Through various initiatives, we strive to reduce our overall environmental footprint, improve energy efficiency, and promote responsible water management practices. By addressing these aspects, we aim to contribute to sustainable practices, mitigate climate change risks, and preserve valuable natural resources.				GRI 302: Energy GRI 303: Water and Effluents GRI 304: Biodiversity GRI 305: Emissions GRI 306: Waste

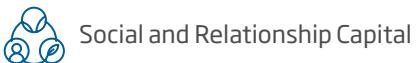
*Newly identified material topics in the current Financial Year



Materiality Assessment Process

Material Topic	Description	Capitals impacted	ESG Pillar	GRI aspects	
Fulfilling our Corporate Social Responsibility (CSR)*	All CSR interventions are conceived and implemented through a focussed approach towards target beneficiaries for generating maximum impact. The CSR initiatives of the Company are carried out either in partnership with credible implementing agencies or directly through projects executed by project management teams.				GRI 203: Indirect Economic Impacts GRI 413: Local Communities
Performance Management*	All employees are given detailed performance feedback once a year, while frontline sales employees and senior management get feedback twice a year. This ensures timely course correction of employees at both field and strategic levels.				GRI 201: Economic Performance GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination
Compensation Policy & Practice*	A well-defined compensation and benefits system helps to attract, motivate and retain deserving employees for the achievement of organisational objectives. We are committed towards paying people fairly and equitably relative to their role, skills, experience, and performance - in a way that balances the needs of all stakeholders.				GRI 201: Economic Performance GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 409: Forced or Compulsory Labour
External Risks and Factors	This comprises risks and factors that arise from outside an organisation's immediate control but have the potential to significantly impact its operations, reputation, or value chain. These may include geopolitical events, regulatory changes, market fluctuations, technological advancements, natural disasters, societal trends, and stakeholder expectations.				GRI 2: General Disclosures 2021 GRI 201: Economic Performance GRI 203: Indirect Economic Impacts

*Newly identified material topics in the current Financial Year



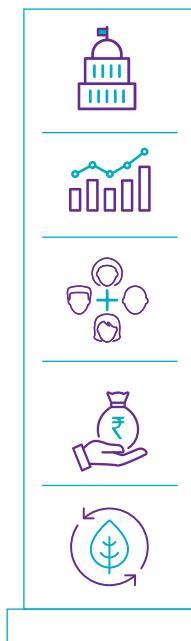


ESG at a Glance

HDFC Life's ESG philosophy is driven by the vision that as a responsible life insurer we must take on the mantle to drive sharper, focussed and impactful ESG programme that maximises the value for all stakeholders and the community at large.

Our ESG approach is aligned to industry-leading and globally acceptable standards and designed to address our key material issues. Further, our ESG considerations are incorporated into the organisational strategy and operational framework.

Our ESG philosophy is further articulated through the **5 pillars of ESG**



Ethical Conduct & Governance

Responsible Investment

Diversity, Equity and Inclusion (DE&I)

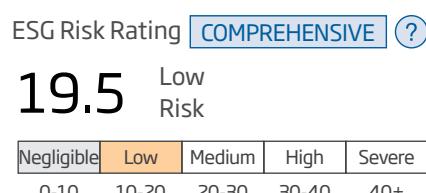
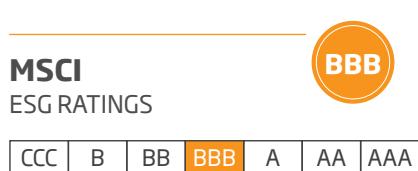
Holistic Living

Sustainable Operations

Our organisation is committed to upholding strong ESG principles across our operations. We believe in conducting business with integrity and maintaining transparent and accountable governance practices. Responsible investment is a key focus for us, as we carefully consider environmental, social, and governance factors when making investment decisions. We are dedicated to fostering a diverse and inclusive work environment, where all individuals are valued and provided with

equal opportunities. Under holistic living, our focus is to ensure value for all stakeholders including customers and community at large. Finally, sustainable operations is a priority for us, as we implement practices to minimise our environmental footprint and ensure the responsible management of resources throughout our supply chain. By embracing these broad areas of ESG, we aim to create long-term value for our stakeholders and contribute to a more sustainable and equitable future.

Our efforts are reflected in our robust ESG ratings and scores across indexes.



HDFC Life Insurance Company
Insurance

S&P GLOBAL ESG SCORE 2022

49 /100

As of September 21, 2022
Scores are industry specific:
Learn more at: spglobal.com/esg/scores/results

S&P Global

We have maintained our rating at BBB (on a scale of AAA-CCC) in MSCI ESG Ratings assessments

As on date, HDFC Life Insurance Limited received a rating 19.5 and was assessed by Sustainalytics to be at a low risk of experiencing material financial impact arising from ESG factors.

Our company scored 49 (79 percentile) in the 2022 S&P Global Corporate Sustainability Assessment reflecting an improvement of 35 points over the last 3 years.



ESG at a Glance

ESG P1**Ethical Conduct and Governance****Objective**

To adhere to the highest standards of ethical and sustainable business conduct to create value for all our stakeholders. This aligns with and is included in the Company's strategic pillar of Risk Management and Board Governance

How we do it

- We have instituted effective policies and frameworks to foster a culture of ethical conduct, transparency and accountability
- We have also constituted a disciplinary panel to address malpractices which reports to the Board
- We have formulated a governance structure for effective implementation, monitoring and oversight of the ESG issues within the organisation

What we achieved

- Oversight of Board CSR Committee expanded to include ESG Governance
- HDFC Life has been featured in the 'Leadership' category in the list of Indian Corporate Governance Scorecard
- We have also been awarded the ICAI Silver Shield for the Integrated Annual Report FY 2021-22

What's Next

- Over the next year, we aim to further strengthen our disclosures and practices around ESG and business conduct

Read more at: Effective Governance and Business Conduct

PG 29**ESG P2****Responsible Investment****Objective**

To generate optimal risk adjusted returns over the long term through consideration of environmental, social and governance factors in investment decisions

How we do it

- We have developed an ESG scoring methodology based on a comprehensive framework encompassing key parameters. All investment decisions factor in the scores thus generated
- We have put in place a robust governance framework and structure to ensure oversight at the highest level
- We consistently seek to align with global best practices as well as commit to frameworks such as the UNPRI to ensure adherence with the highest standards

What we achieved

- We have integrated ESG factors into our research and investment decision-making process and developed an in-house scoring methodology
- The 'Sustainable Equity Fund' gives an option to mandate investment in ESG-focussed companies which also enables us to cater to the needs of ESG-conscious customers
- As a responsible investor, we encourage our investee companies to incorporate ESG practices in their policies, processes and operations through greater accountability and transparency
- Asset classes covered under RI: Equity & equity related securities, Alternate Investment Funds (AIFs), Investment Trusts, Corporate Bonds

What's Next

- Over the next year, we aim to deepen our engagement with investee companies to improve their ESG risk management and business practices
- Enhanced adoption and reporting under the RI principles

Read more at: Protecting Our Environment

PG 59

**ESG P3****Diversity, Equity and Inclusion (DEI)****Objective**

To establish an inclusive culture that celebrates diversity and is free from discrimination of all forms

How we do it

- We have constituted the 'Celebrate You' programme which ingrains our DEI philosophy across policies, communication, leadership development and workforce culture
- The DEI agenda is driven from the top through the DEI council chaired by the MD & CEO with regional and zonal chapters implementing the initiatives on ground
- Our diverse hiring programmes, gender neutral policies and flexibility in work enables to action the DEI vision

What we achieved

- 26.3% of our workforce is women and we have been recognised as one of the best workplaces for women by both the 'Great Places to Work Institute' as well as the Economic Times in 2021
- We rank 39th amongst the top 100 best places to work by the 'Great Places to Work Institute'
- We have also launched a dedicated DEI website with information on all our initiatives accessible to our employees and other stakeholders

What's Next

- While we have embarked on our journey to address the challenges faced by our LGBTIQ+ colleagues, we aim to further strengthen the inclusive culture by revamping our policies and wellness programmes to make them more gender neutral
- With the launch of our employee resource groups led by senior leaders, we aim to drive the inclusive agenda beyond HR into a company-wide effort

Read more at: Strengthening our Human Capital **PG 55**

ESG P4**Holistic Living****Objective**

To create holistic and sustainable value for all our stakeholders

How we do it

- We have launched a Customer Experience (CX) Transformation programme to deliver superior customer experience across all touchpoints
- In our pursuit to promote financial inclusion, we have launched insurance products designed for the economically weaker sections of the society
- Through our 'Swabhimaan' programmes, we have launched targeted CSR initiatives designed to generate maximum impact for the community

What we achieved

- We achieved a weighted average score of 90.7% during FY 2022-23 in our customer satisfaction survey
- We insured 3,21,080 rural lives and 79,80,871 social lives
- Through Swabhimaan, this year we executed 36 programmes impacting 11,45,586 beneficiaries. Our endeavours covered 14 out of 17 SDGs positively

What's Next

- Through our CX programme, we aim to deliver customer delight through seamless journeys, simplified communication and effective product propositions
- We also aim to widen our impact on nation's financial inclusion agenda through tailored product designs and contribute to sustainable development goals through CSR programmes

Read more at: Creating Social Value

PG 45



ESG at a Glance

ESG P5

Sustainable Operations



Objective

To reduce the environmental footprint of our operations and contribute towards building a better future for our people and planet

How we do it

- We have developed a carbon neutrality pathway and have made unequivocal commitments towards climate action
- We have undertaken various initiatives to increase efficiency and reduce energy and water consumption
- We are pushing digitisation of processes and documentation so as to reduce paper usage and waste generation
- We have also undertaken various waste management initiatives to promote circularity

What we achieved

- We have completed our GHG inventorisation process to establish a baseline for our GHG footprint
- We have purchased 530.8 MWh of renewable energy in FY 2022-23
- In our pursuit to promote circularity within our operations, we recycled / disposed 9.6 tonnes of E-waste, 7.1 tonnes of Paper waste and 1.1 tonnes of Plastic waste

What's Next

- Our aim is to decrease our GHG emissions by slowly transitioning to more renewable energy sources, which involves steadily boosting the proportion of renewable energy in our total energy usage
- In the coming year, we also intend to streamline our strategies and risk management processes to incorporate climate related physical and transition risks

Read more at: Protecting Our Environment **PG 69**



Effective Governance and Business Conduct

HDFC Life has formulated a robust governance framework based on its core values of integrity, transparency and accountability. Led by the Board of Directors and supported by various committees of the Board, HDFC Life is committed to following the highest ethical standards in conducting business while adhering to all applicable laws and regulations.

HDFC Life is guided by the Board of Directors comprising of highly experienced professionals from diverse backgrounds. In addition, there are various Board level committees viz., Audit Committee, Risk Management Committee, Investment Committee, Policyholder Protection Committee, With Profit Committee, Corporate Social Responsibility and ESG Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee and Capital Raising Committee. These committees aid the Board in ensuring that the activities are aligned to HDFC Life's goals, and our risks are managed effectively.

HDFC Life also has a dynamic internal control system, including policies and procedures, to comply with the regulatory requirements. The Company conduct audits and reviews regularly to monitor and enhance governance practices.

HDFC Life's dynamic governance framework empowers us to deliver sustainable growth while creating long-term value for its stakeholders. HDFC Life's Risk Management framework and approach is explained Pg 36





Effective Governance and Business Conduct

Board Composition, Diversity and Expertise

The Board has an optimum mix of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2023, the Board comprises of ten (10) Directors including three (3) Non-Executive Directors, five (5) Independent Directors, Managing Director & CEO, and Deputy Managing Director.

There are three (3) women Directors on the Board, out of which one is an Independent Director. None of the Directors of the Company are related to each other.

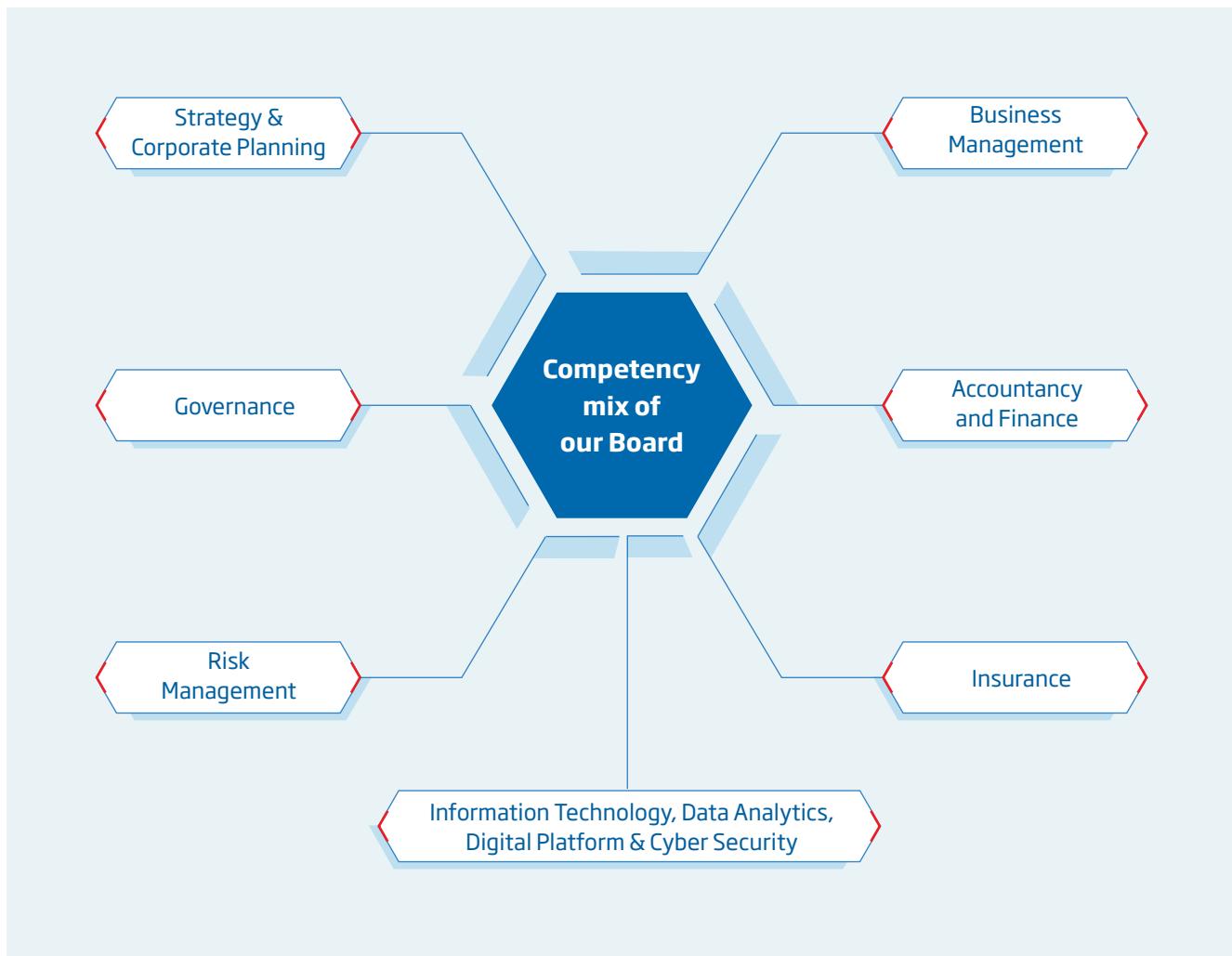
The Board along with the various committees oversee the Company's operations and the management team, as they lead HDFC Life's short, medium, and long-term goals. The Board evaluates its composition from time to time to ensure that members' experiences and competencies align with HDFC Life's aspirations for a sustainable growth.

HDFC Life follows a stringent process while appointing its Board members, to ensure the right mix of experiences, academic backgrounds, gender, age

and cultures. The Company follows a well-defined policy to enhance Board diversity while adhering to the regulatory requirements.

The Board structure conforms with IRDAI Corporate Governance Guidelines and Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and provisions of the Companies Act, 2013 (the "Act").

