




HDFC Life Insurance Company Limited



Sar utha ke jiyō!



REFLECT
RESHAPE
RESURGE

Contents



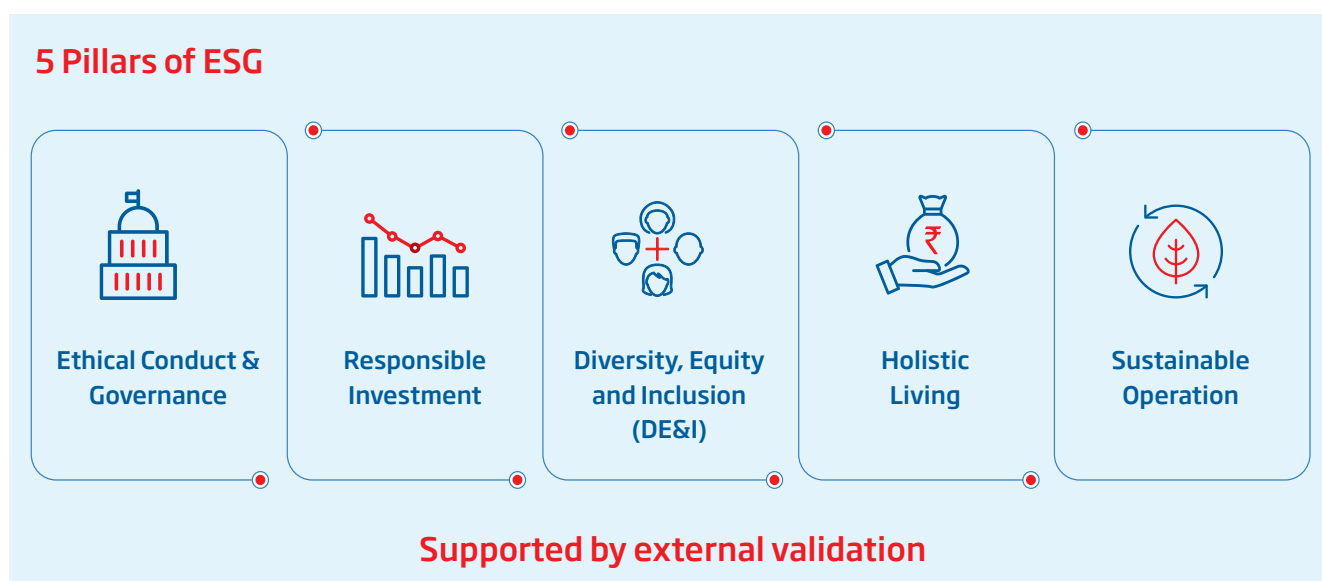
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ESG at a Glance

We started on our ESG journey early on, led by our commitment to shaping a sustainable future for the people we serve and create long-term value for all the stakeholders. 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.



Active engagement with external agencies including MSCI, S&P Global (DJSI)

S&P Global (DJSI) percentile improved significantly from 1 in 2019 to 61 in 2021 despite increase in participation by 60%.

ESG	Governance
Management Level Committee	<p>Overlooks the formulation of ESG framework and implementation of related strategy and practices periodically.</p> <p>Oversight over ESG-related risks and mitigation plans.</p>

In alignment with the UN Sustainable Development Goals, we have undertaken various initiatives as part of our business and corporate social responsibility activities to create value for all our stakeholders. We constantly strive to reduce our environmental footprint, chart inclusive growth, and contribute to the nation's sustainable development agenda. Our endeavours have positively impacted at least 12 of the 17 SDGs FY 2021-22 and we aim to widen our impact further in the following years.

Ethical Conduct and Governance

At HDFC Life, our Corporate Governance philosophy is based on integrity, transparency, accountability and responsible corporate conduct to enhance investor confidence and value creation for our stakeholders. It also weaves our core values and principles into our business conduct. Our philosophy on Corporate Governance plays a pivotal role in protecting the interest of our stakeholders and maximising our long-term profitability and value creation.

Recognitions for exemplary governance

In 2021, HDFC Life received the prestigious award for **“Best Governed Company in Listed Segment: Large Category”** at the 21st National Awards for Excellence in Corporate Governance organised by the Institute of Company Secretaries of India (ICSI).

Mr. Narendra Gangan, General Counsel, Chief Compliance Officer & Company Secretary of HDFC Life, has been conferred with the **“Governance Professional of the year 2021”** award by ICSI.

Governance Structure & Board Composition

Given the size and reach of our operations and powered by a best-in-class governance structure, we have instituted a diverse Board comprising experts from various fields. Our policy on ‘Board Diversity’ ensures that it is enriched by experts who bring a broad range of experience, knowledge, perspective, background, gender, age and culture to the table. The quality of our corporate governance is driven by the Board’s composition, skills and diversity, independence, evaluation and compensation.

The policy is available on: https://www.hdfclife.com/content/dam/hdfclifeinsurancecompany/about-us/pdf/investor-relations/company-policies/corporate-governance-policy/Corporate___Governance__Policy.pdf

Moving to a paperless and sustainable future

HDFC Life has a shareholder base of more than ten lakh as of March 31, 2022, of which 96% have updated their e-mail addresses in the Registrar & Share Transfer Agent (RTA).

To support this move towards a greener operation, we encourage the shareholders who have not registered their email-Ids to register the same with their DPs if the shares are held in dematerialised form and with KFinTech in case the shares are held in physical form. We have also moved to a web-based application to share agendas and supporting documents for Board and Committee meetings. These steps will accelerate our move towards greater adoption of paperless services.

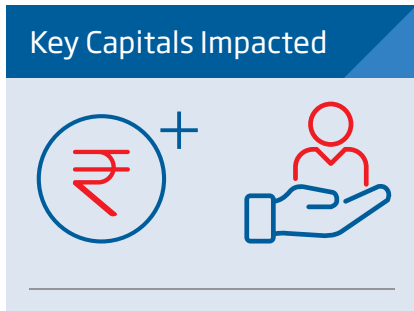
Fostering a culture of integrity, transparency, accountability and responsible corporate conduct

HDFC Life’s Code of Ethics and Conduct (the ‘Code’) is an extension of our values and ensures that ethical business practices and procedures are at the core of our operations. The Board of Directors and all our employees, including the senior management team, abide by the Code. They are required to reaffirm their compliance with the same periodically. We have put in place specific policies and processes to avoid unethical behaviours. Below are some of the policies and processes adopted by HDFC Life to promote ethical behaviour:

- **Grievance Redressal Policy:** An internal mechanism put in place to ensure effective and timely resolution of customer complaints.
- **Disciplinary Panel for Malpractices:** Please refer to the Audit and Risk Management section.
- **Whistle Blower Policy:** Please refer to the Corporate Governance section.
- **Anti-Money Laundering:** Please refer to the Corporate Governance section.
- **Information Security and Cyber Security Conduct and Policies:** Please refer to the Corporate Governance section.
- **Policy against Sexual Harassment at Workplace:** Please refer to the Corporate Governance section.
- **Anti-Bribery and Anti-Corruption Policy:** Kindly access the policy on our website: <https://www.hdfclife.com/content/dam/hdfclifeinsurancecompany/about-us/pdf/investor-relations/company-policies/anti-bribery-and-anti-corruption-policy/Anti-Bribery-and-Anti-Corruption-Policy.pdf>

ESG at a glance

Responsible Investment



In today's world, investors are increasingly emphasising on ESG risks as an important factor for investment decision-making. Several research & case studies have indicated that companies with better capacity to manage ESG-related risks produce higher returns. At HDFC Life, a comprehensive approach to risk management ensures that we have the frameworks in place across our business to address relevant risks. Our risk management framework, through which we manage our ESG risk has the oversight of our senior management and the designated leadership.

