

Price Waterhouse Chartered Accountants LLP

Independent practitioner's limited assurance report on Identified Sustainability Indicators in HDFC Life Insurance Company Limited's Integrated Annual Report

To the Board of Directors of HDFC Life Insurance Company Limited

We have undertaken to perform a limited assurance engagement for HDFC Life Insurance Company Limited (the 'Company') vide our Engagement Letter dated May 31, 2023 in respect of the agreed indicators listed below (the "Identified Sustainability Indicators"). These indicators are as included in the Integrated Annual Report of the Company for the year ended March 31, 2023 (the Integrated Annual Report').

Identified Sustainability Indicators

The Identified Sustainability Indicators for the year ended March 31, 2023 are summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the year ended March 31, 2023 information only (unless otherwise stated) and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Annual Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare Identified Sustainability Indicators are internally defined criteria by the management of the Company as set out under Appendix 1 to this report (the 'Criteria').

Management's Responsibility

The Company's Management is responsible for identification of key aspects of the Integrated Annual Report, engagement with stakeholders, content and presentation of the Integrated Annual Report in accordance with the Criteria mentioned above. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report and measurement of Identified Sustainability Indicators, which are free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial indicators allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 8th Floor, Tower - B, DLF Cyber City, Gurugram - 122 002
T: +91 (124) 4620000, F: +91 (124) 4620620

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

Our firm applies International Standard on Quality Management 1 [Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Service Engagements], and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed below, we:

- Obtained an understanding of the Identified Sustainability Indicators and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Indicators.
- Made enquiries of Company's Management, including those responsible for Sustainability, Environment Social Governance (ESG), Corporate Social Responsibility (CSR), Information Technology team etc., and those with responsibility for managing the Company's Integrated Annual Report.
- Obtained an understanding and performed an evaluation of the design of the key systems, processes and controls for managing, recording and reporting on the Identified Sustainability Indicators including at the corporate head office visited. Further, for select identified Sustainability Indicators, in addition to obtaining an understanding and performing evaluation of certain Information Technology General Controls (ITGC), operating effectiveness of the ITGCs were also tested.
- Based on the above understanding and the risks that the Identified Sustainability Indicators may be materially misstated, determined the nature, timing and extent of further procedures
- Checked the consolidation for various branch offices and corporate head office under the reporting boundary (as mentioned in the Integrated Annual Report) for ensuring the completeness of data being reported.
- Performed limited substantive testing on a sample basis of the Identified Sustainability Indicators at corporate head office to verify that data had been appropriately measured with underlying documents recorded, collated and reported. This included assessing records and performing testing including recalculation of sample data



- Assessed the level of adherence to the internally defined criteria by the management of the Company, followed in preparing the Identified Sustainability Indicators in the Integrated Annual Report.
- Assessed the Integrated Annual Report for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report on performance with respect to Identified Sustainability Indicators and relevant source data/information.
- Obtained representations from Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Testing the operating effectiveness of management systems and controls for all the controls
- Performing any procedures over other information/operations of the company/aspects of the report and data (qualitative or quantitative) included in the Integrated Annual Report not agreed under our engagement letter/ Scope of Assurance
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Indicators included in the Integrated Annual Report for the year ended March 31, 2023 are not prepared, in all material respects, in accordance with the criteria.

Restriction on Use

Our limited assurance report, including the conclusion, has been prepared and addressed to the Board of Directors of the HDFC Life Insurance Company Limited at the request of the Company solely to assist the Company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016