Multi-faceted competencies of our Board members across disciplines





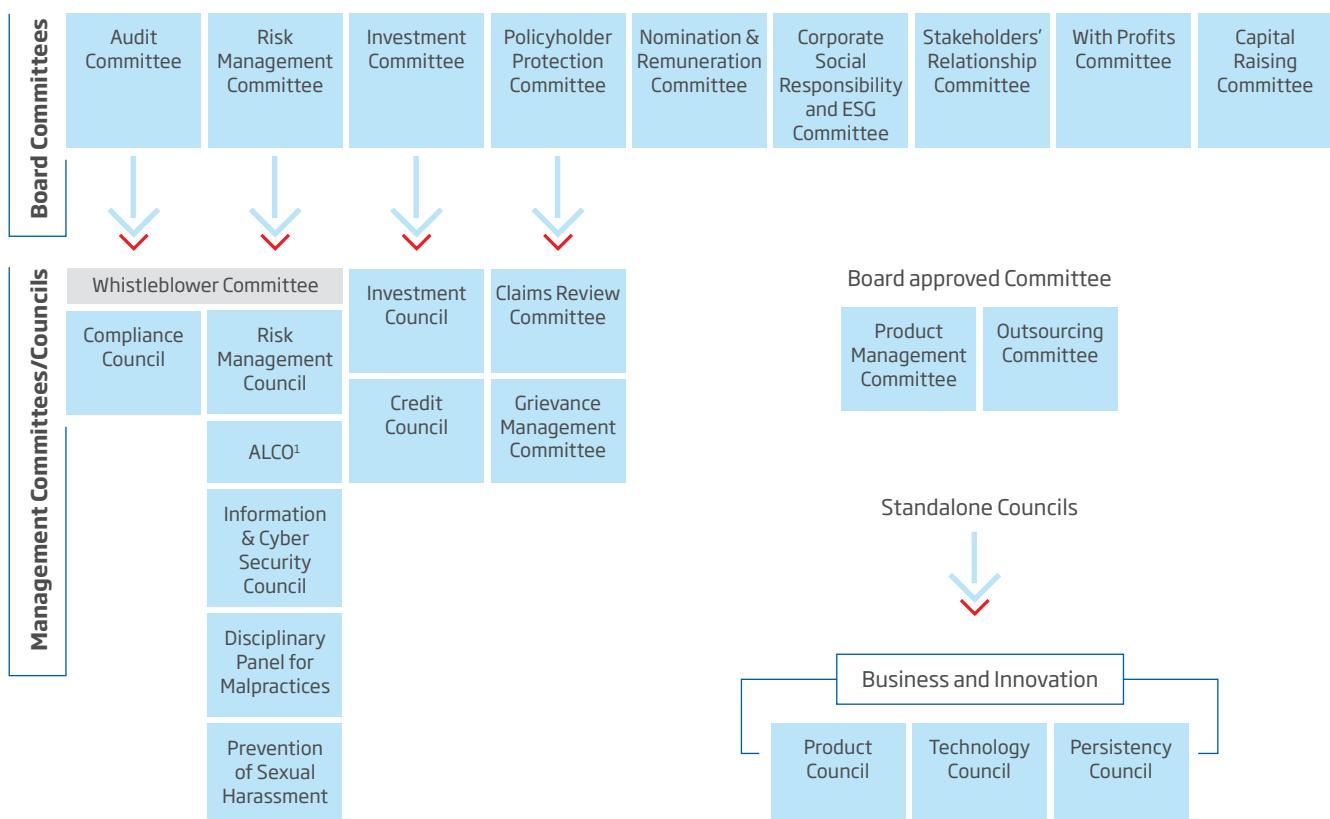
Ensuring quality governance

HDFC Life has adopted the best-in-class governance standards and practices to ensure that the Board functions effectively. We have clearly demarcated the role and responsibilities of our Chairman and the Managing Director & CEO. The Chairman leads and manages the Board by providing direction and focus, while the Managing Director & CEO is responsible for the Company's overall management. This structure facilitates healthy debates and enables a sound decision-making process within the Board.

We have implemented a familiarisation programme for Independent Directors to enrich them with the necessary background information and updates on the industry and the organisation and help them discharge of their duties efficiently. To strengthen the effectiveness, the Board conducts periodic assessments of its performance, including that of individual Directors based on pre-determined criteria. The Independent Directors also meet separately to review their performance and that of the Chairman and the Board as a

whole. The various Board Committees are formed as per the requirements of IRDAI Corporate Governance Guidelines and Regulations, SEBI Listing Regulations and the Act. These Committees are supported by Management Councils who provide relevant and timely information to carry out decisions.

Governance framework



Additional governance through Internal, Concurrent and Statutory auditors

Note:

1. Asset Liability Management Council

The above list of committees is illustrative and non-exhaustive



Effective Governance and Business Conduct

Board oversight over ESG

During the year, we introduced a governance structure to strengthen our governance over ESG matters. The Board of Directors supported by the Corporate Social Responsibility (CSR) and ESG Committee, Risk Management Committee and the ESG Management Committee oversees environmental issues, climate-related risks and opportunities, implementation of policies and operational controls for ESG risks.

CSR and ESG Committee: Terms of Reference

The brief terms of reference of the Corporate Social Responsibility and ESG Committee includes:

1. To formulate, amend and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. To recommend the amount of expenditure to be incurred on the permitted or required activities referred;

3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. To formulate and recommend to the Board, ESG related policies, procedures and practices as well as review them from time to time;
5. To monitor the company's ESG strategy, goals and disclosures.

The nomenclature of the Corporate Social Responsibility Committee has been changed to Corporate Social Responsibility & ESG Committee in the Board meeting held on April 26, 2023.

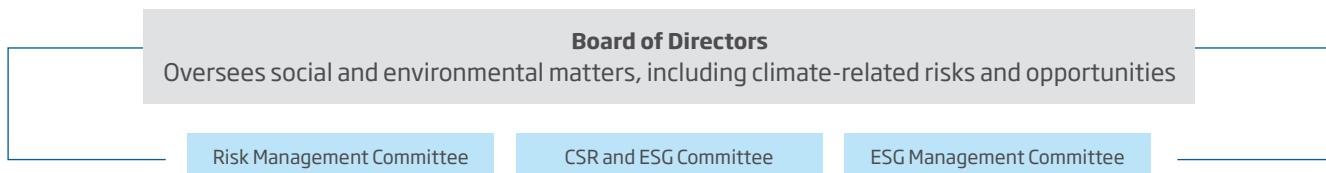
ESG Management Committee: Terms of Reference

The ESG Management Committee is chaired by the Executive Director & Chief Financial Officer and comprises of General Counsel, Chief Compliance Officer & Company Secretary, Chief Human Resource Officer, Chief Investment Officer and Chief Marketing Officer & Group Head - Strategy.

The key responsibilities of the Committee are:

1. Develop and execute ESG strategy in line with the Board approved policies and objectives;
2. Identify, monitor and measure the ESG risks and opportunities;
3. Set and review ESG goals, budgets, implementation timelines as well as monitor progress and results;
4. Review the Company's activities and initiatives related to ESG, including but not limited to climate change, human rights, corporate governance & business ethics, DEI (Diversity, Equity and Inclusion) responsible investment, health & safety, etc.;
5. Advising the Board in relation to the ESG-related corporate and regulatory reporting requirements and disclosures.

ESG Governance Structure



Composition of ESG Governance Committee





The ESG Governance Committee at the Investment team level reviews and guides the investment team on integration of ESG factors including climate change in the Fund Management process and engagement with Investee companies. It also assists in tracking ESG scores and rating movements of companies in the investment universe and delivering on international commitments on UNPRI.

We have also formulated an Environment and Climate Change Policy to reinforce our commitment to manage imminent environmental and climate-related challenges. This policy serves as a guideline for understanding and managing our environmental and climate risks, its impacts, and opportunities.

Ethical Conduct and Governance

Our Corporate Governance philosophy is rooted on the principles of integrity, transparency, accountability and adherence to the highest standards of governance and regulatory compliance. We are committed to following the highest ethical standards in conducting our business, thereby creating enduring values for all our stakeholders, including customers, agents, shareholders, regulators and the society. These principles have evolved over the years and helped HDFC Life strengthen its core values and practices in all its business conduct, especially during testing times such as the global COVID-19 pandemic, which forced a new normal.

In line with the foregoing, and in order to ensure compliance with the applicable regulatory requirements including IRDAI Corporate Governance Guidelines and those prescribed under SEBI Listing Regulations, we have formulated the '**Corporate Governance Policy**', which acts as a guide to the Company and the Board to implement best practices in Corporate Governance. The policy can be accessed through the following link: https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/corporate-governance-policy/Corporate_Governance_Policy.pdf



Effective Governance and Business Conduct

Policies and Frameworks for Ethical Conduct

At HDFC Life, we are committed to upholding the highest level of ethical standards. To foster a culture of ethical behaviour, we have established policies and frameworks that promote appropriate business conduct. The following policies pertain to ethical conduct:

- **Code of Conduct :** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/code-of-conduct/Code-of-Conduct.pdf>
- **Anti-bribery and Anti-corruption:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/anti-bribery-and-anti-corruption-policy/Anti-Bribery-and-Anti-Corruption-Policy.pdf>
- **Anti Money Laundering (AML):** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/anti-money-laundering-AML-policy/AntiMoneyLaunderingAMLPolicy.pdf>

Culture of Transparency and Accountability

We are a purpose-driven company, and our corporate values include a deep commitment to transparency and accountability. We have formulated

the following policies and frameworks which are reviewed from time to time to strengthen our culture and stay abreast of the best global standards:

- **Human Rights Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/human-rights-policy/Human-Rights-Policy.pdf>
- **Policy for Prevention and Redressal of Sexual Harassment (PRSH):** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/policy-of-prevention-and-redressal-of-sexual-harassment/Policy-on-Prevention-and-Redressal-of-Sexual-Harassment-at-Workplace.pdf>
- **Whistle-blower Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/whistle-blower-policy/Whistle-Blower-Policy.pdf>
- **Data Privacy Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/privacy-policy>
- **Tax Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/tax-policy/Tax-Policy.pdf>
- **Investor Grievance Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/investor-grievance-policy/Investor-Grievance-Policy.pdf>
- **Responsible Investment (RI) Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/responsible-investment-policy/Responsible-Investment-Policy.pdf>
- **Corporate Social Responsibility (CSR) Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/csr/HDFC-Life-Swabhimaan-CSR-Policy.pdf>
- **Environment and Climate Change Policy:** Kindly access the policy through the following link: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/environment-and-climate-change-policy/Environment-and-Climate-Change-Policy.pdf>
- **Disciplinary panel for Malpractices:** Please refer to the Risk Management section on Pg 35

Risk Management

Insurance enables transfer of risk from a consumer to an insurer, hence it is a business of risk management. At HDFC Life, we provide solutions that help our policyholders mitigate the financial risks at every stage of their lives. This makes it imperative that we are able to duly assess the risks we ourselves face and put in place adequate mitigating factors to minimise the loss to our stakeholders, and to ourselves.

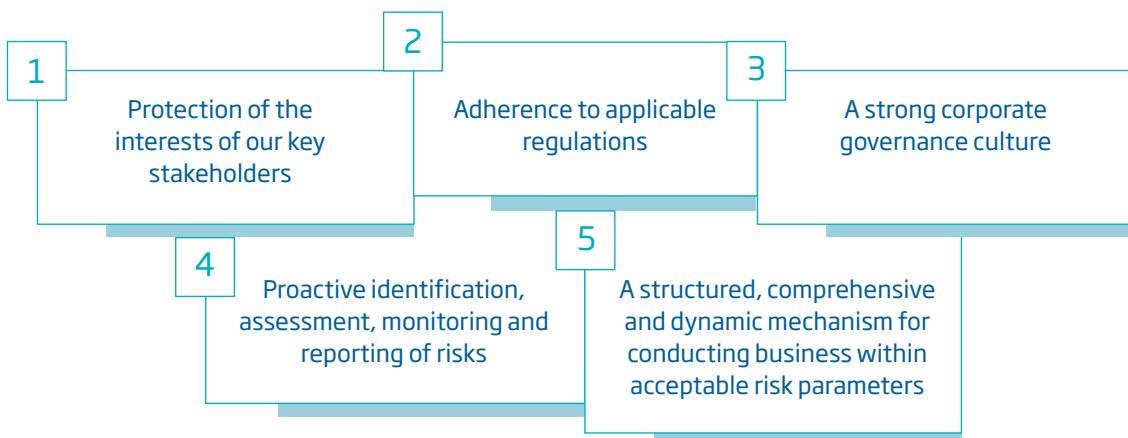
The Risk Management function is a core competence and an integral building block at HDFC Life. Our approach begins with proactively identifying potential risks that may affect operations and formulating business plans that factor in those risks. The Company has implemented an Enterprise Risk Management

(ERM) framework that is supported by a risk-focussed organisational culture and a strong risk governance process. The ERM framework ensures that all risks are managed and monitored at an enterprise level to efficiently manage risks and create opportunities for business enablement.



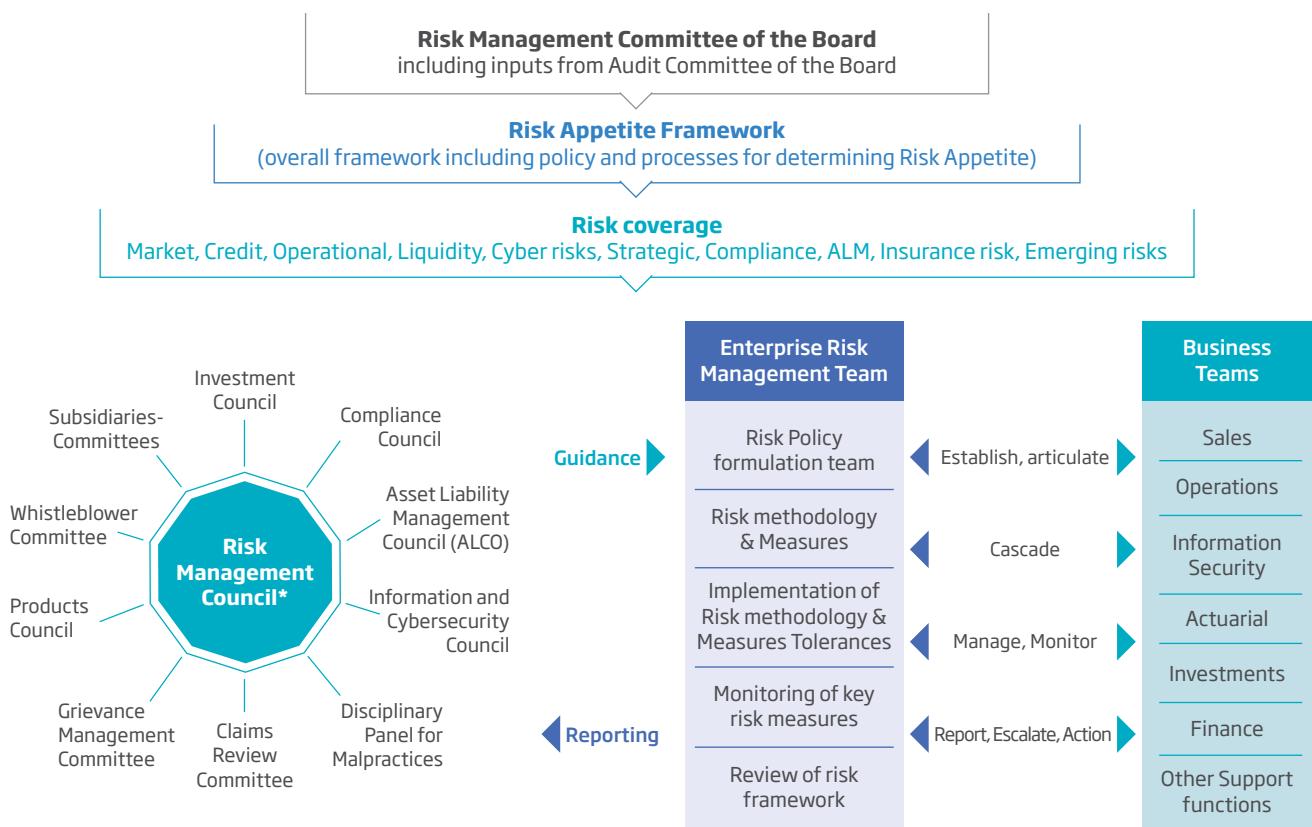
Risk Management

For all the risks identified, we have key performance indicators and dashboards, so that different risks can be effectively monitored. The comprehensive ERM framework helps us continuously assess the different types of risk and design appropriate mitigating actions. This protects us from operational disruptions and prevents financial or other damages. The primary goals of our ERM are:



The execution of the goals can be seen in the risk framework, policies and mitigation measures taken by the Company.

ERM Framework at HDFC Life



*Various governance councils where risks are reported, discussed and actions proposed



Roles of various stakeholders of the ERM Framework

 Governance Councils and Oversight Bodies	 Risk Management Team	 Business Teams
<ul style="list-style-type: none">■ Determine the strategic direction of the organisation and create the environment and the structures for risk management to operate effectively■ Provide guidance for development of Risk Management Framework■ Oversight of prudential management of risks, vis-à-vis objectives■ Advice and appraise the Board and Management of risks and opportunities, which may significantly impact strategic goals or priorities■ Articulate the risk tolerance for the organisation■ Review trends on malpractices as reported by the risk management team review Whistle Blower Policy implementation and treatment of cases as reported■ Promote and evangelise the desired risk culture with appropriate rewards/incentives	<ul style="list-style-type: none">■ Establish risk framework, policy, plan, standards, and templates■ Ensure early identification of risks, appropriate analysis, and measurement of all material risks■ Recommend risk mitigants, regular monitoring of the identified risks and report it to management in a timely manner■ Update Risk Management Council and Committee on the risks and controls■ Support the first line of defence (business functions) in making better risk management decisions■ Act as a custodian of risk-based data and information■ Ensure that there is adequate risk awareness amongst all stakeholders within and associated with the organisation■ Recommending the adoption of best-in-class risk management practices & procedures	<ul style="list-style-type: none">■ Own and manage risks arising out of business activities■ Execute risk mitigation measures and control procedures■ Implement corrective measures■ Mitigate process and control deficiencies■ Design adequate supervisory controls■ Report and escalate risk issues as soon as they are detected

Risk Management Approach

HDFC Life's Risk Management Framework stands on the 'Three Lines of Defence approach'. The first line of defence directs every function to deploy the framework for their operational areas. The second line of defence is independent of business operations and applies to control functions like Risk Management and Compliance. The third line of defence are the Internal Audit function and External Auditors, which provides an independent assurance to the Audit Committee and the Board on the impact of internal controls.