One of our exposures to ESG risks (including climate-related risks) is through our investment portfolio. We have set up a Responsible Investment (RI) framework to address this issue, which also acts as screening criteria for our investment decisions.

We have signed up for the United Nations Principles for Responsible Investment (UN-PRI) initiative to be part of a global movement of 4,000+ members in over 60 countries working on a common goal of creating a sustainable global financial system. As a steward of responsible business practices, we incorporate ESG issues into our investment decisions. Our alliance with UN-PRI will further help us streamline the internal RI

framework and adopt and contribute to industry best practices.

Scope & Governance

HDFC Life's RI framework applies to all major asset classes, including equity and bonds. The RI framework consists of a set of qualitative and quantitative indicators which enable us to analyse the ESG performance of the investee companies. These indicators include and are not limited to aspects such as:

- Energy and water consumption, air emissions, effluent and waste management, environmental incidents, assessing the sustainability of current product and service offerings under the environment segment
- Company's management of social issues such as workforce diversity, attrition, health and safety, relationships with local communities, data security and privacy, customer orientation, amongst others
- Good governance practices such as Board composition, audit quality, financial disclosures, anti-corruption policies, etc.

We periodically review the scope and weightage assigned to various ESG factors. Further, we also highlight the key ESG issues as a part of internal research notes and monitor our progress on them regularly.

HDFC Life, conducts scenario testing and in-depth ESG risk analysis to ensure sufficient capital is earmarked to provide protection to our stakeholders and to ensure business continuity under stressed conditions. Additionally, our Chief Investment Officer (CIO) raises any specific issues relevant to the Responsible Investment (RI) framework with HDFC Life's Executive Committee (EC). Relevant issues are also referred to the Investment Committee of the Board as needed for their guidance. Together, these elements provide comprehensive and robust risk management and oversight of our strategy and actions related to ESG.

Our RI framework and internal audit team provided independent research and analysis on the effectiveness of our key controls and suggestions on improvements as necessary and recommendation on the material risk to ensure these are addressed prior to any investment's decisions are made.

You can find our Responsible Investment Policy on our website: <https://www.hdfclife.com/content/dam/hdfclifeinsurancecompany/about-us/pdf/investor-relations/company-policies/responsible-investment-policy/Responsible-Investment-Policy.pdf>



Diversity, Equity and Inclusion

Key Capitals Impacted



At HDFC Life, we recognise the importance of diversity, equity and inclusion (DEI) as a strategic imperative to build a sustainable future of our stakeholders. We operate in a diverse society. Our customers and talent pool have diverse characteristics and different experiences, needs and aspirations. We strive to provide a conducive work environment where all employees can reach their full potential and contribute to HDFC Life's business success. We are committed to establishing an inclusive culture based on our values that celebrates diversity and is free from discrimination of all forms.

We have undertaken extensive initiatives for diversity, equity and inclusion and developing our human capital.

You can find our DEI Policy on our website: <https://www.hdfclife.com/content/dam/hdfclifeinsurancecompany/about-us/pdf/investor-relations/company-policies/diversity-equity-and-inclusion-policy-for-internet/Diversity-Equity-and-Inclusion-Policy-For-Internet.pdf>

Promoting Responsible Behaviour

Our Code of Conduct sets forth the guiding principles that define how we operate and conduct our daily business with our customers, employees, communities, the government and regulatory agencies and other stakeholders. Every employee must confirm that they have read and understood the Code of Conduct by taking a pledge. In addition, HDFC Life supports the protection and elevation of human

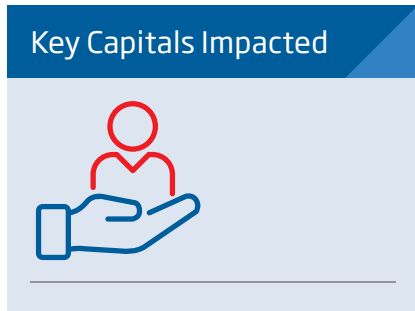
rights. We are guided by fundamental principles of the United Nations Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (ILO Declaration). We support the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles), including the responsibility of respecting human rights. Our support for these fundamental principles is reflected in our policies and actions towards our employees, suppliers, clients, communities and the territories where we do business. We also have dedicated grievance mechanisms to mitigate human rights risks and empower our workforce.

You can find our Human Rights policy on our website: <https://www.hdfclife.com/content/dam/hdfclifeinsurancecompany/about-us/pdf/investor-relations/company-policies/human-rights-policy/Human-Rights-Policy.pdf>



ESG at a glance

Holistic Living



The five principles of our organisational culture, as enumerated in EPICC, our values framework, outline the intent to create holistic and sustainable value for our stakeholders. Led by our values, we aim to balance the financial and non-financial well-being of our stakeholders through several measures:

1) Customer-centricity: One of our core values that motivates us to deliver a superior customer experience across all our touch-points

- **Product innovation:** One of the key pillars of our strategy and unique advantage. Rapidly evolving customer behaviour has spawned the need for innovative products to meet their different needs of our customers. Refer to our strategic pillar 'Market-leading innovation' of this report to learn more about our strategy to drive market-leading innovations and view our suite

of products to cater to customer needs at various life stages.

- **Seamless service experience:** Our comprehensive digital capabilities enable reach, agility and efficiency. We build proprietary platforms for seamless partner integration and simplify sales and service journeys for our customers and partners.

Simplifying Customer Experiences

Comprehensive Product Suite

A curated product suite addressing customer needs at every stage including savings, protection, retirement, health and children plans.



Seamless Customer Journeys

We constantly innovate to simply customer journey from selection of plan, onboarding, underwriting to issuance. We have created platforms that provide end-to-end visibility, enabled straight-through processing of payments and leveraged technology to offer customisation of plans.



Excellent Service Experience

We use cutting-edge tools and technologies such as AI, Machine Learning, NLP etc. to enhance customer service experience. In these challenging times, we have also enabled fully digital, contactless capabilities for uninterrupted services.



2) Financial inclusion

In line with our strategic intent to broaden access to financial services, we have rolled out several instruments tailored for the under-served sections of society. The aim of HDFC Life is to provide under served sections of society access to affordable and relevant life insurance products and services. Some of HDFC Life’s financial inclusion endeavours include:

Rural and Social Sector Obligations -

We have a special focus on increasing the reach of our products and services across rural and underserved areas. Our offerings are customised to suit the specific needs of customers and prospects living in these areas. We have rolled out insurance products with monthly premiums as low as ₹ 100 and micro-insurance products.

- **HDFC Life Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) Plan:** A pure group term insurance product in line with the government’s social scheme ‘Pradhan Mantri Jeevan Jyoti Bima Yojana’ extends insurance benefits to a broad base of beneficiaries and ensures financial security for the family in the event of the member’s death
- **Group Jeevan Suraksha and Group Term Insurance:** Customised products to meet the specific needs of members of micro-finance institutions, co-operatives, self-help groups, etc. Available at a nominal cost and designed for the marginalised, these offerings offer protection against

financial liabilities arising from a family member’s death

Promoting financial literacy -

Given India’s low awareness of financial offerings, processes and benefits, the chances of customers and prospects being impacted through mis-selling are high. Therefore, we are enhancing the financial awareness of our existing and prospective customers through targeted campaigns. These campaigns improve understanding of the need for life insurance for individuals and their families. They are supported by regular engagement initiatives to keep customers abreast of their rights and duties.

- **Financial literacy:** We conduct large-scale financial literacy sessions amongst the marginalised sections of society through an NGO. Our field sales teams and partners run knowledge sessions among the underprivileged and underserved
- **Policyholder education:** We keep our policyholders informed of their policy and associated rights and duties through ongoing communications. We also create awareness about fraud/spurious calls/malpractices and available grievance redressal mechanisms through these channels

While we have met the targets of rural and social markets mandated by regulatory authorities, our commitment to foster financial inclusion by making insurance available to all goes beyond mere compliance.