Heman Sabharwal
Partner
Membership Number: 093263
UDIN: 23093263BGWPNH7274

Place: Gurugram
Date: June 27, 2023

Appendix 1

Identified Sustainability Indicators

| S. No. | Indicator | Criteria for Reporting |
|--------|--|--|
| 1 | Corporate Social Responsibility - Number of beneficiaries | Number of beneficiaries (people) reported by NGOs funded by HDFC Life, reached through CSR program for projects completed during the year covering areas – healthcare & sanitation, education & livelihood training and environment & sustainability, etc. |
| 2 | Electricity consumption - Non-renewable - Renewable | Electricity consumption from renewable and non – renewable sources |
| 3 | Electricity usage per head | Electricity consumption divided by FTE as of March 31, 2023 |
| 4 | Waste Recycled/ Disposed - Electronic waste - Paper waste - Plastic waste | Waste recycled/ disposed during the year: - Electronic waste - Paper waste - Plastic waste |
| 5 | FTE breakdown - Gender (Male & Female) - Age-group (<30, 30-50, >50) | Bifurcation of FTE between below categories: - Gender (Male & Female) - Age-group (<30, 30-50, >50) |
| 6 | Women in workforce category- wise - as a percentage of the total FTE - as a percentage of each management level position (i.e., junior, middle, senior & top) - in STEM (Science, Technology, Engineering, and Mathematics) related positions as a percentage of total STEM related positions | Women in workforce category- wise: - as a percentage of the total FTE - as a percentage of each management level position (i.e., junior, middle, senior & top) - in STEM (Science, Technology, Engineering, and Mathematics) related positions as a percentage of total STEM related positions The management has defined the STEM departments depending on the functions carried out under each department. |
| 7 | New employee hires breakdown - Gender (Male & Female) - Function-wise (Sales & Non-sales) - Age-group (<30, 30-50, >50) - Internal hires and external hires | Bifurcation of new employee hired during the year between below categories: - Gender (Male & Female) - Function-wise (Sales & Non-sales) - Age-group (<30, 30-50, >50) - Internal hires (employees hired through reference of existing employees) - External hires – Total new hires less internal hires |
| 8 | Turnover Rate for permanent employees | Number of employees exited during the year divided by average of FTE at the beginning and at the end of the year |
| 9 | Learning & Development - Average hours per FTE - Average hours per FTE at the management level (junior, middle & senior) | Bifurcation of Learning hours during the year between below categories: - Average hours per FTE - Average hours per FTE at the management level (junior, middle & senior) |



| S. No. | Indicator | Criteria for Reporting |
|--------|---|--|
| | - Average hours per FTE gender-wise (male & female) | - Average hours per FTE gender-wise (male & female) |
| 10 | Number of new insurance policies issued through DEMAT during the FY 2022-23 | Number of new insurance policies issued in DEMAT form during the year |
| 11 | Number of financial consultants hired during the FY 2022-23 | Number of financial consultants (i.e., insurance agents) hired during the year |
| 12 | Number of Branches at the end of the FY 2022-23 | Number of active Branches (physical and digital) as at the end of the year |
| 13 | Number of new insurance products launched during the FY 2022-23 | Number of new insurance products launched during the year |
| 14 | Total number of lives covered through insurance policies | Total number of lives covered through life insurance policies as on March 31, 2023. This includes individuals covered through individual policies as well as group policies. |
| 15 | Users on Life99 portal - Number of new user registrations - Monthly active users - Number of National Pension Scheme (NPS) accounts opened | Life99 is a digital platform which provides customers with multiple options and resources, which helps them plan early for a post retirement life. The platform consolidates retirement-focused offerings into a single platform. The enrollment under Life99 portal during the year to be reported as follows: - Number of new user (policyholder/customer) registrations - Monthly active users - Number of NPS accounts opened |
| 16 | InstaQuote - Total number of quotes (policy requests) | InstaQuote is an application used by the Company for offline premium calculation on mobile devices. - Total number of quotes (policy requests) |
| 17 | InstaPRL - Unique agents with license onboarded during the year | InstaPRL is a platform to onboard prospective financial consultants (agents) - Unique- agents with license onboarded during the year through InstaPRL platform |
| 18 | InstA (Virtual Assistant) - Number of queries handled by InstA (Virtual Assistant) | InstA is a virtual assistant that utilizes Artificial Intelligence/ Machine Learning technology to provide instant and accurate responses for product, process and systems related inquiries. - Number of queries handled by InstA (Virtual Assistant) |
| 19 | Life AI Bot (Elle and Etty) - Total number of monthly unique users for the year | LifeAI offers a suite of chatbot services or conversational chatbots for the servicing of existing HDFC Life customers such as Elle and Etty |