As a future-ready organisation, we continuously identify and manage risks and our processes are designed to mitigate the risks that we face. Risk signifies an uncertainty of outcome, and if uncertainties are understood and managed well, they can have a positive impact on the key business metrics of a company. Based on this philosophy, we have put together a robust set of risk management practices and processes that help us enable business. We have interventions that help

imbibe a culture of risk awareness in the organisation, backed by skill development tools and frameworks for employees. As a practice, we also benchmark our risk management processes every year through an independent audit done by third party auditors and this gives us a comfort that our risk management practices are best-in-class.



Risk Management

The Risk Landscape

Risk Type and Description	Mitigation Measures	Capitals Impacted
Operational Risk Risk arising from lacunae in internal processes and systems or lapses by people, including but not limited to legal risk	Operational risks are managed through mechanisms like Risk Control Self-Assessment (RCSA), pre-launch risk assessment, operational loss data collection, incident management framework, control reports, the matic risk reviews and Key Risk Indicators (KRIs).	
Technology, Business Continuity and Privacy Risk Risks hampering the confidentiality, integrity and availability of information systems and underlying data	<p>These risks are managed through</p> <ul style="list-style-type: none">▪ Periodic Business Continuity and IT Disaster Recovery drills▪ ISO 27001 compliance▪ Comprehensive Information and Cyber Security Policy, Cyber Security Governance and focus on areas pertaining to Cyber security▪ Categorisation of data based on data sensitivity▪ Architectural alignment to integrate data security measures with enterprise IT architecture▪ Detection of potential data breaches through tools such as DLP (Data Leakage Programme), regular reviews (internal and external audits/risk reviews) of the controls▪ Regular review and monitoring of vendors▪ Periodic monitoring and reporting of key technology projects through Information & Cyber Security Council <p>Refer section on Cyber security and Business continuity for further details on the risk mitigation processes</p>	
Compliance/Regulatory Risk Risks emanating from non-adherence to regulatory, judiciary and legislative mandates and guidelines leading to fines and penalties	<p>The risks are managed through practices such as timely dissemination of regulatory notifications and actionables and ensuring implementation of the same, Compliance Council where key business proposals are tabled, Compliance reviews.</p> <p>All major system changes/new developments or business integrations are evaluated from a regulatory perspective and implemented post Compliance sign-off.</p>	
Strategy and Planning Risk Risks emanating from non-achievement of strategic objectives, deviation from strategic plans, execution failures, external and internal factors	These risks are managed through regular strategy reviews, monthly business reviews, special cross-functional groups to handhold strategically important projects.	



Risk Type and Description	Mitigation Measures	Capitals Impacted
Insurance Risk Risk arising due to adverse movement of mortality, persistency, morbidity and expense rates as compared to historical movements	<p>We use frameworks and dashboards like mortality risk dashboard, reinsurance risk reviews, underwriting policies, claim experience monitoring, persistency review across products and time buckets. Further, we also manage risks of pricing, profitability, capital adequacy through product design and also carry out scenario analysis to assess and manage the risks.</p>	 
Fraud Risk Risk resulting due to fraudulent acts of employees, intermediaries, policyholder or third parties	<p>The Risk Monitoring & Control Unit ("RMCU", Fraud Risk) is in place to address fraud risks. The Values programme has been defined with the objective of imbibing the Values of the organisation at all levels starting from senior management to the grassroots level. Several measures have been incorporated to manage fraud risk:</p> <ul style="list-style-type: none">■ Red-Amber-Green risk model■ Malpractice matrix■ Data sharing with Institute of Risk Management and Insurance Information Bureau■ Fraud awareness programmes■ Payout Intelligence Unit (PIU)■ Monthly dashboard to identify high-risk salespersons, whose selling procedures might lead to fraudulent activities. The dashboard is supported by a bot that enables large scale data collation, assimilation, analysis, and reporting <p>Refer fraud section below for further details on fraud risk management</p>	    
Market Risk Risk of loss resulting from adverse movement in market prices across asset classes and investment positions	<p>Equity risks are managed through practices such as sector and stock limits, monitoring fund returns, return attribution analysis, stop loss policy framework.</p> <p>The management and mitigation of interest rate risk is achieved by regular monitoring and action plans drawn when interest rates move beyond thresholds, managing products mix, following duration and/or cash flow matching approach using various hedging instruments. Sensitivity analysis and stress testing is also done to assess these risks.</p>	
Liquidity Risk Inability to liquidate an asset or to meet contractual obligations when due	<p>Liquidity risk is monitored regularly to ensure sufficient liquidity is maintained to meet short-term obligations through cash flow matching and by maintaining adequate liquid assets.</p> <p>Mitigation measures include investing in on-the-market curve securities, high credit quality papers as well as investment in stocks forming part of benchmarks with sufficient market capitalisation.</p> <p>There are also concentration/stock limits prescribed by IRDAI which needs to be mandatorily complied with.</p>	 



Risk Management

Risk Type and Description	Mitigation Measures	Capitals Impacted
Credit Risk Inability of counterparty to meet obligations in accordance with the agreed terms	Company mitigates its credit risk by investing in sovereign rated papers and high quality corporate securities. A separate internal body, Credit Council, analyses and reviews all credit risks periodically.	
Asset Liability Mismatch Risk Risk of movement in financial and non-financial factors due to unmatched asset and liability cash flows	Regular monitoring of portfolio with focus on duration and/or cash flow matching of assets and liabilities, as appropriate, along with periodic sensitivity testing.	
Subsidiary-related Risks Risks originating from actions taken by subsidiary companies	The Risk Management Committee of each of the subsidiary companies provides an update at least on a quarterly basis to the Risk Management Committee of the parent company, highlighting the key risks and the status. Each of the subsidiaries also have its own governance structure in the form of Risk, Investment, Audit Committee, etc. as well as other Committees of the Board of Directors.	
Emerging Risks New or developing risks that can affect the Company's financial strength, competitive position, viability, or reputation over the medium to long-term. Emerging risks may present a threat or an opportunity for the enterprise as a whole or a specific business unit or geography. The key categories of emerging risks are: <ul style="list-style-type: none">■ Economic■ Geopolitical■ Regulatory/Legal■ Environmental/Societal■ Technological	Various mitigation options are deliberated by senior management to prevent or reduce the impact of emerging risks. Since the timing of the risks is uncertain, the Company's aim is to focus on key emerging risks and allocate required resources. These risks along with the mitigation plans also form part of the ESG framework. Pg 70 for the ESG-related initiatives to manage the climate and other risks in detail	



Best-in-class risk management practices/initiatives at HDFC Life

Risk and Opportunities Review Council (RORC)

Our ERM framework seeks to focus on growth and opportunities while managing the risks within our appetite. An internal council called the Risk and Opportunities Review Council (RORC) has been established with the focus of identifying such business opportunities and to ensure that all related risks are managed at an enterprise level and within the risk appetite of the Company.

Data driven decision-making

A dedicated team develops a data-led understanding of the business-related risks to find remedial measures for the risks that are not as per our risk appetite. Further we also collaborate with various external parties like IIB (Insurance Information Bureau of India), credit bureaus, research and analytical firms to strengthen our risk analysis and risk management.

HDFC Life uses IIB Quest for dynamic monitoring of data quality. IIB Quest is a specific tool developed by IIB which facilitates efficient functioning and protection of the industry interests by providing reliable, timely, and accurate data about the industry. HDFC Life is one of the largest contributors and users of IIB Quest. We contribute data as per the norms defined by IIB and have integrated IIB Quest into our core policy systems. The information

analytics help identify fraud and malpractice cases related to non-disclosure of medical, demographic and financial issues.

We have also put in place an integrated tool that helps in monitoring operational, IT risks, fraud incident management, and business continuity. It enables senior management to get a bird's-eye view of key risks, their impact and defect drivers.

Mandatory risk sign-off

We have institutionalised a pre-launch risk sign-off process to avoid post-implementation issues and materialisation of risks. This approach has reduced loss events, streamlined processes and instituted early warning alarms for system breakdowns or gaps.

Emerging Risk analysis- Proactive Risk identification and tapping potential opportunities

The Board's Risk Management Committee thoroughly evaluates strategic risks that may impact the Company's business plan, including factors like changes in macro-economic conditions, government policies, regulatory environment, and tax regulations. HDFC Life has implemented an Emerging Risk Framework to address emerging risks and minimise uncertainty. This framework closely aligns with the core elements of the overall Enterprise Risk Management (ERM) framework.

At HDFC Life, we also assess emerging risks such as Environmental, Social, and Governance (ESG) risks that are relevant to a life insurance company. We are cognizant of climate risk as one of the key emerging risks and are taking various steps that are detailed in our ESG sections. Additionally, we analyse various emerging risks such as shifting social attitudes about aspects like marriage, parenthood, and wealth accumulation to understand their impact and proactively align our business plan to allow for these societal changes. We not only assess risks but also explore opportunities in emerging technologies and disruptive market innovations to stay ahead of competitors and the risk management curve.

Developing the right talent to build for the future

We are making significant investments in skill building of our risk team. This involves enhancing their skills in areas such as actuarial science, data analytics, forensic analysis, and risk modeling. These skills will help us in areas such as product pricing and risk management for our investment portfolios. Additionally, we provide regular training, both internal and external, to ensure that the risk team remains updated about key concepts and processes related to the life insurance business. This enables them to conduct thorough assessments and develop effective mitigation plans.



Risk Management

Some of the specific key risk mitigation measures are explained below

Fraud risk maturity model

Our systems and processes to prevent, detect, and control fraud incidents. In our endeavour to further improve our Fraud Risk Management

framework and to bring it on par with global standards, a Fraud Risk Maturity assessment is being carried out against the five components

of the ACFE/COSO Fraud Risk Management guide:



On the basis of this gap assessment, a roadmap is being developed to achieve the desired goal state both on an overall basis and across each of the five FRM principles.

Fraud awareness among employees and the channel

Our employees and distribution channels are our first lines of defence against fraud, and we expect them to be able to notice patterns and identify suspicious activities so that our exposure to fraud can be reduced. Fraud awareness sessions are conducted for our employees as a critical preventive measure through online and classroom training.

- Over 21,000 employees underwent training and awareness sessions in FY 2022-23
- A Data Privacy awareness week was executed in the month of August 2022
- We marked December 2022 as fraud awareness month
- 'Beat the system', 'IPledge' were some of the interactive initiatives rolled out

- Several quizzes were organised to test awareness levels
- We identified branches with low instances of malpractices and shared their best practices across the organisation

Payout Intelligence Unit

Payout Intelligence Unit (PIU) is a specialised unit we set up in FY 2022-23. It is mandated with proactive detection and prevention of probable frauds in customer-related payouts. This unit also ensures that customer interests are protected during the payout process.

Early Warning Indicators

We have developed a well-defined framework to proactively identify early warning indicators across the customer life cycle. A set of identified triggers helps to recommend corrective and preventive actions so that the risk of fraud losses are minimised

Persistency Risk

Some policyholders stop paying premiums midway through their policies. This affects their benefits, impacts our asset-liability planning and profitability. We have developed a predictive model to estimate the likely persistency of new applications and existing customers. Identified applicants are provided the option of shifting to an alternate product. This model allows us to estimate our future persistency so that customer engagement can be planned accordingly.

Claims

We have customised predictive models to build risk triggers which help to identify high risk claims at both pre-claim and claim stages. Detailed data assessments is done on the basis of historical experience to proactively detect policies, distributors, and geographies for such risks.



Financial risk management framework

We have a comprehensive financial risk management framework that encompasses key areas of asset liability management, product design and hedging strategies.

ALM approach

- Target cash flow matching for non-par savings plus group protection portfolio to manage non parallel shifts and convexity
- Immunise overall portfolio to manage parallel shifts in yield curve (duration matching)

Product design & mix monitoring

- Prudent assumptions and pricing approach
- Monitoring product mix: Proportion of Return of premium of annuity products
- Defining entry criteria of annuity business
- Regular monitoring of interest rates and business mix

Managing Risk

Natural hedges

- Protection and longevity businesses
- Unit linked and non-par savings products

Hedging strategy

- External hedging instruments such as FRAs, IRFs, swaps amongst others
- Reinsurance
- Broad-basing of counter-parties for FRAs

Information and Cyber Security

At HDFC Life, we have always promoted a security-focussed risk culture. At the heart of it is the defence in depth approach adopted to ensure we have a strong cyber security framework.

The cyber security framework is a comprehensive set of policies, procedures, and controls designed to protect the organisation information assets from cyber threats. The framework includes risk assessments, implementation of adequate controls for prevention, detection, response and recovery from cyber threats and employee training programmes, among other components. Cyber risk and security

is an important agenda item amongst all the leaders in the organisation, at the Risk Council (internal apex Risk body) and Risk Management Committee (of the Board). In addition to periodic awareness through e-modules for all employees, we also have focussed awareness and certification programmes for key tactical groups. A code of conduct is signed annually by employees and a strict no tolerance policy is followed for employees/vendors/partners in case of conduct which breaches acceptable information security policies. Violations are dealt with as per company malpractice metrics which vary from caution, warning to terminations.

Information security controls are modelled in line with ISO 27001 as well as IRDAI mandated cyber security guidelines. Subsidiary risks are also assessed, and appropriate level of governance is provided periodically. Cyber crisis management plan ensures "Business as Usual" during any negative incidents which may impact the Cyber space of the Company. Adequate cyber insurance is in place to provide financial protection from any such incidents. The risk council also reviews the information security policy on a yearly basis and proposes for approval to Risk council and Risk committee of board. Periodic audits and scans gives the assurance on any material deviations or internal control weaknesses.



Risk Management

Business Continuity

The risks we face in our business could sometimes result in business operations being impacted, interrupted, or completely halted if there is unplanned unavailability of people, processes or technology. We have leveraged technology to ensure business continuity across functions. Since a hybrid working model is more prevalent now, with employees often working from home, we have made our internal HDFC Life applications available to users who log in through remote access. The dependence on physical storage for critical applications has been reduced by migrating them to cloud

storage. We regularly monitor the instances of downtime for all critical applications and use root cause analysis to prevent recurrences. Any technical issues with our internal systems are promptly resolved through remote or on-call support. We carry out Business Impact Analysis (BIA) for all functions in HDFC Life so that the criticality of our processes can be assessed.

Data Privacy

We handle personal information in accordance with our privacy policies, which have been established based on industry-leading practices such as ISO and NIST, among

others. These policies also align with existing and forthcoming laws and regulations. To ensure a comprehensive understanding of personal data storage, we regularly create and update inventories of personally identifiable information (PII) and analyse data flows to identify areas where personal data is stored. We have implemented consent mechanisms at multiple customer touchpoints to ensure that data is collected and processed only with the explicit consent of our customers. We have developed a Unified Controls Framework to evaluate privacy practices across various functions.





Creating Social Value

At HDFC Life, we value the trust and support of our stakeholders, including customers, communities, employees, and partners. We prioritise delivering an excellent customer experience and meeting long-term financial needs. Furthermore, we actively engage in corporate social responsibility initiatives to promote financial inclusion and contribute to the overall development of our communities. This section provides an overview of our customer-centric transformation programme, our Swabhimaan initiatives for the community as well as our employee-related initiatives.





Creating Social Value

Customer Centricity

Our customers are the cornerstone of our business. Customer-centricity is one of our core values and it is our endeavour to provide a superior customer experience across all our touchpoints. The rise of digital technologies has disrupted traditional business models and created new opportunities for customer engagement. Products,

Services and Strategies can easily be replicated by players in a short duration and hence it is imperative to provide a great customer experience to retain customers and build long-term relationships while generating repeat and referral business.

We, at HDFC Life, believe that Customer Experience is a strategic

moat that will help build strong customer relationships, increase loyalty, attract new customers and ensure a long-term sustainable and profitable growth. In line with the same objective, we have launched a Customer Experience (CX) Transformation programme.

Our CX programme is based on 5 areas of focus

1 Enabling a customer-centric culture within the Organisation

Customer Centricity is one of our core values that motivates us to deliver a superior customer experience in every aspect of our business. We place the customer at the centre of our product design, sales and service processes and all decision-making processes.

- Our leadership and staff make it a point to recognise the importance of customer-centricity and stay committed to it not only by talking about it but also demonstrating it through actions and decisions.
- Our hiring process ensures we onboard new talent which embodies customer-centric values and behaviours which include empathy, skills and willingness to go above and beyond for customers.
- We have feedback loops to measure customer metrics like CSAT and NPS to take informed decisions and actions in the areas of customer experience.
- Specific behaviours and actions that exemplify customer centricity are rewarded and celebrated across the organisation at various levels.