- **Rural Business** - Achieved 20.66%, versus the prescribed requirement of 20% of the overall business in FY 2021-22
- **Social Business** - Insured 1,00,87,909 social lives versus prescribed 30,62,325 social lives in the reporting year
- More than 2 crore microfinance customers as part of group life insurance plans

3) Fulfilling our Corporate Social Responsibility (CSR)

Our CSR policy is designed to contribute to the UN Sustainable Development Goals (SDGs) and meet the requirements of Schedule VII of the Companies Act, 2013. We take forward several impact-led initiatives under the Swabhimaan programme focussed on Education & Livelihood, Healthcare & Sanitation and Environmental Sustainability.

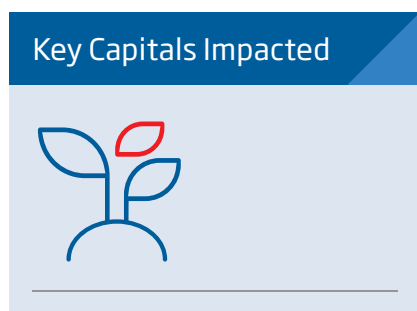
Social Lives insured
1,00,87,909

Insurance products with monthly premiums as low as
₹ 100

Microfinance customers part of group life insurance plans
200 crore+

ESG at a glance

Sustainable Operations



Climate change, one of the most critical threats faced by the world today, can disrupt an organisation's operations and its entire value chain. Therefore, it has become imperative for responsible businesses like HDFC Life to lead with a well-defined sustainability roadmap to reduce the impact of our operations on the environment and contribute to addressing the looming issue of climate change. We are partnering with some of the world's leading organisations and our stakeholders to develop carbon neutrality strategy roadmap for our operations and deepen the transparency of our disclosures.

Our strategic framework and the sustainability roadmap thus far were led by our ESG initiatives and aligned to the "core" option of the Global Reporting Initiative (GRI) standards and the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework as well as relevant SEBI guidelines.

In FY 2021-22, we have initiated steps to explore means to align to the Science-Based Targets Initiative

(SBTi), which will enable us to set climate change targets according to the latest climate science to meet the goals of the Paris Agreement. Additionally, we are also in the process of adopting the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate-related risks and opportunities, evaluate appropriate responses and disclose critical information to our stakeholders.

Commitment to SBTi

In FY 2021-22, we initiated steps to explore alignment with SBTi guidelines. SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). It drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets.

We are partnering with external consulting firms to explore development of science-based targets which will further bolster our climate change commitments. As a part of the target-setting process, we will be conducting GHG inventorisation, which will help us report on critical metrics, including Scope 1, 2 and 3 emissions. Further, we have initiated assessment of emission calculation methodologies consistent with the SBTi's methodology for financial institutions. We intend to have our targets validated by SBTi.

Commitment to TCFD

TCFD provides a comprehensive reporting framework for the

companies to disclose how they aim to address climate-related risks and opportunities. In line with the TCFD recommendations, we are restructuring our climate-related disclosures around the four thematic areas representing our operations' core elements. These cover governance & risk management, strategy, metrics, and targets.

Our major exposure to ESG risks (including climate-related risks) is through our investment portfolio. We are in the process of developing a formal governance and risk management structure in line with the TCFD recommendations. Currently, our senior leadership has oversight of the ESG issues, including climate change facing our organisation and our performance on this front, and the designated leadership group 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.

We are developing a robust and comprehensive internal framework to track and measure our carbon footprint stringently.

Human Capital



For us, every HDFC Life employee is an asset we cherish and celebrate.

Through all our people practices, we strive to create a transparent, caring, and inclusive workplace where every member of our workforce "belongs" and reaches their highest potential.

Our progressive talent strategy is embedded in new-age technology where we aspire to give best-in-class experience to our employees at every stage of employee life cycle.

Three core facets that distinguish our workplace are:

Trustworthy and inspiring

Keeping channels of communication open, celebrating wins, and inspiring TRUST

Caring

Taking care of employees' aspirations, all-round growth, happiness, and psychological safety

Diverse, equal and inclusive

Creating equal opportunities for all, encouraging diversity, and building an inclusive culture

These facets of HDFC Life culture are carefully woven into all stages of the employee lifecycle, making it a part of the Company's DNA.



Human Capital

Trustworthy and Inspiring Environment

We invoke trust and inspiration among our employees through robust two-way communication and frequent leadership interactions.

The top management reaches out to employees regularly with business updates through initiatives such as CEO Town Hall, department-specific CXO townhall, Strategy Meets, and Off-sites.

The Zonal leadership interacts with employees from every corner of the country through Zonal Business Councils, Regional Business Councils, and branch visits.

Regular focus group discussions, pulse surveys, employee satisfaction surveys, and online employee grievance portals further fortify this culture of approachability where we hear employees' feedback, ideas, and experiences and leverage them to make HDFC Life a better place to work.

Such transparent, free-flowing, and continuous exchange of ideas between the leaders and the employees is the hallmark of our culture.

Caring and Nurturing Organisation

We strongly believe that along with professional aspirations, people aspire to be cared, empathised with, and recognised for their contribution. Accordingly, our talent management and engagement initiatives are designed to fulfil employees' personal and professional requirements.



Meeting Employees' Professional Aspirations

The nurturing culture at HDFC Life ensures employees' aspirations are met through robust career advancement programs such as Internal Job Postings, recommendation-based promotions, and the Potential Review Process.

At the heart of these programs lies transparency and fairness, where employees get promoted based on their performance and potential assessed through unbiased scientific assessments. Leveraging our internal job portal employees can move across the career ladder cross-functionally and pursue careers of their choice. Employees can assess possible career options; fungible growth paths and desired skill sets on an intuitive mobile based Career Microsite.

Developing Future Fit Leadership

For the Company's senior management, the MD & CEO, and

CHRO personally undertake an annual review of their growth potential and developmental needs. The output of these reviews gets aggregated into learning interventions such as workshops, labs, immersions, and 360-degree feedback executed in partnership with prominent consultants and top global business schools.

Successors are groomed over time through broadening of role, cross-functional exposure, opportunities to lead large projects or initiatives, and educational opportunities at premier institutions.

Enabling Productivity and Growth for All

To encourage a learning culture in the Company, we have linked learning to career growth, rewards, and recognition.

Our learning offerings are designed to meet different learning needs as well as inspire a self-learning culture. Digitised, easy to consume modules

are available in multiple formats such as a trainer or peer-led programs, web or mobile-based course equipped with new-age instructional mediums such as gamification and digital simulations.

Creating a new-age and tech-enabled workplace

We are leveraging technology to make our employee interactions simple, easy and effective. Our employee app, MConnect hosts all the information that employees need on day-to-day basis and allows them to raise claims, queries and complaints on the go. They can also manage their leaves, flexi work requests, and several other tasks through this geofenced app.

MLearn - Our new-age, hyper-personalised mobile learning application:

Keeping pace with fast-evolving digitisation, our upgraded mobile learning application, MLearn offers highly contextualised and personalised learning hosted as videos, info graphics, summary cards, and quizzes. The UI of the app matches the contemporary design of other content hosting entertainment apps.

Our Brandon-Hall recognised Step Up program for Frontline and Branch Operations staff has unique offerings that leverage multiple learning platforms - both internal and external - and link learning to promotions. 97% of the talent pool in these cohorts has participated in Step Up setting up a foundation of multi-skilled workforce.

Other programs such as Skill Up and Operations Champion League are unique gamified platforms where



employees compete with each other while demonstrating their knowledge and speed of learning.

To build managerial capabilities, we have programs such as New Manager Boot Camp, Manager Transformation League, and STRIDE - which is a unique learning journey for the High Potential (HIPO) pool.

The life insurance business and related decisions are highly nuanced. Thus, the middle and senior management pool also take part in Business of Life Insurance simulation that develops business decision-making capabilities and helps understand the correlation between business decisions and their impacts.

