

ESG at a Glance

5 Pillars of ESG



ESG Score Highlight: HDFC Life scored **49 (79 percentile)** in the **2022 S&P Global Corporate Sustainability Assessment** reflecting an improvement of **35 points (and 33 percentile)** over the last 3 years

Ethical Conduct & Governance

Leadership Oversight on ESG

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

Governance Structure

Board Composition

- **Five** Independent Directors
- **Three** Non-Executive Non-Independent Directors

Board Diversity

- **30%** women directors on Board

Remuneration Policy

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



Risk Management

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

Ethical Conduct & Governance (contd.)

Information / Cybersecurity

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

Policies and Frameworks

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

Responsible Investment

Responsible Investment Policy



Objective

To generate optimal risk adjusted returns over the long term



RI framework

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

Asset classes covered under RI

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

Responsible Investment Governance

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

Sustainable Equity Fund

What is Sustainable Equity fund & why invest in it?

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

Exclusion criteria included in the RI Policy

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

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

Bolstering commitment towards Responsible Investment

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



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Employee Engagement & Diversity, Equity and Inclusion (DEI)



Special Recognition

- Ranked **10th** amongst India's best companies to work for 2023
- Best workplaces for Women 2022** – Great Place to Work Institute
- Best Organizations for Women 2023** – Economic Times
- Brandon Hall Excellence Awards 2022** – Gold award for 'Best use of Mobile Learning'

Attracting talent

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

Training & development

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



Employee engagement

- Emotional and well being assistance** program for employees and their families
- Doctor on Call:** Unlimited free consultation
- E-Sparsh:** Online query & grievance platform
- Family integration programs
- Platform for employee engagement: CEO Speaks, HDFC Life Got Talent, e-appreciation cards
- In-house fitness and wellness app** - Click2Wellness
- Leaders and expert sessions to create awareness on various topics of inclusion

Talent management/retention

- Special programs for campus hires; Talent development** interventions for leadership
- Career microsite, job portal**
- Internal Career Fair** for employees
- Long term incentive plans in the form of **ESOPs¹** and cash to attract, retain and motivate good talent
- Elaborate **succession planning** for Key Managerial Personnel, critical senior roles
- Managers Transformation League – Leadership development program for middle management
- New Manager Boot Camp – Development program for First Time Managers

Employee diversity, equity & inclusion

- 'Celebrate You' programme ingrains DEI philosophy across policies, communication, leadership development and workforce culture
- 26.3% **women** employees
- Launched Employee Resource Groups (**ERGs**) - Women in insurance, Life of Pride and Happiness at work to create a more inclusive workplace
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled) - #MyJobMyRules
- Launched official DEI page on our website highlighting various initiatives
- Gender transition surgery** covered under mediclaim policy



Gender neutral

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



Employee Satisfaction Score (ESAT) – **86%**

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1. ESOPs: Employee Stock Options

Holistic Living: Delivering superior customer experience

Customer Centricity

Journey simplification – frictionless sales and service

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

Online claim processing for eligible customers via EasyClaims platform

Document simplification & elimination

OCR: Enabling digital document submission and verification

Straight through processing of maturity payouts for verified accounts

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

Cognitive bots – policy queries answered within 2-3 clicks

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

Contactless services- new normal

Digital Life Certificate for collecting survival proof from senior citizens

Contactless branches by leveraging face recognition technology

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

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

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

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1. OCR: Optical Character Recognition

Sustainable Operations

Energy and water



- Since 2014 only **3 or 5 star rating** air – conditioners used
- > 95% of branches use total **LED lightings**
- Use of **sensor based** urinals and water taps
- Total purchase of energy from **renewable** sources: **530.8 MWh**
- **28** new **water purifiers** installed since FY 2021-22 to replace bottled drinking water

Policies and other disclosures

- Board approved **Environment and Climate Change Policy**
- Climate-related performance disclosed in accordance with the **TCFD** (Taskforce on Climate-related Financial Disclosures) framework

Digitization - Reduction of Paper Usage

- Introduction of **E-business cards & ID cards**
- Online /**e-forms** for customers
- Annual report FY20, FY21 and FY22 digitally communicated
- **Demat** i.e. digital policy accounts for 30.5% of our new business

Bio-diversity



- Since 2018-19, **34** city forests covering **8 lakh sq.ft.** and **81,890** saplings have been created

GHG inventory

- Scope 1 emissions: **877.5** tCO₂e
- Scope 2 emissions: **11,161.7** tCO₂e
- Scope 3 emissions: **2,954.8** tCO₂e

Waste management



Waste recycled / disposed (in tonnes)

- **E-waste** – **9.6**
- **Paper waste** – **7.1**
- **Plastic waste** – **1.1**
- **No single-use plastics**
 - Bio-degradable garbage bags
 - Cafeteria with reusable plates, cutlery, wooden stirrers etc.
 - Procurement of plastic water bottles discontinued at Pan-India locations

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