- We continuously look out for avenues to provide our staff with the tools and autonomy they need to sell and serve our customers better.

2 Creating new and simple Product propositions

At HDFC Life, our endeavour is to create newer and innovative product offerings to cater to the changing customer behaviour and needs. We have created a bouquet of 91 product offerings for customers at every life stage such as Savings, Retirement, Protection, Children's Plans, Combo plans catering to both life cover and medical benefits, and health plans.

We also ensure our customers understand the details of the products they have purchased along with the terms and conditions in a simple and transparent manner. Checks and balances are implemented in our sales processes to ensure the product being sold is suitable to the customer and the customer has completely understood the product features and the terms and conditions of the product.

3 Seamless Customer Journeys

At the heart of our CX programme lies our goal of ensuring easy and seamless sales and service journeys.

We are adopting an omnichannel approach to customer engagement across service channels such as web, mobile, chat bots, call centres, email desks and our branch offices. This enables customers to interact with us in a way that is most convenient for them.

4 Simplified Communication

Simple communication and engagement play a crucial role in shaping our CX agenda and helps us in establishing a strong relationship with our customers. Our endeavour is to communicate clearly in a simple, concise, understandable and timely manner during the entire customer lifecycle. We ensure these principles are applied across all customer facing touchpoints and communications sent to customers.

5 Use of Technology and Analytics

Use of technology and analytics has helped us gain deeper understanding of our customers, deliver more efficient services. This has led to higher levels of customer satisfaction, loyalty, and advocacy.

Over the past few years, we have focussed on building market leading digital capabilities that



put the customer first and provide greater reach, agility and efficiency. Cloud computing, artificial intelligence (AI) and robotic process automation (RPA) solutions are improving the quality of our customer interactions. Mobile first platforms like InstaSuite are allowing our frontline sales and service teams to sell and service our customers smoothly.

Additionally, customer facing bots deployed on WhatsApp, Twitter, Facebook, Alexa, Google, email, and website answer customer queries on chat on a real-time basis.

Besides the use of artificial intelligence, cloud computing, machine learning algorithms and bots have helped us predict future

behaviour, anticipate customer needs, potential failures and proactively address customer issues before they become problems.

Our CX strategy has helped us to make our processes seamless and convenient, deliver simple to understand products, drive efficiencies leading to lesser customer queries and concerns, and increased customer satisfaction.

Customer Satisfaction Survey

We conduct the Voice of Customer (VOC) study to capture customer satisfaction for every interaction done with HDFC Life with regards to purchase or any other service related to their policy. It helps in identifying strengths and improvement areas across touchpoints/channels.

The feedback is captured in a brief online survey, sent via SMS. Questions in every survey include satisfaction levels with overall service (satisfaction scale - 5-point) along with open-ended questions related to reasons for the rating given, NPS questions to understand future recommendation to friends/ family/ colleague, and also questions specific to the touchpoints/channel that the customer has engaged. We achieved a weighted average score of 90.7% during FY 2022-23.





Customer Reflections Case Studies

"Very punctual in payment. Communication by SMS is fantastic. Very good payout experience. Very sincere and co-operative staff. I am very happy to invest in HDFC Life. Returns are good, ease in policy deal."

Neela Sanjeev Bhanushali

We received positive feedback from a senior citizen annuity customer who has been receiving monthly annuity payouts since 2018. She appreciated the timely and regular payout, effective communication, and excellent customer service she received at every touchpoint. Our commitment to ensuring a seamless experience for our annuity customers is evident in their satisfaction with our services.

"I like your online Life Certificate so much and your payout happens on time without any hassle."

Geeta R.

Our customers have embraced the convenience and efficiency of our digital Life Certificate submission process. One customer expressed her appreciation for being able to submit the necessary certificate quickly and seamlessly, without any hassle. The introduction of this digital feature has streamlined the experience for our customers, allowing them to fulfil the requirement with ease.





"I did all the formalities from the comfort of home without visiting any office premises physically for Maturity settlement. It was a nice experience. I earned a little profit on investment too."

Tarun Kumar

A customer who had purchased our Click2Invest plan shared his positive experience with the policy maturity process. Well in advance of the maturity date, we proactively informed the customer about the upcoming deadline and provided a secure link for him to submit any changes or updates to his information from the comfort of his home. The customer submitted the required documents, and we ensured that the proceeds were credited to his account in a timely manner. This efficient and customer-centric approach contributed to his overall satisfaction.

"Dear Ganesh, Thank you for your excellent service for Claim settlement. You have stood up whenever I encountered difficulties, took the initiative and spoke with the respective companies to get the documents. This was an amazing experience. I am very thankful for your effort and time to make this settlement. Thank you so much. I feel it would not have been possible without your efforts. Every Company needs an employee like you to make the Company proud."

Vidya Khude

Ganesh demonstrated remarkable patience while explaining the situation to the employer and stressing its urgency. He provided all the necessary documentation and information to support, going so far as to engage in a call with the HR of the other Company. Despite multiple reminders, Ganesh's persistence paid off as the employer finally provided the required information. This episode exemplifies our employees' commitment to effective communication and going the extra mile to achieve positive outcomes.

"Hello Rutuja, Thanks for following up with me on this issue and thanks a lot for being on top of this issue all the time. You inculcated faith in me about HDFC Life. Thanks for everything. I hope this issue will not repeat again. Looking for a long-term relation with HDFC Life. Thanks."

Vinod S. Poojary

In a situation where a customer encountered an issue with their payment, Rutuja, one of our dedicated team members, promptly addressed the concern. She personally reached out to the customer, providing reassurance and assuring him that his issue was being prioritised. Rutuja efficiently coordinated with the refund team, resulting in the expedited refund of excess premium payment within a remarkable three-day period. The customer expressed his gratitude for the timely update and quick turnaround time, showcasing our commitment to resolving issues with utmost urgency.

"Good evening Jeewan, Just wanted to thank you for getting the payouts done for my father's policy. Really appreciate your help."

Hena Hasan

Our team member Jeewan went above and beyond to assist a claimant involved in an open title case. Jeewan took the time to explain the necessary procedures and even consulted a lawyer on behalf of the claimant. Drawing from their own experience, Jeewan provided valuable advice on how to navigate the complex legal system, enabling the claimant to approach the case with confidence and achieve a faster resolution. The claimant expressed their appreciation for our team's expert guidance and support, as it was instrumental in obtaining the much-needed death claim amount.

These customer experiences reflect our commitment to provide excellent service, seamless processes, and personalised support to our valued customers. We are proud of our team members' dedication and their ability to positively impact the lives of our customers.



Creating Social Value

Corporate Social Responsibility

At HDFC Life, we have established a strong trust-based relationship with our communities and endeavour to create shared value by contributing to the well-being of society, while fulfilling our business goals. We focus on a wide range of programmes and initiatives aimed at improving the lives of the communities around us. The core areas we focus on include Education and Livelihood, Healthcare and Sanitation, and Environmental Sustainability. HDFC Life spent a total of ₹ 19.53 crore on 36 programmes during FY 2022-23, collaborating with 33 implementation partners, and impacting over 11.45 lakh lives. HDFC Life's Corporate Social Responsibility (CSR) initiatives are executed in accordance with our CSR policy, which is aligned with Schedule VII, Section 135 of The Companies Act, 2013. These initiatives are governed on an overall basis by the Board level Corporate Social Responsibility (CSR) and ESG Committee. This ensures accountability and oversight at the highest level over CSR initiatives and impact.

Swabhimaan: Our CSR activities are clustered under an umbrella programme called Swabhimaan. We have a CSR Monitoring and Evaluation team which identifies projects eligible for inclusion under Swabhimaan after assessing them for suitability. After due diligence is completed, the selected projects are recommended to the CSR &

ESG Committee for approvals, budget allocation, and directions. The projects selected for Swabhimaan are aligned to the UN sustainable development goals, and this year, we have contributed to 14 of those 17 goals. The CSR & ESG Committee is empowered to use its discretion to approve other projects outside our focus areas.



Girl Child Education Program at Railmagra Village, Rajsamand, Rajasthan



Education and livelihood

Sound education is the best hope for children belonging to the marginal sections of society to build a better future for themselves and their families. A well-rounded education can help such children grow up into fine citizens for the country who can make their families proud. The financial condition of many underprivileged families forces their children to stay away from schools or drop out midway to help their family by earning a living. An absent or incomplete education limits their options later, when they seek a career for themselves. Inadequate infrastructure, lack of quality teachers, and outdated teaching methodologies result in sub optimal learning which inhibits their ability to earn a respectable livelihood later. We have taken several initiatives in FY 2022-23 with the help of our implementation partners to positively impact several aspects of education and livelihood in many underserved regions of India.

- Contributed to infrastructure development, teacher training, and nutritional meals in six schools of Dharamshala, Dehradun, Patna, Rasoolpoora, Fatehnagar and Mumbai. These interventions provided a better educational environment to the children, improved learning delivery, and reduced instances of children dropping out midway through the year. More than 5,450 children benefited from this initiative.
- We helped set up 64 learning centres aimed specifically at girls. 56 of these were in Rajasthan and 8 were in Bihar. The learning provided at these centres would empower the girls with academic inputs and life skills. A total of 1,850 girls benefited from this initiative.
- We believe that a person's physical disabilities should not impede professional growth and ambitions. We stepped in to help about 288 hearing impaired youngsters from Rajasthan developing tailor-made training modules to improve their employability, including Indian sign language, written and spoken English skills, computer literacy etc.
- An Integrated Child Development Scheme (ICDS) is run by the Government of India, which seeks to make early childhood education available to the marginalised children who do not have access to such facilities. We partnered with ICDS through our implementation partners which also provides support to the anganwadi workers and helpers. Over the year, more than 1,375 children and over a hundred anganwadi workers benefited from these centres.
- Digital tools are needed for almost everything we do now, including enrolling for government schemes and benefiting from them. We conducted sessions for improving the financial and digital awareness in Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand, Uttarakhand, Haryana, Assam, Odisha, Andhra Pradesh, Gujarat, Tamil Nadu, Karnataka, Punjab, Himachal Pradesh, Delhi, Chhattisgarh, Rajasthan and Maharashtra that helped the beneficiaries improve their livelihoods and lifestyles. More than 82,500 individuals benefited from these sessions along with over 10,000 linkages to various government schemes.
- India is still a primarily agrarian economy whose participants ensure food on the table for the rest of our citizens. In the Parvathipuram district, Andhra Pradesh, we launched an initiative to spread knowledge, and drive awareness of sustainable agricultural practices to ensure provide better returns through additional income sources, and also improve the ecosystem by making efforts for increasing water availability. More than 1,400 households consisting of 4,900 people were provided with opportunities for a better livelihood.

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Creating Social Value

Swabhimaan Stories

Empowering Women in Maharashtra: From Digital Literacy to Financial Independence

Name: **Jayshree Joshi** | Age: **32** | Location: **Kurnoli, Maharashtra**

Jayshree, a homemaker from Kurnoli, Maharashtra, actively participates in a self-help group (SHG) and has found the Digital Financial Literacy (DFL) camp to be extremely beneficial. By learning how to use GPay, she has successfully implemented monthly savings collection from the women in her SHG through the app. This has encouraged the SHG members to embrace digital apps for their financial transactions. Furthermore, Jayshree plans to enhance her entrepreneurial skills by exploring classes on YouTube and other educational platforms. To manage her savings effectively, she has also enrolled in the PM Suraksha Bima Yojana and PM Atal Pension Yojana.



Healthcare and sanitation

Clear drinking water, toilets, nutritive food, and easily accessible healthcare are still not available to a large section of our society. At HDFC Life, we aim to further the national goal of clean water and sanitation for all, by including as many communities as possible within the ambit of our initiatives. In FY 2022-23, a series of such interventions were carried out by us across the country.

■ A number of families from economically weaker backgrounds are unable to provide adequate treatment for their children suffering from congenital heart defects, clubfoot, and spina bifida, owing to exorbitant medical expenses. Our interventions benefited over 5,300 children during the year.

■ Over and above the domiciliary expenses, several families are unable to meet the expenses of surgical procedures. During the year, we provided the resources for 285 cataract surgeries and five cochlear transplants. Additionally,

we also provided support for improving the infrastructure at various hospitals in Mumbai.

■ Senior citizens in marginalised communities are often unable to take care of their expenses and nutrition due to lack of family support. We helped 575 such elderly people from 17 old age homes across Maharashtra, West Bengal, Tamil Nadu, Kerala, Tripura, Nagaland, Bihar, Mizoram and Punjab with nutritious food and mental support during the year. The food security also improved their self-confidence and mental resilience.

■ Child malnutrition and inadequate nourishment for expectant mothers is a widespread problem in our underserved communities. With the help of our partners, we coached the mothers-to-be and their families regarding appropriate health and nutrition practices, both before and after childbirth. More than 75,000 lives were impacted through these initiatives

More than 1,30,000 lives were impacted through healthcare awareness, health camps, referrals and distribution of medicines in Uttar Pradesh, Bihar, Himachal Pradesh, Madhya Pradesh, Jharkhand and Uttarakhand.

in the states of West Bengal, Jharkhand and Odisha.

■ During FY 2022-23, we also contributed towards improvement of sanitation by helping build 250 toilets in the slums in Thane, Maharashtra. This was supplemented by awareness sessions on hygienic sanitation practices.

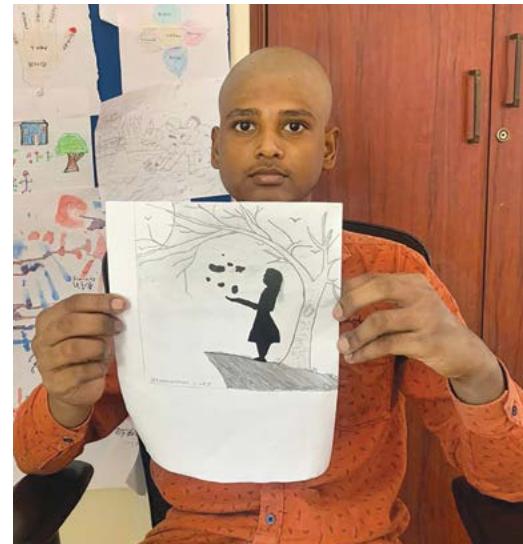


Swabhimaan Stories

Standing Strong Together: A Journey of Hope and Medical Support in Trichy, Tamil Nadu

Name: **Jeevanantham** | Age: **15** | Location: Tamil Nadu

In the district of Trichy, Tamil Nadu, resides the Selvakumar family. Mr. Selvakumar works as a semi-skilled worker while Mrs. Prema takes care of their home. Their son, Jeevanantham, has been diagnosed with Hodgkin lymphoma, and his journey of treatment has been supported by a remarkable collaboration. Jeevanantham has been receiving comprehensive medical and social support entirely free of cost. His treatment, which includes chemotherapy and a planned bone marrow transplant, has been expertly overseen by a dedicated team of oncologists and pediatricians. Their continuous monitoring and adjustments to his treatment plan ensure that Jeevanantham receives the care he needs. This collaborative effort has provided immense relief to the Selvakumar family during this challenging time.



Environmental sustainability

We are committed to reducing the carbon footprint caused by our business activities, in line with the Net Zero goals that our country has committed to. The activities we drive are centred on four major focus areas - restoration of biodiversity, rejuvenation of water bodies, transitioning to green energy, and increasing urban greenery.

- We have planted more than 81,700 saplings during the year, including 24,000 saplings planted in 6 Miyawaki city forests in Mumbai, Jalna, Nashik and Pune covering 73,400 sq. ft.
- Since 2018-19, 34 city forests covering 8 lakh sq.ft. and 81,890 saplings have been created
- To encourage the transition to alternate sources of energy, we installed 13 rooftop solar panels

in 2 schools and 11 Government hospitals in Maharashtra and Karnataka

- We have successfully restored 4 water bodies in Bhandara, Maharashtra and Delhi-NCR covering 34 acres of area. This has led to increase in water holding capacity, groundwater recharge and improvement in the ecology

We have planted more than **81,700** saplings during the year

Swabhimaan Stories

Transforming Ponds: From Peril to Prosperity

There were instances of cattle deaths in pond. It got stuck due to proliferation of aquatic plants and couldn't get out. We too couldn't muster courage to save them out of fear. It was a huge economic loss for the owners. But now, situation has changed. The aquatic plants have been removed completely. There is no threat now

Mr. Vikas Kumar, Residing near the Mehmoodpur pond restored by HDFC Life



Creating Social Value

Swabhimaan Agent of Good

We are proud of the contributions of our employees in our continued business success. It is even more gratifying to note that our employees also share the same enthusiasm towards doing their bit for the community. At HDFC Life, we have provided a platform called Swabhimaan Agent of Good (SAOG) where our employees can volunteer to participate in our community outreach programmes under our Swabhimaan programme for CSR. This year many employees participated enthusiastically in SAOG activities in the areas of financial literacy, education, animal care, saving the environment, among others.

Swabhimaan Agent of Good Campaign

HDFC Life's Swabhimaan Agent of Good (SAOG) programme is a platform that empowers individuals to make a positive contribution to society. SAOG has successfully engaged a significant number of people through initiatives such as book donations, tree plantations, blood donations, school kits for underprivileged children, wall paintings at government schools, and workshops on solar energy, among others. The positive impact of these initiatives is reflected in the testimonials received from people, which demonstrate that the SAOG initiative is not only changing lives but also inspiring more people to become Swabhimaan Agents of Good.