To leverage internal knowledge and talent capabilities, we have institutionalised a Ted Talks-like platform, "Smart Talks," where employees and leaders come forward to share knowledge and build a network.

Finally, our L&D framework boasts talented and experienced resources to ensure that interventions are customised to specific and unique training needs, maximising impact and efficacy. Besides facilitation, productivity, retention, and engagement have also been included in these trainers' Key Productivity Indicators (KPI), so that they also walk-the-talk through demo and joint calls, net practice, and feedback loops.

MLearn Highlights

1,500
learning assets

Average hours an employee spent
85.72 hours
in training and development

Human Capital



Dealing with Stress? Here Are Some Pro Tips

Stress begins in our minds as a result of pressure and can affect us in several ways through negative thinking, erratic behavior or emotional reactions. In the long term this can have a disruptive effect on our health. Try these useful tips to cope with stress:

- 01 Manage your time effectively**
Save time from being wasted over unimportant tasks.
- 02 Adopt a healthy lifestyle**
Eat a healthy diet, exercise regularly and get adequate sleep.
- 03 Know your limitations and do not take on too much**
Learn to delegate effectively and be assertive.
- 04 Find out what causes you stress**
Discover what is worrying you and try to change your action plan.
- 05 Avoid unnecessary conflict**
Don't be too argumentative, rather look for a resolution.
- 06 Accept the things you cannot change**
Recognize and accept things as they are and stay positive.
- 07 Find time to meet friends**
Friends can ease work troubles and help us see things in a different way.

It is important to build up resilience. People who are resilient are able to withstand considerable difficulty and bounce back from it. Remember to take care of yourself both physically and mentally.

WALKATHON ON IMPACT 'Get Fit. Do Good'

Do you know an interesting fact about Impact???

You can be a Passive Contributor. Hurry!! All the employees who feel they are unable to contribute for a social cause, here is a golden chance.

The Impact application captures your daily steps. So, don't forget to donate your steps every day.

Smallest of the smallest contribution matters. So be a change maker!! Donate your steps now!

The ones who are not yet on Impact..... you still have an opportunity to enroll yourself. To join the cause please get in touch with your BHR.

Join Walkathon now...

Fit by Bit 2.0 Back With a BANG

What's new?

- Focus on holistic well-being and fitness
- Fun challenges that get you moving and grooving
- Team based scorecards to track the fittest regions
- Individualized trackers to see how far you've come!
- Advanced challenges for the fitness fanatics among us!
- Nation wide recognition for the fittest individuals and regions

Employee Engagement and Holistic Wellbeing

Employees are more than just staff for us, and we care for their overall happiness and wellbeing. Not only our employees, but we also hold a sense of responsibility towards their families, who play crucial roles in making an employee successful at work.

Our offerings, such as the Click2Wellness application, FitbyBit challenge, Walkathon, etc., encourage employees to balance health alongside meeting their professional ambitions.

FY 2021-22 highlights

Number of Employees
22,059

106,597
Financial Consultants

Employee Wellbeing during COVID

The unrelenting pandemic led to enormous human suffering and upended our lives. To minimise the pandemic's destructive impact, HDFC Life channeled all its focus on the wellbeing of its employees and their loved ones, fostering a culture of employee care.

The Company announced several COVID-19 support measures to stand in solidarity with its employees and their dependents and help them sail through these difficult times.

Facilities like compassionate employment, benevolence scheme, Doctor-on-call, vaccination support, isolation centres, oxygen concentrators, and COVID squad to aid the families of employees who needed aid were some of our endeavours to live by our pledge to support our employees in times of need.

When we stand together, we can overcome!

HDFC Life COVID squad volunteering framework

National Squad

- Curate covid help resources that applies for all
- Share information with Zonal Squads
- Ensure that the Zonal Squads run efficiently

Zonal Squads

- Curate set of resources that are specific to the zone
- Share information with respective City Squads
- Ensure that the City Squads are running efficiently

City Squads

- Curate set of resources that are city-specific
- Share information in their respective City Squads
- Provide relevant, timely information to the employee who is in emergency

Role of a Squad Volunteer

- Be a part of COVID specific social media groups
- Have quick access to resources / social groups that can be used to get necessary info in case of emergency
- Verify information accessed from these resources/social media groups
- Ensure only verified information is shared to an employee who is in an emergency situation

Employee in COVID Emergency

1. Employee in COVID emergency will reach out to one of the volunteers from their City Squad
2. Volunteer contacted by employee in need / emergency
3. Sends message on his / her City Squad whatsapp group stating the requirements of the employee in emergency / who needs assistance
4. Other Volunteers
5. Dip into their COVID resources, get the necessary information, validate it and then post it back on the Squad group

Verified Response

- Curate the verified information and give it to that employee



In FY 2021-22, we announced:

42

EOYs

1,204

EOQs

6

Adarsh Awardees

4

Swabhimaan Awards

Fun and Family Initiatives

Creating opportunities to allow employees and their families to have fun and interact with other colleagues and their families is an essential part of our employee engagement strategy.

In FY 2021-22, we conducted:

- **Little Strokes:** A painting competition that saw more than 3,900 employees' children participate
- **HDFC Life's Got Talent:** A platform for employees to showcase their talents, be it dancing, performing arts, or music
- **Sparsh:** An annual event for employees and their family members conducted virtually this year
- **Virtual Carnival** to celebrate Christmas with employees' children

Celebration & Appreciation

Our R&R programs not just celebrate high performance but also recognise loyalty, values-based behaviour and contribution to society.

Some of the awards include:

- **Employee of the year (EOY):** To reward extraordinary performers and Values-based conduct by the employees
- **Employee of the quarter (EOQ):** To reward employees who have showcased extraordinary quarterly contributions and walked an extra mile for the Company
- **STAR felicitation:** To recognise top-performing Frontline Staff (FLS)
- **Adarsh Awards:** To recognise values-based contributions and behaviours by employees

- **Swabhimaan Awards:** To recognise employee contributions for a social cause
- **Long Service Award:** A monthly award to recognise long-term HDFC Life employees who complete 5, 10, 15 and 20 years of service
- **Appreciation week:** This week is celebrated to encourage employees to recognise and appreciate their peers using e-cards
- **Customer Experience (CX) Champion:** A platform to recognise team members or stakeholders who have gone beyond their duties to improve customer experience

Human Capital

Our Transparent Performance Management

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

- Frontline sales (FLS) teams and senior management receive detailed performance feedback twice a year to ensure timely course correction of employees on the field and at strategic levels.
- The FLS appraisal framework, called 'STAR - Sales Team Appraisal and Recognition', is based on the scorecard and has no major subjective assessments from the line managers - leaving no room for biases.
- The annual bonus payouts of the senior leadership levels are linked to both individual and organisation performance as measured on a balanced scorecard.

Our Fair & Competitive Compensation Philosophy

HDFC Life is committed to creating and sustaining a high-performance culture through 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 (Variable pay, Salary increment) incentive payouts are linked to individual and business performance. Long-term incentive payout is based on performance and potential.
- **Competitive and market-related pay:** Competitive compensation benchmarked with the market. "Competitive" refers to the market median for experienced employees whose performance "meets" expectations.
- **Integrity and fairness:** All employees are treated fairly, consistently and equitably concerning compensation and benefits, based only on their performance and potential.
- **Transparency:** All employees are provided detailed information about compensation components, including their potential variable pay, salary structure, and appraisal guidelines. Employees can raise queries related to Confirmation, Salary, Medclaim and other areas on e-Sparsh, an online grievance portal or reach out to their local HR team member for assistance.

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

Long-Term Incentive Pay (LTIP):

Several LTIP schemes with a vesting period of two years are formulated to attract the best talent, retain deserving employees and encourage senior employees to contribute to corporate growth over extended periods. LTIP is granted to employees exceeding performance expectations.