| S. No. | Indicator | Criteria for Reporting |
|--------|--|---|
| | <ul style="list-style-type: none"> - Accuracy of the Bot in responding to the end user queries (in Percentage) - Total interaction/ queries answered | <ul style="list-style-type: none"> - Total number of monthly unique users for the year - Accuracy of the Bot in responding to the end user queries (in Percentage) - Total interaction/ queries answered by the bot (in millions) |
| 20 | InstaServ - Number of service requests closed on InstaServ | InstaServ is a mobility-based policy servicing interface which eliminates dependency on branch infrastructure i.e., desktops, intranet etc. and gives a paperless experience to customers. It provides Instant Paperless service request processing over branch transactions. - Number of service requests closed on InstaServ |
| 21 | Number of (customer) queries answered by NLP Bots | NLP (Natural Language Processing) bot is configured in the tool named Jupyter for capturing the number of queries requested from the end customers through six different channels namely: Website, WhatsApp, Facebook, Twitter, Google Assistant and Avatar. The bot records each user query as a successful one once the same is submitted from the user's end through any of the above mentioned six channels. The bot underwent an upgrade in January 2023. Accordingly, the numbers are for the period April 2022 to December 2022 - Number of (customer) queries answered by NLP Bots |
| 22 | Active users (users who have logged in at least once) for the months of March 2023 on Customer360 platform | Customer 360 is a platform which helps call centre/ branch/ CRM to answer user queries related to policy, maturity, annuity, renewal, revival and claims. - Active users (users who have logged in at least once) for the month of March 2023 on Customer360 platform |
| 23 | Number of Vchecks (Video Checks) Interactions Experienced | DigiVPC is a platform used for collecting the data of the customers by performing video checks in the form of face recognition and relevant tests for facial and video recognitions. The application underwent an upgrade in January 2023. Accordingly, the numbers are for the period April 2022 to December 2022 - Number of Vchecks (Video Checks) Interactions Experienced through Digi VPC |
| 24 | Number of Records Processed by Document Classifier | Document Classifier is an automated backend solution which captures the number of document records which are automatically processed after the uploading of the same from the agents' end. This tool keeps a record of the daily count of documentation which are automatically processed. - Number of Records (Insurance policies) Processed by Document Classifier |



| S. No. | Indicator | Criteria for Reporting |
|--------|--|---|
| 25 | Number of E-mails processed by SPOK E-mail Bot | SPOK email bot is configured for capturing the number of emails processed by the bot automatically to the end users. - Number of E-mails processed by SPOK E-mail Bot |
| 26 | InstaInsure platform - Number of user Journeys initiated on InstaInsure portal - Number of applications submitted - Number of policies issued | InstaInsure is a platform for onboarding of customers who are eligible for pre-approved offer & issuance through internal as well as partner channels. - Number of user Journeys initiated on InstaInsure - Number of applications submitted on InstaInsure - Number of policies issued on InstaInsure |
| 27 | Easy Claims - Number of insurance claims processed | Easy Claims is a platform for providing a claim journey for policyholders & claimants in a fast-track manner. - Number of insurance claims processed through Easy Claims |
| 28 | InstaVerify - Total number of Non-Assisted Physical Check Video Check (NAPCVC) initiated through Insta Verify - Total number of Physical Check Video Check (PCVC) conducted through Insta Verify | NAPCVC is a non-assisted journey performed by the policy holders directly in the absence of any assistance from the agents. It is a web-based portal accessed directly by the policy holders and all the checks are being directly performed by the policy holders under the guidance of workflow based program. InstaVerify is a mobile application used to process the PCVC requirements of the potential policy holders through in-person assistance of the agents. - Total number of NAPCVC initiated through Insta Verify - Total number of PCVC conducted through Insta Verify |
| 29 | Insta FR - Number of customer applications submitted | InstaFR is a mobile application platform which is used for submission of customer documents. - Number of customer applications submitted through Insta FR |
| 30 | POSP - Number of quotes generated by POSP | POSP (Point of Sales Person) is a virtual assistant that utilizes Artificial Intelligence/ Machine Learning technology to provide POSP and accurate responses around simplified lean journey for POSP agents. - Number of quotes generated by POSP |
| 31 | Customer Satisfaction Score | Customer Satisfaction Score is calculated taking into consideration the number of users who responded to the customer satisfaction survey and gave a score on a scale of 1 to 5, with 5 being best and 1 being worst. No. of customers who have given a score of '4' and '5' are considered as satisfied customers and |



| S. No. | Indicator | Criteria for Reporting |
|--------|--|---|
| | | considered as numerator for the score calculation, with number of users who submitted the survey considered as denominator. |
| 32 | Organic website traffic generated (Direct and Organic Traffic for Company's website reflected in Google Analytics Dashboard) | <p>The Company monitors its website traffic using the Google Analytics dashboard. For this particular KPI the organic as well as direct website traffic has been considered.</p> <p>- Organic website traffic generated</p> |