In addition, HDFC Life is committed to fulfilling its Social and Relationship commitments in line with the United Nations' Sustainable Development Goals (SDGs), focussing on key thematic areas. All of its initiatives aim to reduce inequality by creating pathways for progress. HDFC Life takes a well-rounded approach to ensure that every action contributes to making the earth a more habitable place to live.



Wall Painting SAOG Activity at Mumbai, Maharashtra

Rural Business

Insured 3,21,080 rural lives versus prescribed lives

Social Business

Insured 79,80,871 rural lives versus prescribed lives

Financial Inclusion

In addition to our CSR activities, we also contribute to financial inclusion through insurance products specifically designed for the economically weaker sections of the society. In addition, there are micro-insurance products that are offered through our micro-insurance agents or our partner micro-finance institutions. We also maintain our focus on taking insurance to rural areas. As part of our overall business, we have achieved the prescribed regulatory targets of social and rural business.

Promoting Financial Literacy and Education

When it comes to financial literacy and awareness about life insurance, our efforts are focussed on educating both prospective and existing customers. Through campaigns, we make people aware of the need for and importance of life insurance for themselves and their families. In addition, we also have specific campaigns targeted at a specific audience for promoting financial literacy.

The main focus of our 'Klarify Life' initiative is to simplify term insurance and make it more interesting and relatable to millennial and GenZ customer base. Under this initiative, complex insurance topics are broken down into simple content in engaging formats like reels, stories, posts, memes, flashcards, etc. to appeal to tech-savvy generation.

We also engage with our policyholders regularly regarding their rights and duties as a policyholder, fraud/spurious calls/malpractices and available grievance redressal mechanisms, amongst others.



Strengthening our Human Capital

At HDFC Life, we don't just value our employees, we cherish them.

Our employees are the cornerstone of our organisation, and we honour their contributions with sincerity and enthusiasm. Our workplace culture is founded on transparency, care and inclusivity, ensuring that every employee feels valued and is empowered to realise their full potential.

Seamless onboarding experience for former erstwhile Exide Life employees:

When HDFC Life acquired erstwhile Exide Life, we ensured that the onboarding experience of our erstwhile Exide Life employees was seamless and inclusive. We provided them with an employee dossier and conducted multiple town halls, and induction programmes that were centred on our core values – Trust, Care and Inclusion. By assigning HDFC Life buddies to support roles, we made sure that our new colleagues felt supported, welcomed, and cared for during the integration process.





Strengthening our Human Capital

Three core cultural aspects that sets us apart are:

Trustworthy & Inspiring

We believe in fostering trust among our employees, by always keeping the lines of communication open. Celebrate employees' achievements and build trust through regular leadership interactions and communication.

Caring & Nurturing

HDFC Life is committed to the well-being of our employees and is cognizant of their aspirations, growth, happiness and psychological needs. We understand that each employee is unique, with distinct needs, and hence we invest in their overall well-being. This creates a work environment that encourages creativity, innovation and collaboration.

Equal, Inclusive and for all

We are committed to creating a diverse, equal and inclusive culture and, towards this end, provide equal opportunities to all our employees, regardless of gender, ethnicity or economic background. In fact, we encourage diversity in all its forms and believe it is essential to our success. By nurturing an inclusive work environment, we leverage the collective strengths of our employees.

Our employee strength

Employees by Category	2022-23 (In Nos.)			2021-22 (In Nos.)		
	Male	Female	Total	Male	Female	Total
Top Management	29	5	34	25	3	28
Senior Management	168	30	198	111	24	135
Middle Management	1,991	419	2,410	1,366	314	1,680
Junior Management	21,707	8,099	29,806	14,777	5,439	20,216
Total	23,895	8,553	32,448	16,279	5,780	22,059

These three principles are at the heart of our culture and are carefully woven into every stage of our employees' lifecycle. From recruitment to retirement, we are committed to nurturing a culture that empowers our employees and enables them to thrive.

Employees by Age	2022-23 (In Nos.)			2021-22 (In Nos.)		
	Male	Female	Total	Male	Female	Total
<30	8,821	4,571	13,392	6,373	3,249	9,622
30-50	14,642	3,911	18,553	9,701	2,488	12,189
>50	432	71	503	205	43	248
Total	23,895	8,553	32,448	16,279	5,780	22,059

Trustworthy & Inspiring Environment

We strive to create an environment where our employees feel trusted and inspired. One way we achieve this is through an open and robust communication between our leaders and the team members.

Our top management makes it a point to regularly connect with employees through various initiatives like CEO town hall meetings, department-specific CXO town halls, strategy meets, and off-sites. Our zonal leadership team travels

across the country to interact with employees through zonal business councils, regional business councils, and branch visits.

We also encourage in-person interactions with our employees through focussed group discussions, conduct pulse surveys and employee satisfaction surveys, and have provided an online grievance portal. During FY 2022-23 we have achieved Employee Satisfaction Score of 86%. We value and leverage their feedback, ideas, and experiences to make HDFC Life a better place to work.

By cultivating a culture of approachability, and continuous exchange of ideas between leaders and employees, we have created a transparent and free-flowing environment that makes us unique.

Caring & Nurturing Organisation

Our commitment to caring is reflected in the way we prioritise employees' aspirations, growth, happiness, and psychological safety. We recognise that our employees are unique individuals, not just resources. By investing in their well-being, our work environment fosters creativity, innovation, and collaboration.



OUR TALENT DEVELOPMENT & MANAGEMENT ECOSYSTEM

At HDFC Life, we believe that investing in our employees' development is critical to their growth and the Company's success. In this context, several innovative initiatives have been conceptualised and instituted.

Meeting Employees' Professional Aspirations

Our top priority is to create a culture that actively supports our employees' career aspirations. Our commitment to this approach is reflected in our range of robust career-advancement programmes, which includes Internal Job Postings, Recommendation-based promotions and the Potential Review Process.

Following a remarkable rebound post-COVID-19, the life insurance industry in India is experiencing rapid growth, driven by pent-up demand, increased insurance penetration, and innovative product offerings supported by IRDAI. With new players entering the market, there is fierce competition for talent, resulting in a high attrition rate industry-wide. In FY 2022-23 our Turnover rate for permanent employees is 47.5%. To address this, we have intensified our hiring efforts and are actively investing in the learning and development of our employees. Our priority is to foster a supportive environment that nurtures their growth, providing ample opportunities for career advancement.

New-Age 'My Careers' App

This year, we have taken our commitment to the next level by introducing the 'My Careers' app - a mobile-enabled career portal that offers an intuitive experience for job seekers. The platform enables candidates to explore job opportunities, fungible roles and track their application status with ease.

What sets our programmes apart is our unwavering commitment to transparency and fairness. We assess our employees' performance and potential for career advancement through unbiased, and scientific

New Hires* by Category

	2022-23 (in Nos.)			New Hire Rate (%)	
	Male	Female	Total	Male	Female
Top Management	1	1	2	50.0%	50.0%
Senior Management	25	2	27	92.6%	7.4%
Middle Management	386	93	479	80.6%	19.4%
Junior Management	13,351	5,331	18,682	71.5%	28.5%
Total	13,763	5,427	19,190	71.7%	28.3%

New Hires* by Internal and External Hiring

	2022-23 (in Nos.)			New Hire Rate (%)	
	Male	Female	Total	Male	Female
Internal Hiring	7,020	3,311	10,331	68.0%	32.0%
External Hiring	6,743	2,116	8,859	76.1%	23.9%
Total	13,763	5,427	19,190	71.7%	28.3%

New Hires* by Age

	2022-23 (in Nos.)			New Hire Rate (%)	
	Male	Female	Total	Male	Female
<30	6,847	3,498	10,345	66.2%	33.8%
30-50	6,896	1,927	8,823	78.2%	21.8%
>50	20	2	22	90.9%	9.1%
Total	13,763	5,427	19,190	71.7%	28.3%

New Hires* by Function

	2022-23 (in Nos.)			New Hire Rate (%)	
	Male	Female	Total	Male	Female
Sales	11,723	4,701	16,424	71.4%	28.6%
Non Sales	2,040	726	2,766	73.8%	26.2%
Total	13,763	5,427	19,190	71.7%	28.3%

*excludes new hires of (erstwhile) Exide Life during the period 1st April 2022 - 14th October 2022, since they were absorbed by HDFC Life from 15th October 2022

evaluation. With the new IJP platform, our employees can explore cross-functional opportunities and pursue their career goals while using our mobile-based Career Microsite to evaluate their options and further develop their skills.

We take pride in fostering an environment where our employees can thrive and achieve their full potential. Our focus on career development and advancement reflects our commitment to supporting them while we cultivate a culture of innovation and growth that sets us apart.



Strengthening our Human Capital

Developing Future-Fit Leadership

The rapidly changing world necessitates continuous skills augmentation to succeed in business or advance one's career. At HDFC Life, we recognise these uncertainties and ensure that our leaders are equipped with skills that complement their professional duties.

Strengthening Junior and Mid-Management

To enhance the leadership and execution skills of our junior and mid-level managers, we conducted New Manager Boot Camp, Manager Transformation League programme, and other certification programmes. These programmes include workshops, online courses, simulations, mentoring, and mobile learning courses. For Manager Transformation League, we also conducted 270 degrees feedback and multiple leadership interactions.

We are confident that these managers will strengthen our culture of care.

Building a Stronger Middle

We have enhanced our signature HIPO programme, STRIDE, for mid-management by introducing two levels of development intervention with advanced-level learning inputs. As a part of the programme, our STRIDERs attended workshops at reputed leadership development institutes, providing them with multiple opportunities to interact with senior management and exchange ideas. This six-month journey comprised eight touchpoints, prepping this HIPO pool for larger roles in the Company.

More than **700** junior and mid-level managers attended these certification programs.

Future-Ready Senior Leadership

For the senior management at HDFC Life, the Managing Director, CEO and CHRO conduct an annual review of their potential for growth and identify developmental needs. These reviews are used to design learning interventions such as workshops, labs, immersions and 360-degree feedback in collaboration with reputed consultants and top global business schools.

In addition, this review forum is critical in identifying potential successors for vital roles within the Company. These successors are groomed over time through expanded roles, cross-functional exposure, opportunities to lead major projects or initiatives, and educational opportunities at premier institutions.

Our **184** HIPOS' participation in this programme will significantly contribute to our company's growth and meet future talent requirements.





Leadership Pathways

HDFC Life has made significant investments in developing a future-ready pool of leaders. Under this thrust area, our business leaders participated in DataTechVerse, a tech-oriented programme, and PESTEL, a programme on macroeconomics. Such programmes are aimed at enhancing our leadership's acquaintance with technology and macroeconomics, for nuanced business decisions.

81

leaders attended
these workshops
in the year under
review.

Operations Champion League provide an opportunity to the employees to compete with their peers and showcase their learnings. Our middle and senior management participate in the 'Business of Life Insurance' simulation to enhance their business decision-making capabilities. A Ted-Talks like platform called 'Smart Talks' brings employees together to share their knowledge

and learnings and build a network. In addition, our Learning & Development framework utilises experienced resources to develop customised interventions to maximise the impact of the training. Apart from facilitation, productivity, retention and engagement are included in the trainers' Key Performance Indicators (KPI) to make them accountable.

Learning Hours

Employee by Category	2022-23		
	Male	Female	Total
Top Management	4.4	4.2	4.4
Senior Management	5.7	5.1	5.6
Middle Management	21.5	15.2	20.4
Junior Management	65.1	69.2	66.3
Total	58.6	64.6	60.2

Enabling Productivity and Growth For All

We have aligned learning with career growth, rewards, and recognition to cultivate a culture of continuous learning. Our learning programmes cater to diverse learning needs and encourage self-learning. Our digital modules are easily accessible and designed for multiple learning formats, such as peer-led or trainer-led programmes. They are also enhanced with modern learning mediums, including gamification and digital simulations.

We have implemented the Brandon-Hall recognised Step-Up programme for frontline and branch operations staff, which links learning to promotions, and uses both internal and external learning platforms. 88% of the talent pool in these cohorts participated in the programme, setting a foundation for a multi-skilled workforce. Our other gamified platforms like Skill Up and

Creating A New-age and Tech-enabled Workplace

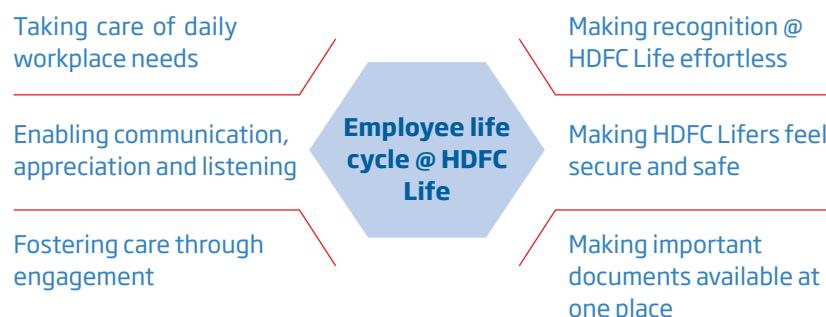
HDFC Life is committed to creating a modern and technology-enabled workplace that prioritises the needs and convenience of our employees. We believe that providing them with a seamless and intuitive experience is critical to their productivity and success.

With our employee app, MConnect, we have ensured our employees

have access to all the information they need on a day-to-day basis, irrespective of their geographic location. From submitting claims and raising queries to managing leave and requesting flexible work arrangements, the app offers a comprehensive and geo-fenced solution to all employee needs.

MConnect enables our employees to remain productive and focussed on achieving their goals.

Improving employee life cycle experience through MConnect

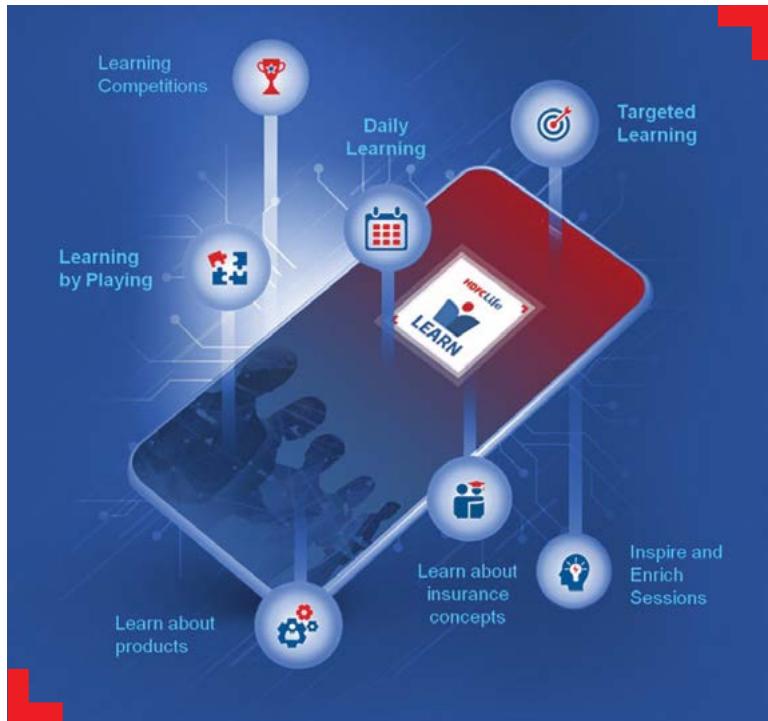




Strengthening our Human Capital

MLearn, Our Hyper-personalised Learning App

As digital technology continues to transform the world around us, HDFC Life is proud to keep pace by offering highly contextualised and customised learning experiences to our employees through our new MLearn app. This is a cutting-edge, hyper-personalised mobile learning application that brings learning to life in the palm of one's hand. Featuring an intuitive user interface that is sleek and modern, our app boasts an impressive array of learning assets. Number of assets on MLearn notwithstanding, the success and adaption of MLearn is also due to the high quality and new-age content that is both engaging and informative. From spoofs to toons to games, MLearn has become more than just a learning portal - it's a 'Learnertainment' platform that makes learning fun and exciting. MLearn is the ultimate mobile learning companion for the modern learner.



Our employees and distributors have actively engaged and learned on the MLearn platform, which has been a game-changer with 1,886 assets

Mlearn ensures faster learning and greater retention with various engaging learning styles!

The infographic highlights several learning styles available in the app:

- Gamification**: Micro-Website, Comic Style, Game Based.
- Micro-Website**: Personal data processing, Explain customers about the purpose of data processing at the time of collecting the information from them. (Refer Terms & conditions, policy documents, privacy policy, etc.)
- Comic Style**: Meet Your Prospect, Play and win over prospective HNI Customer!
- Game Based**: CRICKET CHAMPIONSHIP
- Meme Style**: Contact-less
- Easy-scrollable files**, **Interactive**, **Tap-through Cards**, **Swipe Cards**, **Video**, **Quiz**.