Employee Stock Options (ESOP):

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

While the stock option grant process is rigorous, we ensure merit, fairness, and transparency in the decisions by cancelling stock options on a recipient's misconduct or breach of company policies or terms of employment.

Diverse, Equal and Inclusive



Another essential quality that defines HDFC Life is the diverse and inclusive culture that celebrates everyone - the way they are. Our Celebrate YOU brand signifies HDFC Life's approach to giving an equitable platform to all employees to realise their professional dreams while being with HDFC Life.

Our focus on diversity is evident from the variety of the talent pool we hire.

Our talent acquisition and retention programs are designed to attract employees from all spectrums of life irrespective of gender, age, race, religion, creed, national origin or ancestry, physical or mental disability and marital status - we offer opportunities to all. Some of our talent acquisition programs include:

- **Jigyasa:** Our flagship hiring program for graduates from top business schools
- **Techxellence:** An initiative to induct fresh talent from top engineering schools into the HDFC Life Executive Trainee (ET) program
- **#MyJobMyTerms:** Offers gig opportunities to professionals, who desire flexible work, including women. In FY 2021-22, we hired 170 (102 of these are women) such employees in roles that best suited their skillset
- **Punaragaman:** Encourages women especially those from other companies and industries, and on a career/maternity break to return to work through flexible assignments
- **Referrals:** For employees to refer talented candidates for job openings and invite their friends to work

We take pride in being an equal opportunity employer, respecting the diversity of thought, cultures, languages, experiences, and education. In addition, we have a well-defined DEI policy that guides all employees to be inclusive.

Diversity, Equity, and Inclusion (DEI) Council

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 formed a DEI council that is chaired by our MD & CEO. 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 culture.

DEI Policy: Is available on our website <https://www.hdfclife.com/content/dam/hdfclifeinsurancecompany/about-us/pdf/investor-relations/company-policies/diversity-equity-and-inclusion-policy-for-internet/Diversity-Equity-and-Inclusion-Policy-For-Internet.pdf>

Ensuring physical and psychological safety at the workplace

Physical and psychological safety is prerequisites for anyone to perform to their fullest potential. Our carpool facility instituted in 2020 allows employees to offer and get rides from each other through an app. This ensures ease of travel and safety, especially for women colleagues. A drop facility is available for women leaving work post 7 PM to a nearby station, taxi stand, or auto stand.

Average age of employee

32 years

69% of our employees work outside the 4 largest metros

72% of our new hires are from non-metros

Human Capital

Prevention and Redressal of Sexual Harassment at workplace (PRSH)

- We have zero-tolerance for sexual harassment at the workplace, as the HDFC Life PRSH policy corroborates
- An Apex Committee oversees the functioning of the zonal committees. After the closure of reported cases, we proactively connect with complainants after 30 and then 90 days to ensure they are comfortable and continue to feel safe at the workplace
- Online PRSH training is mandatory for all employees. Several PRSH awareness campaigns were run through FY 2021-22 to help employees imbibe the act's principles
- The Whistle Blower policy offers a structured process to report incidents and complaints confidentially
- HR Chatbot, an instant chat solution that gives real-time responses to employee queries

Creating awareness about unconscious biases against women and other diverse talent

We organised several introspective learning interventions for the Top and Senior Management of the Company and the National and the Zonal Councils to raise awareness about unconscious biases. The MD & CEO and other members of the Executive Committee spearheaded this initiative.

The interventions included a 360 degrees feedback, 1:1 feedback with an inclusion coach and an intense workshop.

DON'T JUST REVOLT. REPORT.

Understand your responsibilities as a **Bystander**.



Who is a bystander?

A person who has witnessed sexual harassment first-hand or got to know about it from the victim or from someone who has witnessed it. Bystander plays an important role by supporting an aggrieved person to raise a strong voice against sexual harassment, thus ensuring a safe and secured workplace.

What should you do as a bystander :

- 

Support/Suggest the aggrieved person to report at SH committee Id
- 

Appear before the Internal Committee (IC) as a witness, whenever invited for the inquiry
- 

Be truthful and share all the details / facts / evidences available with Internal Committee (IC)

You can reach out to us at: shcommittee@hdfclife.com

For the rest of the organisation, a mobile learning course has been designed to orient employees toward biases at the workplace.

Empowering our female talent

Women are a critical part of HDFC Life's success story. However,

we understand that women face unique challenges and shoulder a significant share of domestic and child care responsibilities besides managing their careers. Therefore, we have instituted several measures to help them balance work and life commitments.

**Celebrating International Women’s Day
 with the Women Leaders @ HDFC Group**

**Join us for a fireside chat on
 Women in Leadership by two esteemed personalities.**



Renu Sud Karnad
 MD, HDFC Ltd.



Vibha Padalkar
 MD & CEO, HDFC Life

In conversation with

Vibhash Naik
 Head - HR, L&D and Admin, HDFC Life

society every single day, we joyously celebrate Women’s Day in March every year. In 2021, the power-packed celebration of the Women’s Week included the following:

- Our CHRO anchored a talk show with two powerful women from the BFSI industry
- About 1,800 employees joined a talk show, "Be the heroine of your story", featuring an Indian business leader
- Our Chief Medical Officer and a prominent doctor shared tips on women’s health in another talk show.

Ensuring support for LGBTQ employees

We sensitise our employees about the needs of the LGBTQ+ community through panel discussions and fireside chats with eminent speakers. We also support the community through gender-neutral medical insurance policies covering same-sex, LGBTQ or cohabiting partners and surrogacy and gender reassignment. Our dress code policy has been redefined to be more inclusive and considers employees' preferences and identities while maintaining HDFC Life's professional culture and office etiquette. In addition, we are working towards rephrasing our policies, starting with our Code of Conduct, and Terms and Conditions in a gender-neutral language to cover all gender continuums.

Other Initiatives

All male employees, irrespective of tenure, get a fully paid paternity leave in case of childbirth or adoption. Adopting parents, primary or secondary caregivers, are also eligible for applicable leaves.

Maternity Transition Program

HDFC Life provides 26 weeks of fully paid maternity leave. Our Maternity Transition Program assists expectant mothers, their line managers, and the respective Business HR teams in adjusting to this change and facilitating a smooth motherhood journey.

Flexi Work options

Female employees can work in flexible shifts and from the location of their preference. Besides these, we encourage our women employees to avail leaves in case of adoption, surrogacy, or a sabbatical to take a temporary career break.

Building a strong pipeline of female talent

Our women leaders guide and groom junior female employees for bigger responsibilities and increase the share of women in middle

management through Women Mentoring Circles.

Women in leadership at HDFC Life

Gender ratio of 26%, stands testimony to our inclusive, empowering and equitable culture. The share of women in:

- Top Management positions (Senior Vice President and above i.e. two levels below CEO) stands at 15%
- STEM (Science, Technology, Engineering, Mathematics) related positions stands at 25%

We also have women leading critical functions like Actuarial, Business HR, L&D, Taxation, Operations, Underwriting, and Strategic Alliances etc.

Celebrating Women @ HDFC Life

While we cherish women and their contribution to the organisation and



Social and Relationship Capital



We share trust-based enduring relationships built on shared values with our communities, employees, vendors and partners. Their support is critical for us to succeed in creating inclusive and sustainable value for our stakeholders. As we reflect on our yesterdays to reshape our tomorrow and fuel our resurgence, we know that the future of our company is inextricably tied to the continued wellbeing of our stakeholders.



Customers

Our customers are the mainstay of our success. Delivering a seamless customer experience, fulfilling long-term savings, protection and retirement needs of them has helped us build long-lasting relationships and made us an 'Indian insurer of choice'.

Vendors

A robust pan-India vendor network is the lifeline of our operations and supply chain. We have rolled out several automation and digitisation programmes for their easy empanelment with us. A Code of Conduct ensures that they align with our values and sustainability agenda.

