ESG at a Glance

5 Pillars of ESG

- Ethical Conduct & Governance
- Responsible Investment
- Diversity, Equity and Inclusion (DE&I)
- Holistic Living
- Sustainable Operations

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

- 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
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)
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
- In-house fitness and wellness app - Click2Wellness
- Leaders and expert sessions to create awareness on various topics of inclusion

**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
- **Document simplification & elimination**
- **Contactless services** - new normal
- **Leveraging advanced technologies for personalization and better customer experience (CX)**

**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%

- **Online claim processing** for eligible customers via EasyClaims platform
- **Straight through processing** of maturity payouts for verified accounts
- **OCR**: Enabling digital document submission and verification
- **Simplifying buying journeys through platforms** like LifeEasy (online term purchase)
- **Cognitive bots** – policy queries answered within 2-3 clicks
- **Personalization** – Pre-approved sum assured for customers based on risk profile
- **Digital Life Certificate** for collecting survival proof from senior citizens
- **Contactless branches** by leveraging face recognition technology

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

**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

**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

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

**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

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

**Actuarial**
- Financial
- ESG