OUR EMPLOYEE WELL-BEING AND HAPPINESS ECOSYSTEM

Employee Engagement and Holistic Well-being: Our Promise

Our employees are our family, and we take responsibility for their happiness and well-being. We understand the significant role our employee's families play in their success, and we extend our care to them as well.

To ensure the overall well-being of our employees, we have introduced the Click2Wellness, FitbyBit Challenge and Walkathon initiatives. These programmes motivate and encourage employees to strike a balance between their health and professional life. These initiatives are extended to employees' families as well, for free.

This year, we partnered with a prominent fitness company to launch a fitness challenge, where employees can compete. Our promise to our employees and their families is to provide a healthy and happy environment, where everyone can thrive.

Health, Safety and Emergency Preparedness

At HDFC Life, the health and safety of our employees is a top priority for us. We are dedicated to fostering a culture of wellness, where the safety and well-being of our workforce are given utmost importance. While our day-to-day operations involve providing insurance and do not typically involve hazardous or life-threatening activities, we recognise that unforeseen events like fire breakouts or natural calamities can pose risks to our employees. In order to address these potential safety concerns, we conduct annual fire safety and emergency preparedness training, along with mock drills, at all our locations. The objectives of

these training workshops are multifaceted:

- Create awareness among employees regarding the importance of safety and the risks associated with safety-related incidents
- Foster a safe working environment for all employees
- Familiarise employees with basic fire protection systems, including different types of fire extinguishers and their proper usage

- Educate employees about emergency evacuation procedures specific to their workplace
- Improve individuals' response and preparedness in the event of any safety-related incident

By focussing on these objectives, HDFC Life aims to prioritise the health, safety, and well-being of its employees while ensuring a proactive approach towards potential safety risks.

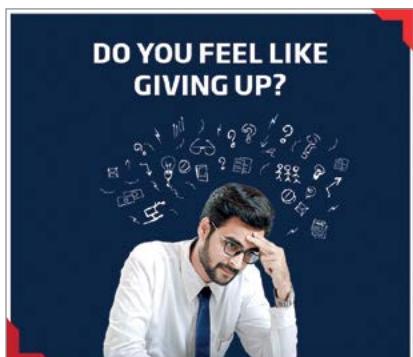




Strengthening our Human Capital

Mental Well-being

With fast-paced, modern lifestyles characterised by sudden changes and uncertainty, we have all come to realise the importance of mental well-being. But breaking the stigma surrounding mental health can be tough, which is why we have launched multiple campaigns and organised talk shows with celebrity speakers to initiate a dialogue on this sensitive subject. We have driven a clear and strong message: it's okay to not be okay. Our mental well-being helpline reflects our commitment to this belief.



DO YOU FEEL LIKE GIVING UP?

You're feeling unmotivated. Do you feel like you've lost your drive to do things? If this is the case, it's because life has become overwhelming!

22 YEARS
Protecting India with Pride
HDFC Life Insurance Company Limited (HDFC Life) CCI-LIIS-10000000001124, IRDAI Reg. No. 101.
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HDFC Life
Sar abhi ke jay!

Fun and Family Initiatives That Bring Smiles to Our Employees

At HDFC Life, we believe that happy employees make for a successful company. That's why we make it a point to provide opportunities for our employees and their families to have fun and connect with each other.

In the fiscal year 2022-23, we organised several events that brought joy to our employees:

Little Strokes Season 3: A painting competition that saw more than 2,443 children of our employees showcasing their creativity



Little Strokes
Season 3
is live!

LAST DATE EXTENDED TILL 10TH JULY, 2022.
ENCOURAGE YOUR LITTLE STARS TO MAKE THE BEST OUT OF THE OPPORTUNITY!

Theme: The Magnificent Universe

1500+ entries received so far

CLOCK IS TICKING!

PLEASE CONTACT YOUR BHR TO SUBMIT RESPECTIVE ENTRIES.

21 YEARS
Protecting India with Pride
HDFC Life
Sar abhi ke jay!

HDFC Life's Got Talent: A platform for our employees to showcase their skills, from dancing to the performing arts to music. We were blown away by the talent on display. 400+ employees participated in this talent hunt programme.

Sparsh: One of our standout programmes is our annual town hall event, Sparsh. At Sparsh, senior management engages with all the employees encouraging them to ask questions and clarifying doubts. After a two-year hiatus, due to the COVID-19 pandemic, we were thrilled to reinstate Sparsh this year. Over 320 employees attended the event physically while 3,398 joined us virtually. The evening was filled with laughter, smiles and good cheer. Families of award-winning performers were also invited, which added to the enthusiasm.





Appreciation & Celebration

We believe in celebrating and appreciating our employees for not just their exceptional work but also for their values, loyalty and contribution to society. Our Recognition and Rewards (R&R) programmes are designed to highlight these traits and inspire our employees to go the extra mile.

We have a wide range of awards, including the prestigious Employee of the Year (EOY) award for outstanding performers and value-based conduct; the Employee of the Quarter (EOQ) award for employees who make

extraordinary contributions quarterly; and STAR felicitation for top-performing Frontline Sales (FLS).

Our Adarsh Awards recognise employees for their value-based contributions and behaviour, while the Swabhimaan Awards celebrate employees' contribution to social causes. The Long Service Award acknowledges our long-term employees, who complete 5, 10, 15 and 20 years of service with us.

Additionally, the CX Ambassadors and Champions awards acknowledge

team members or stakeholders who go above and beyond the call of duty to improve customer experience.

We also host Appreciation Week, where employees are encouraged to recognise and appreciate their peers, using e-cards. This helps us build a culture of gratitude in the Company.

In FY 2022-23, we celebrated and announced 37 EOYs, 1,429 EOQs and 6 Adarsh Awardees.





Strengthening our Human Capital

COMPENSATION & PERFORMANCE MANAGEMENT

Our Transparent Performance Management

Our performance management system is deeply entrenched in the principles of the Balanced Score Card, and the performance of every employee is measured on the parameters linked to the organisation's overall scorecard. The scorecard covers the organisation's performance in financial aspects, the markets, customers, people, sustainability and other operational areas.

- Frontline Sales (FLS) teams and senior management receive detailed performance feedback twice a year to ensure timely course correction of employees in the field and at strategic levels. All other employee cohorts receive feedback at least once a year.
- The FLS appraisal framework, called 'STAR - Sales Team Appraisal and Recognition', is based on the scorecard and has no major subjective assessments from line managers - eliminating bias to the best extent possible. The annual bonus pay-outs at the senior leadership level are linked to both individual and organisation performance as measured on a balanced scorecard.
- For both FLS and Non FLS employees up to the leadership level, performance ratings follow a normalised bell curve giving weightage to relative performance.

Our Fair & Competitive Compensation Philosophy

HDFC Life is committed to creating and sustaining a high-performance culture through a competitive compensation strategy. Our compensation philosophy is based on the following principles:

Pay for Performance: To recognise and reward high performance,

annual increments are based on performance against KPIs set for the year. Short-term incentive payouts (variable pay, sales incentive) are linked to individual and business performance. Long-term incentive payout is based on individual performance and potential.

Competitive and Market-Related Pay: Compensation is benchmarked with the market against a mix of companies where we lose to or gain talent from along with some aspirational organisations. Our chosen pay positioning in the market is at the median with some exceptions for key critical and niche roles.

Integrity and Fairness: All attempts are made through process design and other checks and balances to ensure that employees are treated fairly, consistently, and equitably guided by employee's role, performance, potential, and general deportment.

Transparency: All employees are provided detailed information about compensation components, including their potential variable pay, salary structure, and appraisal guidelines. Employees can raise queries relating to Confirmation, Salary, Mediclaim, and other areas on e-Sparsh, our online query portal, or reach out to their local HR team for assistance.

The Company also values high and consistent performers and rewards them differently through LTIP and ESOPs.

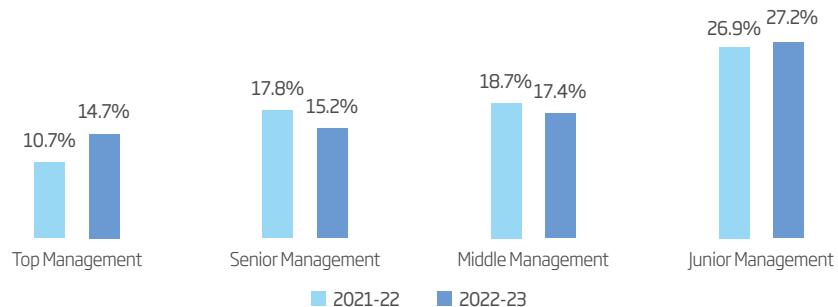
Long-Term Incentive Pay (LTIP): We have several LTIP schemes, each with a vesting period of two years, to attract the best talent, retain deserving employees and encourage employees to contribute to corporate growth over extended periods. LTIP is given to employees who exceed performance expectations.

Employee Stock Options (ESOP): All stock option grants for qualifying employees are based on recommendations and approval of the senior management and the Nomination and Remuneration Committee (NRC). The Company's ESOP plan is typically available to the organisation's senior leadership. However, a set of high performing middle- and junior-level employees who are selected as 'Employee of the Year' (EOY) are also granted ESOPs as a token of appreciation for their significant contribution to the organisation during the year. All ESOP grants are based on performance and merit and consider the employee's future potential, contribution and conduct, subject to NRC approval.

'Malus & Clawback' provision

The stock option grant process is rigorous and we ensure merit, fairness and transparency in decision-making. In the same spirit, stock options can be revoked in case of a recipient's misconduct or breach of company policies or terms of employment.

Women in workforce category-wise (Female %)





Equal, inclusive and for all

DIVERSITY, EQUITY & INCLUSION



HDFC Life embraces diversity and inclusivity, and we celebrate each employee for who they are and what they bring to the table. We call this our 'Celebrate YOU' brand, which embodies our commitment to providing a level playing field for all employees to achieve their professional aspirations. Our hiring philosophy reflects this commitment to diversity, where we provide equal opportunities to everyone, regardless of gender, age, race, religion, creed, nation of origin or ancestry, physical or mental disability or marital status. This is why we have a variety of talent-acquisition programmes, which cater to individuals from all walks of life.

Diverse Hiring

Our programmes include Jigyasa, our flagship hiring initiative for graduates from top business schools; and Excellence, which inducts fresh talent from top engineering schools into our HDFC Life Executive Trainee programme. Additionally, we have #MyJobMyTerms, which offers gig opportunities to professionals who prefer flexible work arrangements, particularly women. We also have Punaragaman, a programme that encourages women, especially those on a career or maternity break, to return to work through flexible assignments. Lastly, our referral programme encourages employees to recommend talented candidates for job openings and invite their friends to work with us.

At HDFC Life, we are also committed to supporting individuals who have served our country. We actively recruit veterans for relevant roles and provide job opportunities to officers and jawans from the Indian Army. We believe that the skills and expertise acquired during military service are valuable assets that can contribute to our company's growth and success.



Programme Shakti

Our commitment to making a positive impact on people's lives prompted us to launch Shakti this year, a programme that supports acid-attack survivors. Through this initiative, we offer roles that match their unique strengths and abilities. At HDFC Life, we believe that everyone deserves an opportunity to succeed, regardless of their circumstances.

We take pride in being an equal-opportunity employer that values diversity of thought, culture, language, experience and education. Our DEI policy fosters an inclusive and respectful work environment, which not only promotes professional growth but also celebrates individuality.

Diversity, Equity and Inclusion (DEI) Council: Governance Mechanism

- Our DEI policy guides the organisation to open doors for diverse talent, embracing their uniqueness and differences. To govern the implementation of this policy and ensure an inclusive culture, we have established a DEI council chaired by our MD & CEO.
- There are regional and zonal councils that drive the DEI agenda and work with the central team to implement initiatives.
- This sponsorship from the top helps us drive DEI as a business agenda and not just an HR initiative and allows us to craft strategies to embed DEI into the Company's culture.



Strengthening our Human Capital

Psychological Safety for Employees

We believe that when employees feel safe, they can perform to their fullest potential. That's why we have introduced some unique measures to keep our employees secure.

Our carpool facility is a game-changer! Through an easy-to-use app, employees can offer and receive rides from one another. This not only makes travel more convenient but also safer, especially for our women colleagues. At certain locations, for those leaving late from work, we offer drop facilities to nearby railway stations etc.

POSH Act

We take the prevention and redressal of sexual harassment very seriously and follow a zero-tolerance approach towards any form of harassment

at the workplace. Even before the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, or the POSH Act, in place, we had established four Internal Complaints Committees (ICCs) across our zones to ensure prompt management of any complaints. The functioning of these zonal committees is overseen by an apex committee.

After the closure of any reported case of sexual harassment, we proactively follow up with the complainant after 30 days, and then again after 90 days, to ensure their continued comfort and safety at the workplace.

All employees must undergo online POSH training, and we also conduct several POSH awareness campaigns throughout the year. If anyone has any concerns, they can use our Whistle Blower policy, which offers a

confidential and structured process to report incidents and complaints.

In addition, this year, we have organised classroom training sessions on POSH. At HDFC Life, we take the safety and well-being of our employees very seriously, and we are always looking for ways to improve our policies and practices.

Women At HDFC Life

Women play a critical role in our success story, and we acknowledge the unique challenges they face. These include, in no small measure, shouldering domestic and child-care responsibilities while managing their careers. That's why HDFC Life has implemented several measures to help our women employees balance their work and life commitments.





Flexi Work

We also offer flexible work options, so that our women employees can work in shifts and at locations that suit their preferences. We also encourage leave for adoption, surrogacy and a sabbatical for those who need to take a temporary career break.

Women Mentoring

HDFC Life is also committed to building a strong pipeline of female talent. Our women leaders guide and groom junior women employees for bigger responsibilities, and we increase the share of women in middle management through our Women Mentoring Circles.

We are also proud to say that our gender ratio is increasingly more balanced. We have a 26.3% share of women in our workforce, with 15% in top management positions (Senior Vice-President and above, two levels below CEO) and 29.5% in STEM-related positions. We also have women leading critical functions like Actuarial, Business HR, L&D, Taxation, Operations, Underwriting, and Strategic Alliances, to name a few.

At HDFC Life, we believe in an inclusive, empowering and equitable culture, and we are always looking for ways to support and uplift our female talent.

Celebrating Women's Day

At HDFC Life, we went all out to make Women's Day truly special, starting with a fireside chat featuring our senior sales leader and four HDFC Lifer women who have defied stereotypes and climbed the ranks.

We also hosted a talk show that drew over 1,100 attendees on empowering women and challenges in professional and personal life, a 'Balancing Energy'

workshop in collaboration with Egon Zehnder to learn work-life balance techniques, and a campaign to celebrate our female colleagues' accomplishments.

Our 'Celebrating Women at HDFC Life' campaign highlighted the inspiring stories of our women colleagues who have overcome challenges and achieved great success in their careers. It was a great way to honour their contributions and inspire others to follow in their footsteps.

In support of gender equality at workplace, we also observed #wearapurple day. Additionally, we

organised health awareness sessions for our female employees and their spouses to prioritise their physical and mental well-being

We are proud of the incredible contributions of our women colleagues and are committed to creating an inclusive and supportive workplace for all.





Strengthening our Human Capital

Supporting LGBTQIA+

We understand that our LGBTQIA+ colleagues face unique challenges, and we strive to ensure that they receive the support they need.

To this end, we organise panel discussions and fireside chats with experts in the field to sensitise our employees to the needs of the LGBTQ+ community. We also provide gender-neutral medical insurance policies that cover same-sex, LGBTQ+ or cohabiting partners, as well as surrogacy and gender reassignment.

Our dress code policy has been revamped to be more inclusive and respectful of employees' preferences and identities while maintaining a professional office culture. We are also in the process of rephrasing our policies, starting with our Code of Conduct and Terms and Conditions, to use gender-neutral language that includes all gender continuums.

At HDFC Life, we believe in creating a welcoming and accepting environments for all our employees, regardless of their gender identity or sexual orientation. We are proud to support our LGBTQ+ colleagues and their families in every way we can.

Other exciting initiatives we have implemented at HDFC Life

We understand that being a parent is a full-time job, and we want to support our male employees who are also parents. That's why we offer fully paid paternity leave to all male employees, regardless of how long they've been with us. We believe that fathers play an essential role in their children's lives and should have the opportunity to bond with their newborns or adopted children.

And we didn't forget about our male employees when it came to awareness campaigns. In November, we celebrated Men's Month with a twist!

Our male employees grew mustaches and participated in health-awareness campaigns to support their well-being.

Launched Employee Resource Groups

We are also proud to announce the launch of our Employee Resource Groups (ERGs) - Women in Insurance, Life or Pride and Happiness at Work. Led by senior leaders, these ERGs aim to create a more inclusive workplace for everyone. We have received an overwhelming response, with over 600 employees joining these groups.

We believe that everyone at HDFC Life is accountable for diversity, equity and inclusion. That's why we are moving away from having this as an HR-driven agenda to making it a company-wide effort.



MOVEMBER®

#Stand4TheBrohood

It's time to sport that Mo!

Kindly share your photos at movember@hdfclife.com by **30th November** showcasing your Mo or posing with one in a fun way to celebrate brotherhood.