Partners

Our business partners expand our reach across the country. Our product offerings, digital platforms and

learning frameworks are designed to empower our partners to grow and enhance our value creation capabilities.

Communities

Building and maintaining positive relations with community members and fostering their holistic development is part of our strategic goals. We undertake several initiatives to broaden financial inclusion and equitable development through our CSR programmes.

Financial Inclusion

Financial inclusion broadens access to affordable and relevant products and services, including life insurance. Our low-cost insurance products are designed to provide financial security to the weakest sections of society. Partnerships with self-help groups and other microfinance

organisations enable us to offer group term insurance that can support the member's family in case of her death.

CSR

The culture of inclusive development permeates our organisational fabric. We have a special focus on three areas - Education & Livelihood, Healthcare & Sanitation and Environmental Sustainability. This year we have successfully executed 26 programs with 25 implementation partners in India. Our CSR policy is aligned with Schedule VII, Section 135 of The Companies Act, 2013.

FY 2021-22

Customer highlights

Claim settlement ratio
 (individual & group)
99.6%

Customer Satisfaction
 Score for March'22
88.9

Persistency ratio
 (13th month) **92%**
 (Including single premium
 and fully paid up policies)

COVID claims (net)
₹ 818 crore,
Count 15,293

CSR Numbers

Number of lives covered
5.4 crore

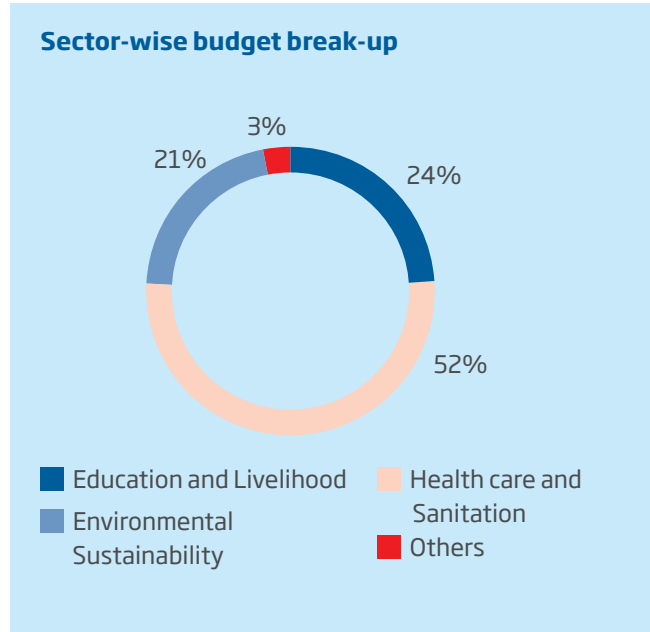
Rural sector
1,89,147

Social sector
1,00,87,909

MFI lives covered under CP
3,14,55,858

States and UT's Covered
23

Sustainable Development
 Goals covered **12**



CSR Spends
₹ 17.4 crore

CSR beneficiaries*
4.6 lakh

*CSR beneficiaries include 1.60 lakh beneficiaries impacted in completed projects and 3.07 lakh beneficiaries from on-going projects



Learning Center, Rajasamand, Rajasthan, India

Social and Relationship Capital

Swabhimaan - The culture of giving

Our CSR initiatives are undertaken under the umbrella programme of 'Swabhimaan'. These initiatives empower people across age-groups to move from a vicious cycle of disadvantage to a virtuous cycle of opportunity.

Education and Livelihood

Our interventions aim to improve learning outcomes for underprivileged children and encourage them to complete their schooling. Our implementation partners have introduced modern teaching methods and digital interventions, to create a

stimulating learning environment and experience for students from low-income families. Our initiatives include:

Learning Centres: To prepare young girls for formal schooling and enhance teacher capabilities.

Financial Support: Provided to boarding school, housing 600 children from the Mushahar community, one of the most backward in the country.

Scholarships: To make quality education a reality for deserving underprivileged students.

Tinkering Lab: To foster innovation amongst underserved students.

Education for All: To provide fee subsidies and living expenses for higher education to students without one or both parents. The programme also offers career and psycho-social counselling, extra-curricular activities to build up confidence in the students.

Project Evolution: Connected classrooms with smartboards or K-YAN, interactive scientific and educational multimedia content to encourage students to experiment and develop concept simulations.

Financial Literacy: Classroom training and mass awareness sessions to improve financial literacy across Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand and Uttarakhand.

Swabhimaan FY 2021-22 Highlights

1,548

Girl children integrated into formal schooling

803

Graduate students received training for work readiness along with placement support

500

students actively engaged in the tinkering lab

90

orphans in 23 locations across 16 states supported under the Education for All initiative

13,513

children from 30 school in Maharashtra and Gujarat are benefiting from Project Evolution

340

underprivileged children provided with digital equipment in Hyderabad

200

students in Delhi schools benefited from improved learning outcomes resulting from a Teacher Fellowship programme

55,651

benefited from digital and classroom financial literacy trainings

Youth Employability - HDFC Life 'Campus to Corporate Careers' programme trained 800 young final year graduates in Mumbai to enhance their employability. Students were coached on soft skills, interpersonal relations, communications and professional writing. More than 400 of these students secured jobs in corporate companies. Our programme to mainstream the hearing impaired supported the education and vocational training of 200 adolescents and youth in Jaipur.

Healthcare and Sanitation

HDFC Life aims to improve the quality of life for the vulnerable and economically marginalised sections of society through paediatric healthcare, accessible sanitation and wholesome nutrition.

Paediatric healthcare

We have supported several paediatric interventions implemented by our partners throughout the year. These include:

- Save Little Hearts: A programme to help children from economically challenged backgrounds suffering from congenital heart defects (CHD) in Tamil Nadu.

Home Away from Home

Hygienic, protective and caring housing facilities for children undergoing cancer treatment in Mumbai and Chennai. We also support facilities to house cancer-stricken children through hospitals in Chennai, Puducherry and Kolkata.

'Ponseti' treatments

Support for treatments to correct clubfoot conditions of children

Healthy Baby Wealthy Nation

Healthy Baby Wealthy Nation: An initiative that aims to eradicate hunger and malnutrition through nutrition, prenatal and antenatal care awareness campaigns run in West Bengal.

Elderly care and support programme

We provided 678 senior citizens with monthly ration, personal care kits, nutritional supplements like protein, etc. We conducted cataract surgeries for 1,500 elderly people from low-income groups in Bihar and Uttar Pradesh.

'Health Cannot Wait'

A preventive health care programme where mobile clinics are delivering various solutions to 6,420 beneficiaries.

Polyclinic camps

E-clinics delivered preventive healthcare to 6,317 people, and regular polyclinic camps treated more than 2,945 people providing timely and affordable access to diagnostic services and medicines in rural Uttar Pradesh, Madhya Pradesh, Bihar, and Jharkhand. Health awareness sessions on preventive healthcare have reached 7,032 people in these regions.

Sanitation

Contribution of ₹ 12.27 Lakh to the Swachh Bharat Kosh to promote sanitation. Our 'One home-One toilet' programme is aimed at reaching 110 families living in slums in Thane, near Mumbai.

We are providing 2.5 Lakh healthy meals to needy communities in Mumbai.

We extended support to 134 Veer Naris or War Widows and provided necessary utilities for the specially-abled children at Asha Schools run by the Armed Forces.

Social and Relationship Capital



Subhashree Tudu was first identified as a red category child weighing only 5.5 kgs. Her mother, Talakuri Tudu, had an early marriage and is a mother of two. Her husband is a daily wage earner and has a meagre family income. Talakuri was taught to prepare homemade chattu with rice, pulses, and nuts to feed Subhashree, resulting in the child overcoming malnutrition in a year and a half. Talakuri was also encouraged to create a kitchen garden and grow pumpkins. The produce fed her family and the excess was sold in the local market to add to their income.

