An Overview of our ESG Journey
Our ESG approach

Our Purpose
To provide a financial safety-net to individuals

Our Vision
To be the most successful and admired life insurance company, which means that we are the most trusted Company, the easiest to deal with, offer the best value for money and set the standards in the industry. “The most obvious choice for all”.

Our ESG Statement
We are committed to industry leading ESG standards that help in building a sustainable future

Multi-year ESG Roadmap

Phase-wise approach of incorporating ESG elements in our day-to-day business
Our ESG Strategy

5 pillars of ESG Strategy

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

- Governance Structure & Philosophy
- Business Ethics & Policies
1. As on 30th September, 2021
2. PRSH: Prevention of Sexual Harassment
3. BRR: Business Responsibility Report
4. AML: Anti Money Laundering
- Responsible Investment
- Sustainable Equity Fund
- Risk Management
Responsible Investment

**RI 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**

**Sustainable Equity Fund**

**What is Sustainable Equity fund?**
This fund shall seek to generate returns from investing in companies with high ESG standards and commensurate score

**Why sustainable investing?**
To create value for all stakeholders with lower risks & generate sustainable long-term returns

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1. To be launched with Click2Wealth Plan in December 2021
Risk Management

Risk Management and Mitigation

- **Risk oversight** by Board of Directors; Review in multiple management forums
- **Enterprise Risk Management (ERM) framework** Three Lines of Defense approach
- **Maintaining Balance Sheet Strength** Over 98% of the debt investments are made in Government bonds and AAA rated securities

- **Risk awareness** Through trainings, e-mailers, seminars, conferences, quizzes and special awareness drives
- **Sensitivity analysis and Stress testing at regular intervals**
- **Business Continuity Management (BCM)** Creation of recovery plan for critical business activities

Other Risks & Mitigation

- **Information/cyber security**
  - ISO 27001:2013 and ISMS assessment program;
  - Data Privacy Policy
- **Cyber insurance** To cover for the cost of expenses incurred due to security breaches/losses
- **Fraud risk management**
  - Values program;
  - Disciplinary Panel for Malpractices; Fraud monitoring initiatives
- **Identification of emerging risks**
  - Economic, technology, societal/health, regulatory, geo-political environmental

- **Maintaining Balance Sheet Strength**
  - Over 98% of the debt investments are made in Government bonds and AAA rated securities

- **Business Continuity Management (BCM)**
  - Creation of recovery plan for critical business activities
Diversity, Equity and Inclusion

- Diversity, Equity and Inclusion
- Employee Engagement
Employee Engagement

Employee diversity, equity & inclusion
- Promoting **DEI ally ship**: communication, strengthening policies, aligning workforce
- 26% women employees
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled) - #MyJobMyRules
- LGBTQ+ friendly organisation
- CHRO conferred with **Avtar’s Male Ally Legacy Award 2021** for boosting women representation

Employee engagement
- **Emotional and mental well being assistance** program for employees and their families
- **Doctor on Call**: Unlimited free consultation
- **E-Sparsh**: Online query & grievance platform
- Platform for **employee engagement**: HDFC Life Got Talent, e-appreciation cards

Capability development
- **Mobile learning** app for self-paced learning
- **Training for all** including employees, contractors, channel partners
- **Skill Up**: Curated online training programs from reputed universities
Diversity, Equity and Inclusion

HDFC Life’s Diversity & Inclusion Journey
Here’s an opportunity to learn about how HDFC Life is taking steps to be Diverse and Inclusive. Be part of the D&I journey.

Together, let’s Bridge the Gap!
Religion - Color - Age - Race - Gender - Differently Abled - Sexual Orientation

Parenthood is about Love, not Gender!
HDFC Life’s Adoption Leave Policy is now more inclusive!

You have the power to define your identity
In line with efforts to create a more inclusive workplace, HDFC Life is proud to introduce the Gender Reassignment Policy.

Pride, not Prejudice
We can help you!
We have launched an exclusive mail id for LGBTQ+ related counseling

Do you feel isolated because you cannot share your thoughts and aspirations with anyone?
You are not alone!
We are here if you need us!

New Mother and A Project Coordinator

After my daughter’s birth, I had to give up my career. She is my priority now!

Thanks to HDFC Life’s Punarāgaman Program, I can now relaunch my career.
Fulfilling our Corporate Social Responsibility

Inclusive Growth

Customer Centricity

Holistic Living
Holistic Living: Corporate Social Responsibility/Inclusive Growth

Our CSR Focus
HDFC Life Swabhimaan strives to build sustainability in everything we do, but not limited to:

- Education and Livelihood
- Environmental Sustainability
- Healthcare and Sanitation
- COVID-19 Response

The Swabhimaan Impact

2.3 lakh+ Beneficiaries
19 Implementation Partners
22 Projects
24 States, 3 Union Territories

Social Sector Lives

<table>
<thead>
<tr>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
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<tr>
<td>26%</td>
<td>29%</td>
<td>24%</td>
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Social lives as % of total group lives

Required % or no. of lives as per the regulations: 5%

% lives covered in last 3 years: 27%

No. of lives covered via micro insurance products: 1.1 cr as on Sep 30, 2021

“SUSTAINABLE DEVELOPMENT GOALS”
Support 10 out of the 17 UN SDGs

Higher CSR spend v/s regulatory requirement over last 3 FYs: 43%
Higher CSR spend v/s regulatory requirement in FY21: 28%
Holistic Living: Customer Centricity

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

1. OCR: Optical Character Recognition
Sustainable Operations

- Energy, Emissions, and Water Conservation
- Digitisation
- Reducing Carbon Footprint – Biodiversity conservation
- E-Waste and other Waste Management Initiatives
Sustainable Operations

**Energy and water**
- Use of 3/5 star rated appliances
- 69% of branches use LED based lighting system
- Use of sensor based urinals and water taps
- Implementation of switch rooms across branches resulting in reduced air-conditioning usage
- Replacement of Uninterruptible Power Supply (UPS) with new energy efficient devices

**Digitization – Reduction of Paper Usage**
- Online /e-forms for customers
- Annual report FY21 digitally communicated
- Demat or dematerialized i.e. digital policy accounts 43.9% of our new business

**Bio-diversity**
- 20 city forests created using Miyawaki method; 50 different native species
- Expansion to support solar on schools and water rejuvenation

**Business travel**
- 40+ video conferencing rooms setup to reduce travel

**Waste management**
- 310 Kgs of e-waste recycled/refurbished/disposed in FY21
- Donated old IT assets to help under-privileged sections of the society
- No single-use plastics
  - Bio-degradable garbage bags
  - Cafeteria with reusable plates, cutlery, wooden stirrers etc.
ESG Engagement and Way Forward
External Validation and Disclosures

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

• **MSCI** rating improved from ‘BB’ in October 2019 to ‘BBB’ in August 2020

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

• **Integrated report** and **ESG Report** published in 2021
Way forward

- Deepen our focus on environment – understand and track carbon footprint
- Strengthen our investment strategy
- Go beyond CSR obligation and inculcate a culture of giving back to society
- Augment employee health and mental well-being programs
- Continue on our journey to simplify insurance buying, servicing – enhance customer experience
Thank you