Protecting our Environment

Environmental management policy & governance

As an environmentally conscious organisation focussed on building a sustainable future, we recognise the crucial role of natural capital and are committed to managing it efficiently. We incorporate natural capital aspects into our decision-making processes to develop sustainable and future-oriented business strategies that create long-term value for all our stakeholders. Our approach to natural capital demonstrates our determination to building a better future for people and the planet.

As a responsible corporate citizen, we firmly believe that protecting the environment is not just a moral imperative, but an essential driver of our long-term value creation. We recognise the critical importance of reducing greenhouse gas emissions and strive to become carbon neutral across all our operations. With a strong focus in this direction, we have implemented innovative initiatives aimed

at minimising our energy consumption, moving towards renewable sources of energy, reducing our GHG emissions, and conserving natural resources. Through transparent reporting, we aim to engage our stakeholders and inspire more organisations to join us in our commitment to a greener future.





Protecting our Environment

With the objective to integrate sustainability across operations, we strengthened our governance structures and policies on ESG to ensure oversight at the highest level on these commitments, in the current reporting year.

Pg 31 for ESG governance structure, roles, and responsibilities

In addition, we also undertook various initiatives across the key areas of waste management, energy efficiency, water management, digitisation, and responsible investment to work towards our sustainability goals.

An overview of performance highlights of our initiatives in FY 2022-23



Waste Management Initiatives

Recycled / disposed 9.6 tonnes of e-waste

Recycled / disposed 7.1 tonnes of paper waste



Energy and Water

Total purchase of 530.8 MWh energy from renewable sources (wind energy)

28 new water purifiers installed till date to replace bottled drinking water



Reducing Carbon Footprint

Plantation of 81,700 saplings under CSR initiatives

Development of 6 Miyawaki city forests home to over 52 species

Installation of 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



Digitisation

Introduction of e-forms, online documentation, e-business cards, e-ID cards for employees resulting in reduction in paper usage

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



Responsible Investment

Adoption and implementation of a Responsible Investment (RI) framework, which acts as screening criteria for our investment decisions

The 'Sustainable Equity Fund' gives an option to mandate investment in ESG focussed companies

A UN-PRI signatory



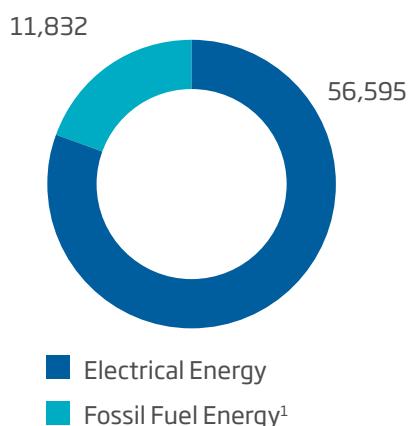
Energy consumption and energy efficiency

82.7% of our total energy consumption is attributed to electrical energy consumption. In FY 2022-23, the electricity consumption recorded at our operating locations was 15,720.8 MWh. Our fossil fuel consumption encompasses both

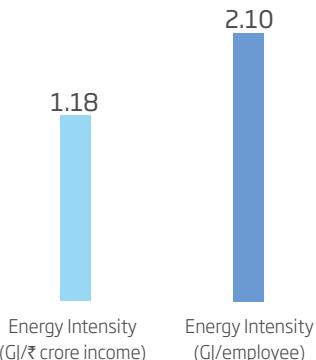
diesel and petrol, wherein diesel is utilised in diesel generators and company-owned vehicles, and petrol is primarily consumed in company-owned vehicles. About 328 kl of fossil fuel, primarily diesel, was utilised in the reporting year. This consumption

consists of both our pre-existing operating locations, as well as the newly acquired locations that are now under our operating control as a result of the merger with erstwhile Exide Life Insurance.

Total energy consumption (GJ) in FY 2022-23



Energy intensity in FY 2022-23



In the coming years, we intend to achieve low carbon growth by prioritising implementation of various energy efficiency programmes. Our present efforts in this direction include adoption of 3-star and above-rated energy-efficient appliances, replacement of CFL/tube lights with LED lights, and substitution of Uninterruptible Power Supply (UPS) with new energy efficient devices. Additionally, we have implemented initiatives such as hybrid work model and virtual meetings with clients, which have reduced our travel-related energy requirements. Further, we have incorporated several changes in our infrastructure with the ambition to improve energy efficiency through demand-side and supply-side measures.

15,720.8 MWh

Electricity consumption
in FY 2022-23

0.5 MWh

Electricity usage per FT employee
in FY 2022-23

328 Kilo Litres

Fossil Fuel consumption
in FY 2022-23

¹ For the purpose of reporting, petrol and diesel are reported cumulatively under the head 'fossil fuel'.





Protecting our Environment

Renewable Energy & Future Action Plan

We aim to decrease our GHG emissions by slowly transitioning to more renewable energy sources, which involves steadily boosting the proportion of renewable energy in our total energy usage. To achieve this, we consider the availability of rooftop solar power, where feasible, as one of the factors while selecting leased operational premises. In addition to this, we are utilising wind power at our select locations through our facility management agencies. In FY 2022-23, our total consumption of wind power was 530.8 MWh. Going forward, we intend to enhance these numbers further wherever feasible.

Climate change

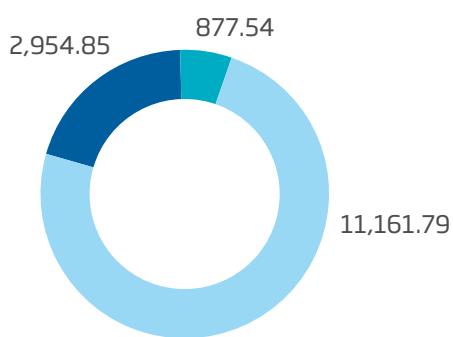
The potential severity of extreme weather and climate action failure over the last decade has made it clear that these risks pose a systemic threat to financial stability of businesses (World Economic Forum, 2021). Therefore, assessing and managing exposure to the risks posed by climate change to our business is essential to our sustainability. We are in the process of streamlining our strategies and risk management processes to mitigate these risks and will be aligning our targets accordingly. We are also exploring climate change-related opportunities for innovation and new markets.

We intend to classify both physical and transitional issues based on their timeframe - short, medium, and long-term and have conducted a thorough evaluation of the physical risks faced by our branches and offices located across different regions of India. Currently, our efforts are focussed on creating personalised risk-mitigation plans at each location. Overall, our objective is intended towards managing our operational footprint, reducing the total GHG emissions and intensities, reducing waste, moving towards greener power sources, and energy and water efficiency. We are in the process of developing our metrics and targets to track the progress against our climate strategies.

GHG management

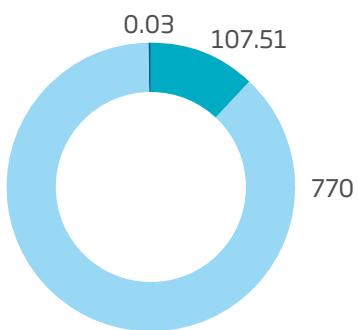
This year, we are taking a leap forward in our GHG management starting to disclose our GHG inventory. In FY 2022-23, fuel consumption in diesel generators and company-owned vehicles (petrol and diesel) and GHG emissions from fire extinguishers were the main sources of our Scope 1 emissions. Our Scope 2 emissions included emissions on account of purchased electricity from the grid. In FY 2022-23, our Scope 3 emissions included emissions on account of air travel, car/cab travel and paper waste.

GHG emissions (14,994.18 tCO₂e) in FY 2022-23

Total GHG emissions (tCO₂e) in FY 2022-23

■ Scope 1 ■ Scope 2 ■ Scope 3

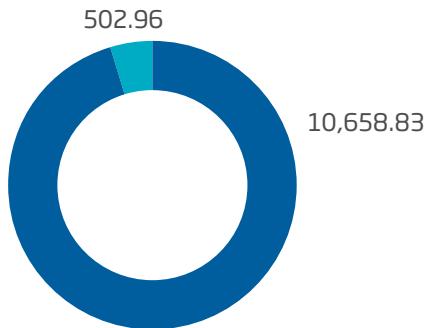
GHG Scope 1 emissions (877.54 tCO₂e) in FY 2022-23

Scope 1 Emissions (tCO₂e) in FY 2022-23

■ Company-owned vehicles ■ Diesel generators
■ Fire extinguishers

GHG Scope 2 emissions (11,161.79 tCO₂e) in FY 2022-23

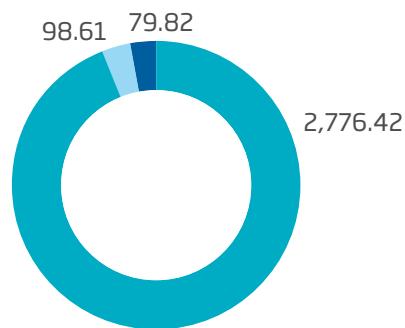
Scope 2 Emissions (tCO₂e) in FY 2022-23



- GHG emissions on account of electricity consumption at our co-located data centres
- GHG emissions on account of electricity consumption at other locations

GHG Scope 3 emissions (2,954.85 tCO₂e) in FY 2022-23

Scope 3 Emissions (tCO₂e) in FY 2022-23



- Air Travel
- Cab Travel
- Paper Waste

In the coming financial years, we plan to progressively reduce our energy consumption and GHG emissions from electricity and diesel usage per head per annum, and progress towards making our operations more sustainable.

Our GHG Inventory:

Emission factors (direct and indirect emissions)

Emission Scope	Operational boundary	Emission source	Emission (tCO ₂ e)	Total emissions (tCO ₂ e)
Scope 1	Direct emissions	Fuel consumption in company-owned vehicles	770	877.5
		Diesel consumption in DG sets	107.5	
		Fire extinguishers	0.03	
Scope 2	Indirect emissions	Purchased electricity (for data centres and other locations)	11,161.7	11,161.7
Scope 3		Air travel	2,776.4	2,954.8
		Car/cab travel	98.6	
		Paper waste	79.8	

Our GHG inventory disclosure is in accordance with World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, revised edition, for the reporting period of FY 2022-23. This ensures the credibility and comparability of our emissions

data, allowing us to benchmark our performance against industry peers. As a step towards growing into a more resource-efficient organisation, this is our first-time quantifying and reporting our emissions and therefore, the financial year 2023 will be considered as our base year for this GHG disclosure.

The control approach as defined in the WRI GHG protocol has been used to determine the operational boundary. The locations within India which are owned by us, or which can be reasonably assumed to be under our operational control (i.e., the leased-in locations) are covered in the boundary - which includes operating locations of the now acquired entity erstwhile 'Exide Life'.



Protecting our Environment

Emissions calculation methodology

Category of emission Scope	Emissions calculation methodology
Scope 1	<p>This category includes emissions of CO₂, N₂O, and CH₄ resulting from the combustion of diesel fuel purchased for our different locations, which includes diesel consumption in DG sets, emissions from fire extinguishers, and the combustion of various fossil fuels in our owned vehicles. To calculate the emissions from diesel combustion, we have used a hierarchical process: where the quantity of fuel combusted was available in the financial management system, the same has been used to calculate emissions using the appropriate emission factor. In cases where actual diesel consumption is not available, data on the cost of diesel purchased is obtained from the Company's financial management system and converted into litres of diesel using conservative estimates of average monthly diesel price in different states for FY 2022-23.</p> <p>Emission factors were derived from GHG Protocol's Cross-Sector and Global Warming Potentials (GWP) taken from IPCC's AR6 Report, respectively.</p>
Scope 2	<p>This category comprises of greenhouse gas (GHG) emissions on account of electricity used in our owned and controlled locations, including our co-located data centres. To estimate emissions in this category, we have monitored data (kWh) on electrical energy consumption at our various locations.</p> <p>The Grid emission factor (weighted average emission rate including RES) from version 18.0 of the CEA's (Central Electrical Authority) CO₂ database has been used.</p>
Scope 3	<p>This category includes emissions from hired cabs. Distance travelled was available for some entries. For cab travel, in cases where the distance travelled was not available, a distance of 250 km has been considered for an outstation cab trip, 120 km for a full-day cab trip, 80 km for a half-day cab trip, and 50 km for cab travels to and from the airport. The average of emission factor for various categories of cars from the India GHG programme has been used.</p> <p>For air travel, information on trip characteristics has been extracted from the Company's financial management system, and the distance travelled is derived from publicly available sources. The emissions from air and cab travel have been calculated in accordance with the India GHG Programme.</p> <p>Emissions from paper waste are also included in Scope 3 emissions, the data of which was provided in GSM, no. of sheets and size, which was further used to calculate total quantity of paper consumed. For categories of paper waste that did not have GSM data, publicly available unit weight was used to calculate the weight of paper consumed.</p> <p>The emissions from paper waste have been calculated in accordance with U.S. Environmental Protection Agency (EPA) 2020.</p>



Commitment to TCFD

Commitment To Low-Carbon Operations

HDFC Life believes that banking and financial institutions have to play a key role in the building of the upcoming low-carbon economy through its day-to-day business. While the drive to net zero is one of the most significant changes in the industry, accepting and embracing these changes has become our utmost priority. Also, assessing and managing exposure to the risks posed by climate change to the business is integral to our strategy toward sustainability.

Extreme weather and climate action failure have emerged as the most

potentially severe global risks for the next decade. We, at HDFC Life, are mindful of the fact that these risks present a systemic threat to the financial stability of our business. However, they also provide us with opportunities to innovate and explore new markets. We are in the process of continual improvement of our internal mechanisms to integrate climate issues and assess the exposure of our operations to climate-related risks and opportunities.

The following section provides our climate-related disclosures in line with the TCFD recommendations.

Governance

HDFC Life is steered by a Board of Directors consisting of skilled experts from different fields. Moreover, there are several committees responsible for overseeing specific functions within the Company. These committees include audit, risk management, investment, policyholder protection, nomination and remuneration, capital raising, with profit raising, CSR and ESG, and stakeholder relationship. Their role is to assist the Board in ensuring that HDFC Life's operations are in line with its objectives and that risks are effectively managed.

Board Oversight of Climate-related Risks & Opportunities

Board of Directors

The strategic direction and risk appetite of the organisation are set by the Directors' Board, and this form the ultimate decision-making body for matters of strategic, financial, regulatory, or reputational significance. The Board is also responsible for the oversight of social and environmental matters, including climate-related risks and opportunities. The Board of Directors is assisted by the Corporate Social Responsibility (CSR) and ESG Committee for policy formulation and taking major decisions related to climate-related risks & opportunities. In addition, the Committee oversees and monitors the Company's ESG strategy, goals and disclosures and meets twice annually. The Risk Management Committee, and the ESG Management Committee, headed by the Executive Director and Chief Financial Officer (CFO), oversee our policy implementation and operational controls for Environmental, Social, and Governance (ESG) risks including climate change. ESG Management Committee conducts reviews, for the

emerging climate risk categories/drivers at quarterly or more frequent intervals to gauge any emerging climate risks and corresponding risk mitigation options.

 Pg 31 for detailed roles and responsibilities of the CSR & ESG Committee and ESG Management Committee respectively

Board Risk Management Committee

The Board Risk Management Committee (BRMC) monitors and reports the operational, financial, and legal risks and opportunities, and oversees the conduct and compliance. The RMC also reviews climate-related risk updates on evolving climate risk governance and exposure to elevated risk sectors and countries across financial and operational risks. The risks associated with climate change are increasingly well understood, reflecting the importance of this global issue. Climate risk has been identified as an important emerging risk by our RMC.

Risk Management Council

The Risk Management Council (RMC) is the designated forum to review and recommend, where necessary, submissions to the BRMC. The RMC monitors Principal Risks and key topics of a material nature to HDFC Life, such as climate change. Items that have been raised at RMC include the survey and results of the emerging risks to the organisation.

Strategy

Climate risk is an integral part of the ESG framework of the organisation and HDFC Life has established an enterprise risk management framework in 2020, with a focus to keep an eye on unknown risks with a high degree of uncertainty.

HDFC Life is in the process of streamlining the process and structure of climate risk & opportunity identification and mitigation within the organisation. This would help to mitigate the impacts of climate risk on the financial performance of the



Protecting our Environment

organisation. The Company recognises the importance of considering local conditions and regulations in developing strategies to address these risks.

As part of this, HDFC Life recently carried out an evaluation of physical risks for its branches and offices located in various regions of India. The assessment was based on the different climatic zones of the areas where the branches are located. The branches were categorised according to the climatic zones and physical risk areas they fall under. Based on this categorisation, HDFC Life has identified high-level risk-mitigation strategies for each of the branches located in different climatic zones and physical risk areas. These strategies are under review by the management for implementation in a comprehensive and unified manner, considering the

unique needs and context of each area. The strategies will be tailored to specific risk zones and will take into account local conditions, resources, and regulations.

With our preliminary efforts of identifying the risks and opportunities, we foresee the climate-related risks falling into the following major categories:

1. Risks to our physical environment due to global warming and changing climate patterns. These are likely to lead to increased extreme weather events, which in turn could lead to economic loss for our clients, as well as for our company.
2. The transition to the low-carbon economy poses a risk for the second category. The efforts by governments, institutions, and businesses to accelerate the transition to a low-

carbon economy, may result in policy and regulatory intervention, or shifts in demand and behaviour that could lead to financial impacts on our customers and clients, and on HDFC Life. This can, of course, also lead to opportunities to support clients in their shift to new technologies and business models. The size and severity of these impacts will be affected by the rate of transition the world's economies undergo in the coming years.