36 screening camps and **97** corrective surgeries were performed under the Save Little Hearts programme

1,741 children supported through hospitals and **60** children have spent **4,010** nights at our Home Away from Homes

3,246 children treated for clubfoot across central and eastern India. **1,115** new beneficiaries added. **3,862** children availed follow-on screening for Ponsetti Treatment

1,41,202 households, **39,557** children and **6,157** expectant mothers benefited from the Healthy Baby Wealthy Nation initiatives conducted by **300** trained Swasthya Sevikas

Environmental sustainability

We undertake several initiatives to reduce our carbon footprint through rationalising consumption, increasing the use of environment-friendly technology and responsibly sourced energy. Our interventions are focussed on four key areas:



City Forests Establishment



Bio-diversity Restoration



Water Body Rejuvenation



Solar Energy Integration

City Forests Establishment

City or urban forests produce oxygen, reduce carbon dioxide and improve urban air quality. We have developed multiple city forests using the Akira Miyawaki method based on the concept of 'potential natural vegetation' and 'native forest by native trees'. In this method, the main tree species are planted along

with their companion species from the area's natural vegetation.

Since FY 2018-19, we have set up 27 city forests across multiple locations in and around Mumbai, Thane, Aurangabad, Nashik, and Jalna, Maharashtra, covering 1.2 lakh sq. ft. with 51,000 saplings belonging to as many as 150 native species.

Trees for Himalayan Biodiversity at Pangolakha Wildlife Sanctuary

Under our 'Trees of Himalayan Biodiversity' project, we planted 34,000 trees around the Pangolakha Wildlife Sanctuary in East Sikkim. This region in the Himalayas is rich in biodiversity which also offers rural community ways to

earn a living. Large scale planting of trees provides employment to the community and offers a safe habitat for local flora and fauna. Today, Sikkim faces conservation challenges due to excessive use of forest yield for fuel and fodder leading to increased human-wildlife conflicts. Mass tourism in forested areas and an outbreak of weeds and invasive species have added to the environmental challenges. This imbalance has triggered flooding, landslides and soil erosion affecting both humans and wildlife.

Currently, the plantation created under this project indirectly benefits more than a hundred households in the vicinity. When fully developed, these plantations will help generate livelihoods for the local community and potentially mitigate climate disasters.

Bamboo Forest

Under Project Green Gold, we planted a bamboo forest with 6,000 saplings spread across 14 acres, the hills of Balkapra Jawahar in the district of

Pangolakha Wildlife Sanctuary plantation is slated to eventually absorb about 680,000 kgs of carbon dioxide from the atmosphere and provide the villagers with Non-Timber Forests Produce (NTFP) on maturity.

Palghar. Bamboo absorbs high levels of CO₂, prevents soil depletion, reduces soil temperature, prevents water loss during monsoons, and raises the water bed of the surrounding area. The saplings will generate usable bamboo for 25 years, starting from the fifth year of planting.

Under backward integration for the project, 450 vanvaasis have been trained in the bamboo craft. This forest will eventually help them source bamboo at an affordable price to make and sell products. We have also planted around 9,000 bamboo saplings under tree plantation drives during the last two years to act as a natural fence for the plantation.

Spreading the Use of Cleaner Energy

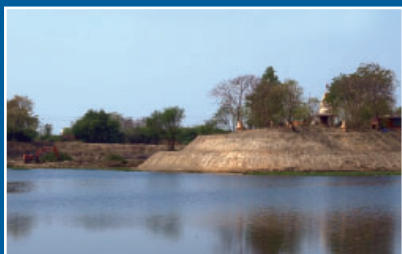
India is looking at reducing the consumption of fossil fuels by

harnessing the sun's power to mitigate the impacts of climate change. In line with the country's vision, HDFC Life has set up a solar electrification project, 'Schools on Solar', at the B.A.F. Petit Girl's High School, Mumbai and Dr. Babasaheb Ambedkar Tribal Residential School, Shirole, Thane. Over the 25-year lifespan of this project, the total installation of 71.41 kWp across the two schools is likely to generate 99,974 units of electricity annually and 22,73,503 units cumulatively benefiting approximately 5,643 students and staff. The installations will help offset 1,819 MTCO₂e of carbon emissions with savings of about ₹ 2.72 crore.

The project also educates students and faculty on climate change and responsible energy consumption to save health and livelihoods.



Social and Relationship Capital



Restoration of Water Bodies

The unplanned growth of our cities and towns, coupled with rapid urbanisation, has put our inland water bodies under much stress in recent decades. These reservoirs and lakes are polluted by untreated effluents or municipal sewage. Since water bodies are vital for the environment and economy, a decrease in their quality and quantity is detrimental to our future.

One of our recent initiatives has been to restore the Bhadreti lake, spread over 14 acres near Sanand city, Ahmedabad. Measures taken to restore the ecological balance of the area and the lake to its past glory included:

- Removal of invasive weeds along with the solid and liquid waste
- Dredging or desilting to increase the water holding capacity of the water body
- Strengthening the bunds on the lake periphery
- Reintroducing native species that would support and balance the region's ecology

The project has increased the restoration capacity by 24% and can recharge groundwater up to 72,00,000 litres over the years. This landmark project will benefit 7,000 residents directly and 20,000 indirectly.

SWABHIMAAN AGENT OF GOOD INITIATIVE

As key stakeholders of a responsible organisation, our people and partners believe in doing good and contributing to the equitable development of society. The HDFC Life Swabhimaan Agent of Good initiative encourages our employees and partners to undertake small selfless acts that take less time and effort to create societal impact collectively. The Swabhimaan Agent of Good (AOG) programme brings to life our brand vision of 'Sar Utha Ke Jiyo' or 'Live with your head held high'.

An AOG can undertake activities aligned to five broad categories -

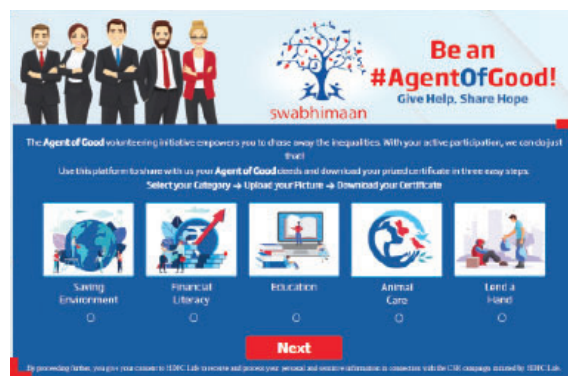
Saving the Environment

Spreading Financial Literacy

Education

Animal Care

Lend-a-Hand



<https://swabhimaan-agent-of-good.com/>

Feedback from Students



Shrutika Ma'am from HDFC Life conducted my session on call. It was a wonderful experience. Soon I will be entering work life and she guided me on my education and career path. We spoke about corporate work culture and its requirements. She even told me if I needed any further help, I can connect with her any time again.

- Vanshika Pardeshi,

Mentee (Implementation partner - TNS India Foundation)



My session was conducted on video call by Lasil Dias Sir. We interacted more than one hour and he guided me on various things. He spoke about his work-life experiences. He also explained to me how to talk in groups and communicate with people. He was very kind and his inputs will help me in the future!

-Yash Bavaskar,

Mentee (Implementation partner - Yuva Unstoppable)



Sangeeta Ma'am from HDFC Life had taken my session about financial literacy. She told me the importance of banking and finances overall. She's very friendly and I enjoyed talking to her.