While HDFC Life is still in the process of analysing, monitoring, and gauging the risks and opportunities posed by climate-related changes, we plan to categorise the physical and transitional issues into short, medium, and long timescale. This shall help in the faster implementation of climate strategies to be integrated with the business operations of the organisation.



Risk Management

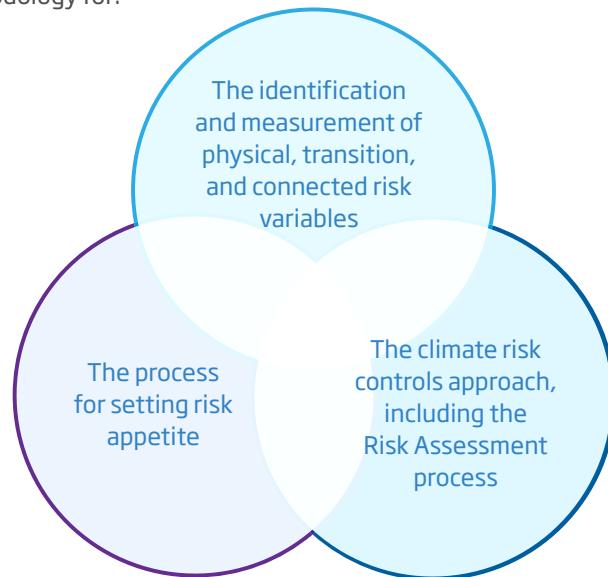
HDFC Life has clearly defined an ESG framework, within which it is taking the required efforts to reduce the impact of its operations on the climate. We have set up a Responsible Investment (RI) framework to address this issue, which also acts as screening criteria for our investment decisions.

For Climate risk identification, the HDFC Life Risk team conducted an emerging risk survey among the top management to identify the top 10 emerging risks. The survey attempted to track the thoughts of the senior management at HDFC Life Insurance Company about emerging risks over time. The Survey was conducted among participants that included both EC and non-EC members. Climate change was identified as one of the ten emerging risk themes out of the 16 risks identified as part of the emerging risk exercise. Out of the 16 identified themes under the emerging risk, the following climate risks were included:

- Increase in pollution
- Climate change
- Extreme weather events
- Fresh water crisis
- Wildfire
- Biodiversity loss - irreversible consequences for the environment resulting in severely depleted resources for humankind as well as industries

Currently, the Board of Directors, assisted by the Corporate Social Responsibility (CSR) and ESG committee, ESG management committee, and Risk management committee, ensures that ESG risks, including those related to climate change are accounted for and integrated into the overall risk management framework and the business strategy.

Our approach to climate risk management is guided by our strategy as well as by the policy and regulatory requirements of the regions in which HDFC Life operates. As we are in the process of streamlining climate issues material to our organisation, climate risk is being raised to the level of principal risk. Following this, we intend to develop a framework that shall outline our approach and methodology for:



As climate risk continues to evolve, the effect of these risks may change. Specific consideration of the impact of these changes will be covered as part of these frameworks.

Metrics & Targets

We are in the process of streamlining the strategies and risk management processes to tackle climate-related issues and intend to set our targets in line with the same. The overall objective is intended towards managing the operational footprint, reducing the total GHG emissions and intensities, reducing wastes, moving towards greener power sources, and energy and water efficiency. We are in the process of developing our metrics and targets to track progress against our climate strategies with the continued development of methodology. We continue to work to ensure our facilities consume fewer resources, maximise the reuse of our materials and improve indoor environmental quality.

Way Forward

We perceive the following actions to be important and prudent in the continual improvement of our TCFD-based financial disclosures:

- For improving the governance around climate-related risk and opportunities

HDFC Life is on the path of developing a robust organisational structure with defined roles and responsibilities for BoDs, and management-level committees & departments, for addressing climate-related issues. The organisation would be also linking sustainability and climate-related targets to the performance of the individual departments and/or designation.



Protecting our Environment

- For improving the strategy and financial planning for climate-related risk and opportunities

HDFCLife has formulated a process for identifying/updating climate-related risks and opportunities emerging from various geographies every year. The physical and transitional climate risks and opportunities in the present scenario in different geographies have been identified and the materiality assessment has been completed to identify the risk with the most material financial impact on the firm's business. The process of inclusion of climate-related risk outcomes in the organisation's businesses, strategy, and financial planning would be defined accordingly.

- For improving the climate risk management

HDFC Life Risk team has conducted a survey of the top management to identify the various categories of emerging risks. These include all types of risks including climate risks. HDFC Life would be strengthening its present process of risk identification, through the inclusion of risk rating and risk prioritisation methodology in

place. The risk identification process would also consider the climate-related current & emerging regulatory requirements at each region.

- For defining the metrics and targets

HDFC Life is on the path of developing a robust and comprehensive internal framework to track and measure its carbon footprint. HDFC Life is working on carbon neutrality targets for its operations and would be disclosing the same once firmed up.

Water management

Ensuring water efficiency is an important priority for us, and we have taken special measures to address it. We identified our office locations with the highest water consumption and replaced all water fixtures at these offices with sensor-based taps that are water efficient. As of FY 2022-23, 2 of our operational premises have rainwater harvesting systems and Sewage Treatment Plants (STPs) installed which further helps us in reducing our impact on water as a resource.

We have implemented various initiatives and capacity building programmes to raise awareness amongst our employees about the importance of water conservation.

Biodiversity and ecosystems

We aim to enhance our positive impact on natural capital by undertaking biodiversity conservation measures through our CSR activities. One of our key initiatives to conserve biodiversity was through tree plantation drives to create city forests. We have created 6 city forests in Maharashtra covering approximately 73,400 sq. ft area with over 52 native species. Our CSR initiatives also have a significant focus on rejuvenating water bodies. We have successfully restored 4 water bodies, covering over 34 acres of area.





Waste

We are consistently working towards sustainable management of waste that we generate through our operations and try to incorporate the principle of circularity in our waste management practices. We are trying to reduce waste generation at our operating locations and limit the negative consequences it may cause if disposed of in an unscientific manner.

We ensure that all of our electronic waste is properly disposed of and recycled by certified waste management agencies in compliance with the E-waste (Management) Rules of 2016. In FY 2022-23, a total of 9.6 tonnes of electronic waste was either disposed or recycled in an environmentally controlled manner. In addition to this, we are working towards reducing single-use plastic

from our operations, such as through usage of biodegradable garbage bags, reusable plates and cutlery, and wooden stirrers. We are also trying to minimise single-use plastic water bottles from our identified operations, and we have installed water purifiers to facilitate this. We encourage our employees across our operations to use reusable water bottles instead of single-use plastic bottles.



Digitisation

We have taken initiatives to reduce paper consumption and its related GHG emissions by digitising key operations while improving efficiency and consumer experience. This includes introducing e-forms for customers and moving towards online documentation to reduce paper usage. We have also configured our printers to default to double-sided printing. Additionally, we are encouraging our policyholders to opt for Dematerialised (Demat) or online copies of their policy

documents. Currently, 30.5% of our new business customers use Demat.

To facilitate this transition towards a more environmentally friendly operation, we urge shareholders who have not yet registered their email addresses to do so through their Depository Participants (DPs) if their shares are in dematerialised form, or through KFintech if their shares are in physical form. In addition, we have implemented a web-based

application for sharing agendas and supporting documents during Board and Committee meetings. These measures will accelerate our progress towards wider use of paperless services.

To reduce the adverse impact of our paper usage on the environment, we have adopted usage of Forest Stewardship Council (FSC) certified eco-friendly paper made from wheat straw (agro waste), which has 60% lower CO₂ emissions compared to virgin pulp paper.

Sustainable supply chain

We are committed to driving down our GHG impact across the value chain by undertaking concrete measures. Our efforts are focussed on ensuring that our value chain operations align with ethical and sustainable principles and adhere to environmentally responsible standards. We hold our suppliers and vendors accountable for adhering to environmental standards, which are a part of our Partner Code of Conduct. Our partners are expected

to operate in a way that prioritises the protection of the environment and complies with all relevant rules, regulations, and laws set by the governing body. Additionally, partners must follow specific requirements regarding waste disposal and air emissions. This ensures that all aspects of our value chain operate in a way that minimises harm to the environment, including proper treatment of waste disposal and

compliance with regulations regarding air pollution caused by chemicals, particulate matter, or biological materials that may harm living organisms or damage the natural or built environment. We are currently revising our Partner Code of Conduct and may add more environmental aspects, such as addressing climate change.

Protecting our Environment

Responsible investment

Our major exposure to ESG risks (including climate-related risks) is through our investment portfolio. Our strategy around responsible investment serves as a mitigation measure for these risks as well as integrated sustainability related considerations in our decision-making.

Governance Structure

The ESG Governance Committee at the Investment team level reviews and guides the investment team on integration of ESG factors including climate change in the Fund Management process and engagement with Investee companies. The committee comprises of the Chief Investment Officer, Head of Fixed Income, Head of Research, Fund Manager of ESG Fund and dedicated ESG research analyst. The ESG Governance Committee meetings are held at least once in a quarter, and more frequently, if required, to review the progress on ESG assessment and monitoring of investee companies. Following activities are undertaken in the review meetings:

Progress on deliverables of international commitments like UNPRI

Tracking and reporting the progress on engagement initiatives with investee companies

Discussion on new ESG trends/regulations in the country and future actions for the committee

Tracking ESG scores and rating movements of companies in the investment universe

Management Approach:

We integrate ESG factors into our research and investment decision-making process. All investment classes are subject to a detailed ESG evaluation framework comprising of fundamental, quantitative and qualitative parameters including, but not limited to: Climate change, Resource consumption, Waste management practices, Human rights, Health & Safety, Governance structure & policies, etc. We employ an in-house methodology to compute ESG scores for current/prospective investments. This evaluation framework, along with our research and analysis of the companies, helps in making informed decisions for our investment portfolio. Apart from the normal financial and business analysis, we also evaluate ESG related issues and assess how they are impacting or can impact the business. Our primary reliance is on data available in public domain like quarterly or annual disclosures e.g., annual report or sustainability report of the Company. The ESG analysis is incorporated in our valuation process for a particular security by considering ESG factors as long-term risks to the base case valuation.

Policy & Products:

We are committed to following the principles of Responsible Investment (RI). As an active asset manager for our policyholders, who have entrusted their savings with us, it is our fiduciary responsibility to generate optimal risk adjusted returns over the long term. We believe that this objective can be served by following the RI approach which includes core stewardship principles and consideration of environmental (E), social (S) and governance (G) factors in addition

to financial parameters and outlook, while making investment decisions. In line with the foregoing, we have formulated a Responsible Investment (RI) Policy. (Please refer to the following link for accessing the detailed policy: <https://www.hdfcliffe.com/content/dam/hdfcliffeinsurancecompany/about-us/pdf/investor-relations/company-policies/responsible-investment-policy/Responsible-Investment-Policy.pdf>)

We have launched a 'Sustainable Equity Fund' giving an option to mandate investment in ESG-focussed companies to further our ESG goals. The fund seeks to generate returns from investing in companies with high ESG standards and commensurate score.

Further, we have an Exclusion Policy in place to restrict investments in certain high impact sectors. With regard to exclusions from the Sustainable Equity Fund, companies engaged in the business of tobacco, alcohol, controversial weapons and gambling operations shall be excluded. Controversial Weapons include chemical weapons, biological weapons, anti-personnel mines and cluster bombs. The said policy is aligned to the exclusion policy followed by Nifty 100 ESG Index.

As we move forward, we remain committed to the judicious use of natural resources and minimising our operational impact on the environment. By adopting scientific methods to reduce our carbon footprint and strengthening our monitoring systems across our value chain, we are dedicated to building for the future generations in a sustainable manner.



Awards & Accolades



Great Place to Work 2022

'Great Place to Work' for the 13th time



Indian Corporate Governance Scorecard 2022

'Leadership Category' in the Indian Corporate Governance Scorecard 2022



Best Organisations for Women 2023

'Best Organisations for Women 2023' by Economic Times



Superbrands 2023

'Superbrands' for the 9th time



Best Companies To Work For 2022

'India's 100 Best Companies To Work For 2022' by Great Place to Work



Best Workplaces for Women 2022

'India's Best Workplaces for Women 2022 (Top 100)' by Great Place to Work



Best Companies To Work For 2023

*Ranked 10th amongst India's 'Best Companies To Work For 2023' by Great Place to Work



Most Valuable Indian Brands - Kantar BrandZ 2022

'India's top 75 valuable brands' across categories in the Kantar BrandZ 2022 list



ICAI Silver Shield

'ICAI Silver Shield' for the Integrated Annual Report FY 2021-22



LACP Vision Awards

4th consecutive 'Platinum' for HDFC Life's Integrated Annual Report FY 2021-22 at LACP Vision Awards



QCI D. L. Shah Quality Awards 2021 - Silver

QCI D. L. Shah Quality Awards - Silver for 'Industry Leading Persistency'

*Awarded in June 2023



Awards & Accolades

**Best CSR Impact**

'Best CSR Impact Award' at the 6th CSR Summit and Awards 2022

**Insurance Cues India Report 2022**

'Insurance Cues India Report 2022' ranked HDFC Life among top Life Insurance brands

**Rhodium Award 2022**

Highest Rhodium Award 2022 for 'Innovative & Customer Centric Process Improvement' at AOTS 5th POKA YOKE Competition 2022

**Best Innovative CSR Project**

'Best Innovative CSR Project' at the 6th CSR Summit and Awards 2022

**3rd Emerging Asia Insurance Awards 2022**

'Women in Insurance Leadership Award' at the 3rd Emerging Asia Insurance Awards 2022 by ICC

**Brandon Hall Excellence Awards 2022**

Gold Award at 2022 Brandon Hall Excellence Awards for 'Best use of Mobile Learning'

**elets BFSI Tech Innovation Award 2023**

elets BFSI Tech Innovation Award 2023 for 'Outstanding Product Innovation'

**Finnoviti 2022 Award**

'Finnoviti 2022 Award' for innovation using Vision AI

**Trusted Brands - Reader's Digest 2022**

Reader's Digest Trusted Brands 2022 in the 'Financial Services - Insurance Category'

**NIQR Six Sigma Case Study Competition 2022**

Gold Award in the 'NIQR Six Sigma Case Study Competition 2022'

**Abby Awards 2022**

Bronze Awards for BounceBack Batch campaign in 'Red Abby' and 'Audio Visual TV' categories

**Most Preferred Brand 2022**

'Most Preferred Brand 2022' by Marksmen Daily

**Excellence in CX**

'Excellence in CX' at The Economic Times CX Summit 2022

**Mavens of Customer Journey Management Award**

'Mavens of Customer Journey Management Award' at the CX Exchange Event & Award Ceremony

**DMA Asia's Sparkies 2022**

DMA Asia's Sparkies Award for 'Conversation Marketing in the Best Email Campaign Category'

**DMA Thomas Assessment National Award**

DMA Thomas Assessment National Award for 'Excellence in Talent Management 2022'

**The Experience Maker Executive of the Year Award**

'The Experience Maker Executive of the Year Award' at the Adobe Experience Maker Awards 2022

**Best Companies for Women in India 2022**

'Best Companies for Women in India 2022' by Avatar & Seramount featuring in '100 Best Hall of Fame'



Smart Insurer: Life Insurance: Large category

'Smart Insurer: Life Insurance: Large category' at The Economic Times Insurance Summit & Awards 2022



Digital Transformation Partner of the Year

'Digital Transformation Partner of the Year' at 3rd BFSI & Fintech Awards 2022



Most Respected Companies

'Most Respected Companies' by BusinessWorld



Best Social Media Brand - Quora

Silver award in 'Best Social Media Brand - Quora' category at Sammie 2022



Excellence in Insurance Medicals

'Excellence in Insurance Medicals' at World BFSI Congress & Awards 2023



ISQ Special Jury Award 2022

'ISQ Special Jury Award' by Indian Society for Quality



InsureNext Award 2022

'InsureNext Award 2022' by Banking Frontiers India for two world-class initiatives by HDFC Life



Insurance Summit & Awards 2023

Most Innovation Life Insurance Company, Operation Excellence Insurance Company of the Year & Insurtech Company of the Year at India Insurance Summit & Awards 2023



Frost & Sullivan Awards 2022

'Frost & Sullivan PERP Award' for same day claim settlement at HDFC Life



Fortune India's Most Powerful Women in Business 2022

Featured amongst 'Most Powerful Women in Business 2022'

Business Today's list of 'Most Powerful Women in Business'

Featured amongst India's 'Most Powerful Women in Business'

BusinessWorld's list of 'Most Influential Women in Business'

Featured as one of the 'Most Influential Women in Business'

BusinessWorld's list of 'Most Valuable CEOs'

Featured as one of the India's 'Most Valuable CEOs'





Sar utha ke jyo!

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