- Prajakta Bhosale,

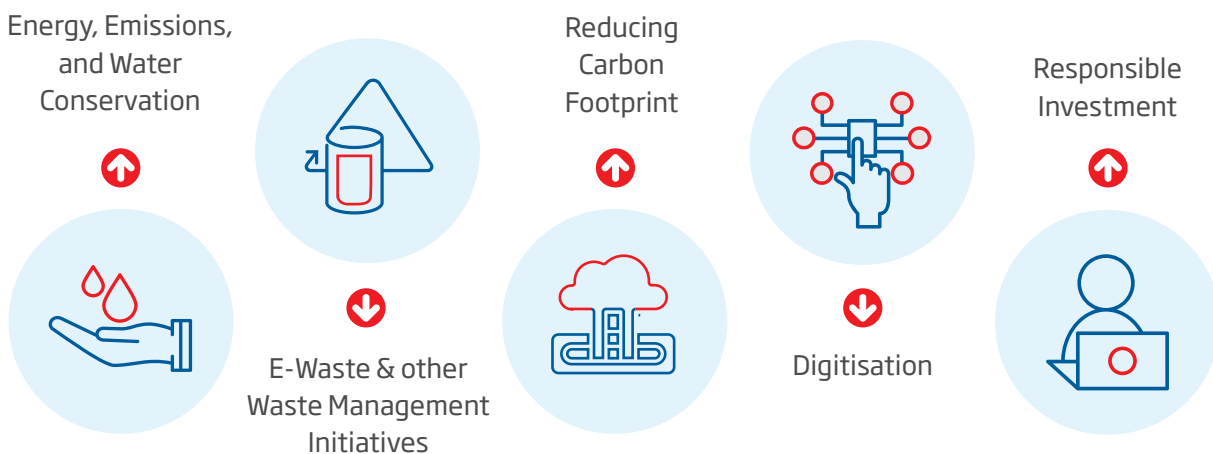
Mentee (Implementation partner - Yuva Unstoppable)

Natural Capital



Our planet’s rich biodiversity is essential to humanity’s survival and continued well-being. As a business committed to sustainable growth, we know that our activities draw on nature’s bounty in many ways. Therefore, we must consume natural resources responsibly, reduce and mitigate associated environmental impact and contribute to containing climate change. As one of India’s leading insurance companies, we have set our sights on being carbon neutral across our operations and redefining the path for others to follow. We are developing a robust and comprehensive internal framework to track and measure our carbon footprint.

Although we have some ground to cover in terms of setting net-zero target, we have undertaken several initiatives to help us deliver on our carbon neutrality ambitions:



Natural Capital

Energy, emissions and water conservation

As part of our strategy to combat climate change and reduce greenhouse gas emissions (GHG), we are undertaking measures to monitor and reduce our overall and per capita energy consumption and emissions and conserve water. These include:

- Since 2014, only 3 star and above-rated ACs purchased, used and regular maintenance carried out to ensure their efficiency
- Replacement of Tube/CFL lights with LED lights (94% of branches currently use LED lighting)
- Total purchase of energy from renewable sources: 2,39,788 kWh during FY 2021-22
- Implementation of switch rooms across branches resulting in reduced air-conditioning usage (both in running hours and temperature settings) and saving electricity costs
- Replacement of Uninterruptible Power Supply UPS with new energy-efficient devices; leading to energy efficiency and savings
- Purifiers were installed to replace bottled drinking water. 25 new water purifiers installed in FY 2021-22
- Sensor-based taps at the corporate office and other select office locations to avoid water wastage

Electronic and other waste management initiatives

The growing volumes of electronic waste (e-waste) generated globally have become a significant contributor to environmental damage. Our constant endeavour is to reduce the amount of e-waste generated across

our operations and contain the associated harmful impacts.

- E-waste recycling and disposal through government-certified waste disposal agencies in line with the E-Waste (Management) Rules, 2016. 25.8 tonnes of e-waste recycled/refurbished/disposed in FY 2021-22
- Other waste management initiatives include the usage of biodegradable garbage bags, reusable plates, cutlery, and wooden stirrers, among others. 301.5 Kg of paper cups & paper disposed for recycling FY 2021-22

Reducing carbon footprint

We undertake initiatives to reduce the carbon footprint associated with our operations. To this end, we have:

- In FY 2021-22, we have planted 69,603 trees in total under two CSR initiatives (Plantation of 34,000 trees under our Trees of Himalayan Bio-diversity project in and around Pangolakha Wildlife Sanctuary situated in the East district of Sikkim and the creation of 11 city forests with almost 35,603 saplings, covering about 93,250 sq. ft. of area in multiple locations around Mumbai, Nashik, Jalna, and Aurangabad)
- Total 11 forests created out of these 10 were using Miyawaki method
- The forests are home to up to 103 different native species

Digitisation

We are increasing the digitisation of our operations to improve

efficiencies, customer experience and reduce carbon footprint. We are:

- Reducing paper usage through the introduction of e-forms for customers and moving to online documentation as well as introduction of e-business cards and e-id cards for employees
- Configuring printers with default double-side printing
- Encourage our policyholders to opt for Dematerialised (Demat) or an online copy of their policy document. Currently, Demat accounts for 38% of insurance policies issued.

Responsible Investment

Our major exposure to ESG risks (including climate-related risks) is through our investment portfolio.

We have a Responsible Investment (RI) framework, which acts as screening criteria for our investment decisions. The RI framework consists of a set of qualitative and quantitative indicators which enable us to analyse the ESG performance of the investee companies. The framework applies to all major asset classes, including equity and bonds and is available on our website.

We have launched a 'Sustainable Equity Fund' giving an option to mandate investment in ESG focussed companies which also enables us cater to the needs of ESG conscious customers, along with furthering our ESG goals.

Outlook

Globally and in India, life expectancy has increased given the advances in medical science. There is increasing reference to Human Life Value (HLV) which takes into account the present value of all future income that needs to be earned for an individual to support their dependents in case of their demise. This is based on their current income, expenses, savings and liabilities. As an outcome of the growing popularity of HLV, life insurance has emerged as a key financial instrument to protect one's family and secure long-term financial goals. At HDFC Life, we are well prepared to tap this growing opportunity and serve customer needs efficiently.

Customers are increasingly choosing digital channels to engage, transact, decide, and act in a connected world. Our timely investments in technology-enabled operations facilitated a smooth transition of traditional touch-points to digital modes early on. During the pandemic, they helped us adapt to remote and hybrid modes of operations to keep our customers, employees and partners safe and minimise business impact.

We are well poised to build a sustainable business by capitalising on multi-decade opportunities of protection, retirement and savings powered by our pervasive and responsive digital footprint.

Long-term savings: India has traditionally been a savings led economy. We expect this trend to sustain over the medium-to-long term. The pandemic heightened awareness of the importance of long-term wealth creation and the need for higher insurance cover, leading to further diversification in the savings segment. This has resulted in private life insurers relooking at their portfolio to balance the share of unit-linked products and increase the share of traditional plans. Given the evolving macro-environment, we expect the long-term savings segment to grow in the coming fiscal year.



Protection: We believe that protection in India is a multi-decade opportunity, given the level of under-penetration and protection gap. We anticipate a calibrated growth trajectory in this segment over the next five years or more. A combination of new products bundled with technology solutions, offered to customers through retail, group and hybrid platforms, will help us tap this growing market. Additionally, we continue to refine our underwriting practices to deploy new technologies such as deep learning underwriting models and engage with our reinsurance partners to offer relevant protection solutions to our customers.

Retirement: Changing demographics, increase in life expectancy and limited social security makes financial security post retirement a key focus area for customers in India. We offer long-term income and annuity solutions to generate post retirement income streams for our customers in line with their long-term objectives and risk appetite. Our pension subsidiary offers solutions under the National Pension System (NPS). We expect the growth momentum to continue for this segment for the foreseeable future. We plan to expand sources of new business and our product portfolio while adopting appropriate risk management measures.



Sar utha ke jiyo!

Registered Office

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Tel. : 022-6751 6666 | Fax : 022-6751 6861 | CIN : L65110MH2000PLC128245

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